Course Descriptions Master 2016-2017

Course Title	Asset Pricing
Course Code	EBC4208
ECTS Credits	6,5
Assessment	Whole/Half Grades
Period	

Period	Start	End	Mon	Tue	Wed	Thu	Fri
1	5-9-2016	28-10-2016		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 the valuation of financial assets and assess risk.
Description	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. 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.
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 Econometrics and OR	Econometrics
Master Economic and Financial Research Track Econometrics	Econometrics, Finance & Monetary Economics
Master Economic and Financial Research	Econometrics, Finance & Monetary Economics