Allievi Program, Master in Economics, and Ph.D. in Economics

FINANCIAL ECONOMICS
Spring 2023

Instructor: Roberto Marfè

Contact Information
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Office Hours: Drop by, or send me an email and we set up an appointment

Outline: This course reviews the main methodological tools and the main research topics in equilibrium asset pricing. That is models that try to understand financial markets behavior in light of the economic activity. The first part of the course covers the foundations of asset pricing. The second part critically analyzes the leading asset pricing models. All topics are studied in static, discrete-time dynamic, and continuous-time dynamic frameworks.

Grading: There will be student presentations and a final exam.

Topics:

1. Stochastic processes for financial markets [Chs. 2-3]
2. State prices [Ch. 4]
3. Consumption and portfolio decisions of individuals [Chs. 5-6]
4. Equilibrium [Ch. 7]
5. Consumption-based asset pricing models [Chs. 8]
6. Advanced consumption-based asset pricing models [Chs. 9]
   If time permits:
7. Factor models [Ch. 10]
8. Term structure of interest rates [Ch. 11]
9. Risk-adjusted probabilities [Ch. 12]
10. Derivative pricing [Ch. 13]
Additional readings:


