

**Chovancová B.,  
Jankovská, A.,  
Kotlebová, J.,  
Štúr, B.:**

**The Financial  
Market  
– Instruments,  
transactions,  
institutions**

**2nd Modified Edition,  
Eurounion, spol. s. r. o.,  
Bratislava 2002**

*An attribute of every market economy is the financial market. There exists a mutual interaction between the financial market and the economy. On the one hand the quality and efficiency in the functioning of the financial market is the reflection of the success or otherwise of the economy, and on the other side of functioning financial market directly influences the economy's development.*

The Financial Market is a place where there occurs the meeting of the supply of relatively free financial resources with the demand for these resources. This means that on the financial market there occurs a transfer of funds from those subjects that have a relative surplus (savings), to those subjects which have a relative shortage (these use the funds as an investment).

Already from this outlined very simplified definition of the financial market it can be seen that this issue has a very wide scope, since it touches upon macro-economic phenomena and processes, their various levels, as well as micro-economic processes with the direct impact on individual subjects in the national economy. For these reasons the authors faced the demanding task of writing a textbook that gives readers an integrated view of the theoretical and practical problems of the financial market, with an emphasis on the latest scientific information from this field, incorporating the specifics of reform processes and legislative changes that are being implemented in the conditions of the Slovak Republic.

We feel that the authors, university lecturers of many years experience, have succeeded in this fulfilling this task in the full extent. The result is a textbook which is a contribution to economic theory in the field of financial markets and in no way lags behind textbooks of even the most famous economists.

The book is divided into six parts, each with a separate theme and where the logic of the writing progresses from the general to the specific, while preserving the mutual connections and links.

The author of the first two units is B. Chovancová, with the sub-chapter The International Interbank Market having been written by J. Kotlebová.

In the first unit, entitled The Financial Market and Investing, the author gives an integrated view of the issue of the financial markets, the financial system, types of financial markets, where she outlines also the formation of the bases for the financial market in Slovakia. The author gradually analyses piece-by-piece securities, their development, types, stock issues through to the stock market and financial market supervision. The next part of this unit is devoted to the investor, who invests his funds with the aim of their valorisation, in other words achieving the greatest yield. In connection to this there are in the publication analysed the actors influencing interest rates, risk, liquidity, and criteria of the rate of return. The second unit deals with the theme – money market, forms, instruments – defining the essence of so-called short money and its conveyors. It deals in detail with the discount market,

bills and trades in these, deposit certificates, dealing and the risks connected with these.

The third unit is focused on the forex market. The author is A. Jankovská. This part corresponds to the overall aim of the textbook, giving an integrated view on the issue explored. The reader has the possibility to familiarise himself with the instruments of the foreign exchange market, as well as with the issue of quoting foreign exchange rates and with the various types of deals on the foreign currency markets. The fourth unit is the Capital Market. This is the most extensive part of the textbook. The author is B. Chovancová, who deals in detail with the individual instruments of the capital market, their valuation, rate of return, rating. The issue is supplemented by innovations in the global bond markets.

Especially attention is given to analyses, theories and the strategies of stock markets.

The fifth unit is entitled The Derivatives Market. The authors of individual parts are – The Essence of Derivatives, A. Jankovská – Forwards and Swaps, J. Kotlebová – The History of Derivatives and Financial Futures and B. Štúr – Options. This part of the work is thematically connected with the overall focus of the textbook. Its aim was to describe their essence, the ways of valuing and the possibilities of their use in practice.

Non-Bank Intermediaries – the title of the last units of the book. The author is B. Chovancová. This part comprises fund management companies and their funds, pension funds and the stock exchange as the apex substitution of the capital market.

The translated textbook is written at a high theoretical and professional level, and importantly in particular for students and the lay public in this field, is written in a very accessible style. It is transparent, logical and easily readable. The text is suitably supplemented by tables, charts and graphs. At the end of each unit are formulated questions and problems on the given field and where appropriate in terms of methodology examples are given for practising the given issue. The glossary of terms also raises the book's quality.

After the contents page the book gives a comprehensive overview of the topic of the financial markets on the basis of the latest theoretical knowledge of the given field in the world and with its application to the conditions of the Slovak Republic. It will certainly be of great value to both university students as well as for practicing professionals and for everyone interested in the issue of the theory and practice of the financial markets.

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