

# Asset Pricing

MA AM ASSPRIC



UNIVERSITÄT BONN

## Content and learning outcome

**Content** This course introduces students to modern asset pricing, portfolio theory, and derivatives pricing in static and continuous-time dynamic models. The main covered topics include (i) no-arbitrage theory and equivalent martingale measures; applications to (ii) interest rate and fixed income securities; (iii) derivatives (forward, futures, options, swaps and, - time permitting - CDS); (iv) dynamic mean-variance analysis and ICAPM (also time permitting).

**Learning outcome** Students acquire a solid theoretical understanding of the no-arbitrage theory and of its application for pricing and evaluating the risk of basic and derivative financial products. This content of this course enables them to critical approach more advanced models and to decompose complex instruments into their primitive components.

## Teaching and learning methods

Type of course/ learning methods	Topic	Language of instruction	Group size	Contact time	Workload [h]
Lecture	Asset Pricing	English	30	4 hours	60
Self-study					165

## Prerequisites

**obligatory** none

**recommended**

## Degree program allocation

Study Program/Study Field/Module Number/Lecture Number	obligatory/ elective	Semester
Economics (M.Sc.)/Finance/332124031/332024031	elective	3 <sup>rd</sup>
Export*/332192431/332024031		

## Requirements for the awarding of credit points (ECTS)

Prerequisites for participation	Types of Assessment	Examination language	Credits
None	Written or oral exam or term paper (graded, 100%)	English	7,5 CP

Course Cycle	Workload	Duration
Winter term <input checked="" type="checkbox"/> Summer term <input type="checkbox"/>	225 h	1 Semester

## Module coordination

**Teaching person** See <https://basis.uni-bonn.de>

**Module coordinator** Prof. Dr. Hendrik Hakenes

**Institute/Department** Department of Economics

## Further Information

**Literature** Björk, T. (2009) *Arbitrage theory in continuous time*. Oxford University press  
Hull, J. (2009) *Options, futures and other derivatives* Prentice Hall  
Back, K. (2010) *Asset Pricing and Portfolio Choice Theory*, Oxford University Press

\* export into other study programs is only possible if contract between faculties exists