



## Alternative Finance

### Presentation

Alternative finance refers to all channels and instruments that make it possible to bypass the traditional financing channels (banks and financial markets) to achieve the same results. There are three main categories of alternative instruments: payment instruments, which utilize innovative techniques to lower transaction costs; funding instruments, which make it possible to expand the supply of loanable funds to lower the cost of financing; and funding instruments, which involve changing project governance towards achieving societal goals. For example, the first category of instruments includes mobile payment applications and e-currency; the second category includes equity investments, issuance of tokens, and crowd-funding; and the third category includes Islamic finance, green finance, social impact funds, cooperatives, etc. The seminar presents the instruments, risks, expected macroeconomic effects, and appropriate regulations.

### Recommended Prerequisite(s)

Basic knowledge of financial instruments (loans, bonds, shares) and financial mathematics (discounting, capitalisation, calculation of actuarial rates).

### In brief

**Number of hours** : 18.0

**Teaching activity** : Seminar

**Year** : Fifth year

**Validation** : Continuous assessment

### Contacts

#### Responsible(s)

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## Bibliography

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- Douady R., Goulet C., Pradier P.C., *Financial Regulation in the EU*, Palgrave, 2017.
- Groll T., O'Halloran S., *Ten Years after the Crash*, Columbia University Press, 2019.
- *Finance, entreprise et long terme*, Annales des Mines, Novembre 2019.
- *Vers la fin du cash*, Annales des Mines, Novembre 2017.

## Formule pédagogique

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The seminar revolves around a dialogue between the participants. As it is not possible to study all the alternative instruments in-depth, the case studies, and the approach (micro or macro) are chosen according to the students' interests. Each session alternates a presentation on the case studies proposed by the participants, financial calculation exercises to enable students to understand and internalize how instruments and computer tools work, and, when necessary, more in-depth explanations.