STUDENTS ARE EXPECTED TO HAVE COMPLETED
   Financial Economics, Quantitative Methods I & II

COMPETENCES AND SKILLS THAT WILL BE ACQUIRED AND LEARNING RESULTS.
   - To know the main approaches for pricing assets
   - Empirical analysis of the most relevant asset pricing models in the financial literature

DESCRIPTION OF CONTENTS: PROGRAMME
   - Stochastic discount factor and pricing equation
   - Consumption asset pricing model and the puzzle of the risk premium
   - Empirical evidence of pricing models
   - Pricing models with habit preferences
   - Continuous time pricing: Ito's lemma and the Girsanov theorem
   - Stochastic differential equations and the Black-Scholes model
   - Derivative pricing. Applications.

LEARNING ACTIVITIES AND METHODOLOGY
   Individual meetings with students for advising purposes

ASSESSMENT SYSTEM
   First call:
   60% - Final exam
   40% - Individual and group assignments

   Second call:
   Best of these two options:
   Option A:
   60% - Final exam
   40% - Individual and group assignments

   Option B:
   100% - Final exam

   % end-of-term-examination: 60
   % of continuous assessment (assignments, laboratory, practicals...): 40

BASIC BIBLIOGRAPHY

ADDITIONAL BIBLIOGRAPHY