

Trading with stocks at Prague stock exchange

Summary

This diploma thesis trading with stocks at Prague Stock Exchange provides a basic overview of the trading process and related matters. In the first chapter of the thesis I deal with the theoretical definition and division of the financial market and its position in financial system with a focus on its functions. This definition of the financial market is not done in context of legislation, but according to general theories.

The second part of the thesis deals with stocks, when is gradually passed from the conception of stock as a security under the Civil Code, through the specification of their forms and types according to the Act on Business Corporation, to the share as an investment security pursuant to the Act on Business on Capital market.

In the third part of the thesis is Prague Stock Exchange described as a organizer of a regulated market. This section is primarily based on authentic sources as information available in the Registrar of Companies, Collection of Documents or from stock exchange rules. An important part is dedicated to the concept of Prague Stock Exchange as an administrative authority, where the guidelines are described in detail, and based on them it can be determined, that stock exchange is an administrative authority, even though it itself refuses this position by formulating stock exchange rules and by interacting with issuers and stock market members in specific way.

Further, the fourth chapter of the thesis describes the process of trading from the first stock offer on the primary market, where a big attention is dedicated to the stock prospectus, to trading with previously issued stocks during the exchange day.

The last, fifth, chapter of the thesis, deals with the legal regulation of individual subjects, which participate in trading of shares at Prague Stock Exchange. First of all, there are described in detail all essential that subjects have to meet in order to participate in the trading and the obligations that they have to fulfill on purpose to successfully supervise above them.

Key words: Financial market, Stocks, Trading, Prague stock exchange, Regulation