



Kolegji AAB

FACULTY OF ECONOMICS

MARKETING AND BUSINESS MANAGEMENT

MASTER THESIS

THEME:

SHARES AND THEIR MARKETS

Mentor:

Prof. Dr. Jusuf Zeqiri

Candidate:

Bekim Lumi

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INTRODUCTION

The interest of public opinion on the shares was born years ago, when the law allowed enterprises a new type of property relationship, that of the responsible companies. If then, it had only remained at the formal legal level, it is now a widespread privatization, which means that the concept of shares and joint stock companies is becoming more and more important for every person.

The action is a securities note, which is a testimony to the investment of a certain portion of equity or assets in a joint stock company, which provides the right to receive a share of its dividend profit. Unlike the bondholders, who are corporate creditors or joint stock companies, the shareholders are its owners. This gives them the opportunity to take part in voting for the election on the board of the company's directors and the allocation of future revenues, if it is determined to distribute in shares.

Under the law on shareholder's rights and the statutes of joint stock companies, the shares are issued in equal amounts of share capital and rounded amounts (for example, 100, 50, 25, 10, 5 \$). Based on the nature of their ownership, the shares are divided into registered shares and held shares, the first cases are usually released in high amounts, the second sometimes even at small amounts. Therefore, Anglo-American law and practice made the issuance of small and very small monetary holdings (up to \$ 1 and 1 cents). Meanwhile in many other countries (even at us?) law and practice, usually, the minimum stock value has been limited to 100.

The topic, which will be treated in this work, in our opinion is extremely current and of interest for the present moment, as the securities market is developing in a very dynamic way and has become an inseparable part of the financial market, namely capital market and money market. In addition, bonds play a major role for the economies of the respective countries, as most of the securities are one of the ways of financing investment. For securities issuers are important, as they stimulate the development of production, while for the holders, their role is manifested in profit-making.

CONCLUSION

Our work is just the part over the water of the great iceberg called the world of securities and stock. But this iceberg for Kosovo is still very under water only a small peak, because we do not yet have a securities market or a stable stock market. This has been our main problem in drafting this paper. Another problem was the lack of literature and other relevant regulatory instruments for the stock market and the securities market. According to our knowledge, this paper is among the first, if not the first, to address the Kosovo securities market problem. In conclusion, we want to emphasize a concrete example. The recent bankruptcy of one of the oldest banks in England BARINGS (founded in 1762, the chief guardian of British elite money, including the queen herself) shook the world's financial markets. Bankruptcy of one of the strongest banks will have an impact on stock markets in developing countries not only for a short-term period but also in the coming decades.

One can ask the question: what would this say, for example, about Kosovo? Kosovo may also be attributed the title of the developing country, so the failure of a large bank in developing countries could affect the reduction of foreign investment for their economy, in Kosovo as well, especially in the values of funds.

For existence in a developed market of securities market we need components, such as demand, offer, participant, market infrastructure (commercial banks, market scholarships, investment institutes), as well as systems of self-regulation and regulation. All components have been structured almost entirely in 1994. A decisive role in the formation of the securities market has been strengthened by the privatization and the shareholding of the state-owned companies - the joint stock companies have become key players in this market.

By completing our work, we can draw the following conclusions:

- The securities market is the market in which securities are presented as commodities. The main function of the securities market involves the mobilization of the financial resources of the company with the aim of organizing and expanding the economic activity. In the securities market's structure, we distinguish the money market and the capital market, the primary and secondary market. Based on the character of issuers, the securities market is divided into the market of government securities or non-government securities. The

market of valuable government securities plays an important role in regulating the economic situation in the country;

- The fictitious capital associated with the presentation of the capital of the loan. Fictitious capital arises as a result of the purchase of securities, which offer the opportunity to earn certain income (percentage of capital). As an initial form of fictitious capital in the period of "free competition", they served the state bonds;
- Independent movements of fictitious capital in the market cause rapid decline of market value from the balanced one, increasing the difference between the real value of the material resources and their fixed value presented in securities;
- There is a need for engagement for the establishment of the scholarship with all documentation, mechanisms and relevant instruments, which will in fact be structural reforms towards the Kosovo market economy;
- For the licensing, supervision and control of the business of the scholarship, the Kosovo Parliament should adopt a special law which establishes advice on securities, authorizing it to supervise and control the stock exchange;
- It is extremely important to work on capacity building by providing professional training for analysts and finance specialists, who will work in the stock market;
- To achieve better results and increase investment, marketing strategies need to be developed, which should be intense. People need to be informed that if someone wants to invest, there is no need for much money and this is the key and most important information for potential investors in Kosovo;

We are aware that the topic we have chosen for our diploma work is a little researched, complex and "problematic", but I also hope that it can serve as a modest contribution to this field for further studies and news in the future.