**Questions — Financial Markets**

1. Give definition of a financial market. Types of financial markets and financial institutions. Structure of financial market and its integral parts. Financial intermediaries and their role in financial markets
2. Analysis of financial markets. Functions and constituents of financial markets. Role of financial markets for countries’ economy, as well as in accumulation of capital and production funding. Financial market efficiency
3. Types and classification of securities. Shares vs. bonds: their types, fundamental features of each, benefits and drawbacks. What are the rights of preferred stock holders? Relationship between the value of shares and a registered capital and assets of the company
4. Define and characterize separately money, FOREX, stock, capital, derivatives and commodity markets
5. Give a definition of forward and futures contract, options and swaps
6. Explain fixed-income securities
7. Provide definition of securitization. Key elements
8. OTC market as opposed to exchange one
9. What is hedging? Elucidate its role
10. Derivatives: classification, scalability and application area
11. Currency and stock exchanges: role, functions, distinctions
12. Capital Asset Pricing Model (CAPM). Formula and assumptions
13. Dividends: definition, bottom line and key features. Dividend yield: definition and formula. Yield to maturity. Core and main features of dividend policy. Detail raising capital
14. Lenders vs. borrowers as financial market participants. Give breakdown of each in relation to financial market
15. Net present value (NPV). Common pitfalls, virtues and shortcomings of NPV. Internal rate of return (IRR) of financial instruments. Payback period of investments
16. Difference between put and call options
17. Insurance and hedging compared
18. FOREX, financial, commodity, equity and market risks
19. Securitization of financial assets: international practices and perspectives. Asset-backed and mortgage-backed security
20. Current position, structure and development trends of modern financial market
21. Key development problems of CIS countries’ financial markets and solution techniques
22. Risk management and hedging tools and techniques employed by financial market players
23. How the valuation of stock is performed? How the duration of bond is measured and what distinguishes it from yield to maturity?
24. Differences of swap from other derivatives. Exchange and OTC trading
25. Investment bank: definition, organizational structure, functions and requirements to their business activity
26. Structured finance: definition, main peculiarities and applicability in market
27. Provide classification of risks. Be sure to explicate all of them
28. Key problems of securities and derivatives market development in CIS countries
29. Rating agencies and their approach and techniques of bonds and borrowers’ ratings
30. Risk management in portfolio management