

## **RESUMÉ:**

### **The role of security instruments in the capital market in the CR during financial crisis**

The first part of this thesis is about financial crisis which started in the U.S.A. in 2009. The cause of this situation started in 2007. This year the property prices started to fall in the tens of percents between 2007 and 2008. The hypothecary crises evolved into the credit crises in 2008. The banks stopped the offers for the interbanking monetary market and they saved their own liquidity position. I would like to identify the main reasons of this development like the applied expansion monetary policy in the U.S.A.:

- 1)      loose credit process
- 2)      CDO and CDS
- 3)      policies of Fannie Mae and Freddie Mac etc.
- 4)      non recourse mortgages

In the second part I focus on the Czech capital market and its domestic primary and secondary legislation. There is a description of the primary and secondary market, the differences between the regulatory and free market, the division of instruments by the main standards.

Third part of this work engages in the instruments traded on the Czech capital market like shares, obligations, bills of exchanges, checks and the primary legislation.

The next part describes the main security instruments used on the domestic capital market like forward rate agreement, futures, options and their primary and secondary legislation including trading rules. I divided the division of derivatives by the most important standpoints, the principles of functioning of FRA, futures and option. I identify the futures traded on the Prague Stock Exchange and their development in the comparison with the prices of stocks and index and their volatility. A great part is about the basic sell and put option strategy, the condition of the option contract and the

position of seller and buyer of option contract in accordance with the price of underlying asset. I wrote about the main factors influencing the price of option contract.

Next, I wrote shortly about the risk of investment and a division of risk.

In the end of my thesis I tried to find the advantages of security of option strategy for the time of the financial crisis and to identify the trends in the field of the security instruments.