



RTU Course "Financial Innovations"

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General data

Code	IEU523
Course title	Financial Innovations
Course status in the programme	Compulsory/Courses of Limited Choice
Course level	Post-graduate Studies
Course type	Academic
Field of study	Business Management and Administration
Responsible instructor	Natalija Lāce
Academic staff	Tālis Laizāns
Volume of the course: parts and credits points	1 part, 4.0 Credit Points, 6.0 ECTS credits
Language of instruction	LV, EN
Annotation	The main issues such as: essence of financial innovations; prerequisites of generations of financial innovations; new financial products; financial engineering solutions, instruments, and techniques; changes in financial institution practices are discussed.
Goals and objectives of the course in terms of competences and skills	The subject provides an insight into financial innovation, its role in entrepreneurship and in the financial sector development. The task of the subject is to provide students with the knowledge on the application of financial innovations and the related risks, and to show different opportunities of financial management, using innovative financial instruments and solutions.
Structure and tasks of independent studies	16 practical works.
Recommended literature	1. Risk And Financial Catastrophe / E.Banks - Palgrave Macmillan, 2009. 2. Handbook Of Asset and Liability Management / S.A.Zenios, W.T.Ziemba - North-Holland, 2007.
Course prerequisites	Computers, mathematics.

Course outline

Theme	Hours
Introduction: The core and kinds of a financial innovation.	2
Globalization of financial markets, its influence on emerging markets.	2
Financial innovation and institutions.	4
Financial innovation and financial mathematics. Basic principles. Calculations and models.	4
Cash flow, the financial innovation's opportunities in cash flow optimization.	2
Interest rates and financial derivatives.	1
Swap contracts.	1
Repurchase agreements (REPO). The core and strategy.	1
Option deals.	2
Credit derivatives.	1
Mortgage securities and innovation.	2
Venture capital.	5
Reorganization of capital companies.	5
Practical work	32

Learning outcomes and assessment

Learning outcomes	Assessment methods
Be able to evaluate and apply different financial solutions, analyze and compare financial instruments for risk reduction.	Practical work and exam.
Be able to classify possible solutions, financial instruments and factors influencing decision making.	Practical work and exam.
Be able to put knowledge to use in the entrepreneurship and in the decision making process.	Practical work and exam.

Study subject structure

Part	CP	Hours per Week			Tests		
		Lectures	Practical	Lab.	Test	Exam	Work
1.	4.0	2.0	2.0	0.0		*	