ENGLISH FOR
ACCOUNTING & AUDITING

Masters (2)

Course for Master students in Accounting and Auditing

AIB Asma
(Assistant Professor)

asma.aib@univ-msila.dz

Chapter 2
FINANCIAL MARKETS

> **Defining financial markets**

Financial markets refer broadly to any marketplace where the trading of securities occurs.

Financial Markets include any place or system that provides buyers and sellers the means to trade financial instruments, including bonds, equities, the various international currencies, and derivatives.

Financial markets facilitate the interaction between those who need capital with those who have capital to invest.

> **The kind of financial markets**

There are many kinds of financial markets, including (but not limited to):

- **Stock market**

Stock markets are considered the most widespread financial markets. Stock markets are markets where companies list their shares, which

are bought and sold by traders and investors. Stock markets, or equities markets, are used by companies to raise capital and by investors to search for returns.

- **Bond market**

A bond is a security in which an investor loans money for a defined period at a pre-established interest rate. The bond is considered an agreement between the lender and borrower containing the loan's details and its payments. The bond market is also called the debt, credit, or fixed-income market.

- **Money market**

The money markets trade in products with highly liquid short-term maturities (less than one year) and are characterized by a high degree of safety and a relatively lower interest return than other markets.