Course Descriptions None 2025-2026

Course Title	Equilibrium Theory and Financial Markets
Course Code	EBC4009
ECTS Credits	6,5
Assessment	Whole/Half Grades

Period

Period	Start	End	Mon	Tue	Wed	Thu	Fri
5	13-4-2026	5-6-2026	X		X		

Level	Advanced
Coordinator	Arkadi Predtetchinski, Anna Zseleva For more information:a.predtetchinski@maastrichtuniversity.nl; anna.zseleva@maastrichtuniversity.nl
Language of instruction	English
Goals	Learn about the notion of competition in a setting with many households, firms, and commodities. Understand the notions of competitive equilibrium, the first and second fundamental welfare theorem, and the core. Understand the role of financial markets in reshuffling income across time and states of the world. Learn about the consequences of market incompleteness. Understand the Capital Asset Pricing Model.
Description	After introducing the necessary mathematical preliminaries and extending our knowledge on selected ingredients from consumer theory, the course focuses on general equilibrium models with complete markets, in particular classical exchange and production economies. Central concepts to be studied are the competitive equilibrium and the core. Next, the model is extended to include time and uncertainty, and the strong assumption of complete markets is relaxed. This makes it possible to incorporate financial markets in a satisfactory way. We study the relationships between equilibrium and arbitrage opportunities, and the valuation of financial securities. The well-known CAPM is a special case of the model studied. A rigorous derivation of the CAPM is provided.
Literature	Reny and Jehle, Advanced Microeconomic Theory, Addison-Wesley, 1998 - LeRoy and Werner, Principles of Financial Economics, Cambridge University press, 2001
Prerequisites	- Intermediate microeconomics course, e.g. Microeconomics, or Information, Markets and Organisation. - Exchange students need to have obtained a Bachelor degree with a major in Economics or Econometrics and have an advanced level in mathematics. - An advanced level of English.
Transitional Regulations	TRANSITIONAL REGULATIONS <ul class="trcohorts"> - Master Business Research - Master Business Research - Operations Research - In 2024-2025 and 2025-2026 education and exam/resit opportunities are offered. - In 2026-2027 exam/resit opportunities are offered. - From 2027-2028 onwards, the course is cancelled. <table><col style="width: 200px;"><col style="width: 120px;"><col style="width: 120px;"><col><thead><tr><th>Academic Year</th><th>Education</th><th>Exam/Resit</th><th>Replacement(s)</th></tr></thead><tbody><tr><td>2024-2025 - 2025-2026</td><td>X</td><td>X</td><td> </td></tr><tr><td>2026-2027</td><td> </td><td>X</td><td> </td></tr><tr><td>2027-2028 onwards</td><td> </td><td> </td><td> </td></tr></tbody></table>
Teaching methods	PBL / Assignment
Assessment methods	Written Exam
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 Business Research - No specialisation	In transition - Y2 Free Electives
Master Business Research - Operations Research	In transition - Year 1+2 Elective Courses
Master Econometrics and Operations Research	E&OR Electives
Master Economic and Financial Research - Econometrics	Elective Courses
Master Economic and Financial Research - Econometrics	Year 1 Core Courses
Master Economic and Financial Research - No specialisation	Elective Courses
SBE Exchange Master	Master Exchange Courses
SBE Non Degree Courses	Master Courses