INFORMATION ABOUT THE COURSE

CURSE TITLE: STRUCTURED PRODUCTS

COURSE CODE: M5.7  CREDIT POINTS (ECTS): 2

COURSE LEADER: Monika Wieczorek-Kosmala PhD
TEACHING STAFF: Monika Wieczorek-Kosmala PhD

DIRECT CONTACT HOURS: 15

DURATION: ONE semester
SEMESTER OF DELIVERY: Summer

FACULTY: Finance & Insurance

LEVEL OF THE MODULE: Master: Quantitative Asset and Risk Management ARIMA

PREREQUISITIES
Obligatory: Students should have a basic working knowledge of financial markets and financial institutions
Recommended: no

OBJECTIVES:
- to present various aspects of the functioning of structured products
- to discuss the current forms of structured products on international markets
- to give practical feeling of the methods of constructing structured products and its use both from investor and issuer perspective
- to discuss the market of structured products in Poland (volume of the market and types of structures commonly traded)

TEACHING AND LEARNING METHOD:

<table>
<thead>
<tr>
<th>No</th>
<th>Teaching method</th>
<th>Description</th>
<th>Hours (45’)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>formal teaching</td>
<td>formal lecture with theoretical aspects of the problem</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>work in groups</td>
<td>discussion of practical methods of constructing structured products</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>work in groups</td>
<td>group presentations related to the problems of the functioning of structured products in Poland</td>
<td>3</td>
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<tr>
<td>4</td>
<td>practice exercises</td>
<td>computation of the elements of working structures of SPs</td>
<td>2</td>
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<tr>
<td></td>
<td>SUM</td>
<td></td>
<td>15</td>
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<table>
<thead>
<tr>
<th>No</th>
<th>Learning method</th>
<th>Description</th>
<th>Hours (45’)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>individual literature studies</td>
<td>researching and reading</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>case studies</td>
<td>group work on case studies solution and preparation of the results (as a presentation)</td>
<td>15</td>
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<tr>
<td>3</td>
<td>SUM</td>
<td></td>
<td>35</td>
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CONTENTS:

1. Structured products – definition and reasons for issuing (the features of structured products, construction, basic types of)
2. Structured products in Poland (types of, the volume of the market)
3. The process of structured products’ issuance – corporate point of view, main strategies, examples of corporate SPs, SPs based on interest rates, derivatives, exchange rates (in this study of FRNs and FRAs)
4. Strategies of building investment portfolio with SPs – the context of risk management, risk transformation, risk of the issuer vs risk of the investor

LEARNING OUTCOMES:

After completing the course a student might be able:
- to define structured products
- to distinguish the types of structured products and to define their basic premises
- to analyze the profit margin of various types of structured products
- to compare structured products with regard to the possible gain
- to implement structured products in risk management strategies
- to assess the risk accompanying the structured products

ASSESSMENT METHOD:

<table>
<thead>
<tr>
<th>No</th>
<th>Assessment method</th>
<th>Description</th>
<th>Weighting (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>case study</td>
<td>solving problems within group</td>
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<tr>
<td>2</td>
<td>test</td>
<td>multiple choice test</td>
<td>50%</td>
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CORE READING


INDICATIVE LITERATURE


LANGUAGE: English