

Course Descriptions Exchange 2014-2015

Course Title	Asset Pricing							
Course Code	EBC4208							
ECTS Credits	6,5							
Assessment	None							
Period	Period	Start	End	Mon	Tue	Wed	Thu	Fri
	1	1-9-2014	24-10-2014		X		X	
Level	Advanced							
Coordinator	Peter Schotman For more information:p.schotman@maastrichtuniversity.nl							
Language of instruction	English							
Goals	Students learn to apply mathematical tools to model value financial assets and assess risk.							
Description	<p>Asset Pricing deals with the valuation of financial securities. Most of this course follows the textbook Asset Pricing by John Cochrane. The main topic of the book is valuation of any kind of financial instrument within the unified framework of stochastic discount factors. The first, and largest, part of the course covers part I of the book and deals with many of the standard theory tools in asset pricing. This part of the course introduces concepts like the stochastic discount factor, no-arbitrage, factor pricing models, complete markets, equilibrium asset pricing, beta-pricing models, risk neutral valuation, contingent claims, mean-variance analysis, intertemporal asset pricing, conditional asset pricing, spanning, Hansen-Jagannathan bounds.</p> <p>The second part of the course follows part III of the book and deals specifically with the valuation principles for derivative securities like options and fixed income instruments. This part applies the stochastic discount factor techniques in continuous time models. The final part of the course considers applications in recent research papers.</p>							
Literature	Asset Pricing by John Cochrane, revised first edition, Princeton University Press, 2005.							
Prerequisites	Strong quantitative background.							
Teaching methods	PBL / Presentation / Lecture / Assignment							
Assessment methods	Final Paper / Attendance / Participation							
Evaluation in previous academic year	For the complete evaluation of this course please click http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM							
This course belongs to the following programme / specialisation	Master Economic and Financial Research Track				Econometrics, Finance & Monetary Economics			
	Econometrics							
	Master Economic and Financial Research				Econometrics, Finance & Monetary Economics			
	SBE Exchange Master				Master Exchange Courses			
	SBE Non Degree Courses				Master Courses			