

Academic Year: ( 2019 / 2020 )

Review date: 12-04-2019

Department assigned to the subject: Business Administration Department

Coordinating teacher: PENALVA ZUASTI, JOSE SEBASTIAN

Type: Electives ECTS Credits : 5.0

Year : 2 Semester : 1

**REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)**

Financial Economics, Dynamic Asset Pricing, Business Economics I and II, Corporate Finance I &amp; II

**OBJECTIVES**

The student is expected to achieve a good understanding of the current issues in asset valuation, the role of information in asset pricing and decision problems, and market microstructure.

**DESCRIPTION OF CONTENTS: PROGRAMME**

- 1- Competitive market equilibrium models
- 2- Financial innovation with asymmetric information
- 3- Asymmetric information and trading (or not)
- 4- Strategic models and asset pricing
- 5- Market microstructure
- AT- Equilibrium and heterogeneity
- AT- Behavioral finance and bounded rationality

**LEARNING ACTIVITIES AND METHODOLOGY**

Instruction, discussion and analysis of current academic papers

**ASSESSMENT SYSTEM**

Course evaluation will be done via exams and class discussion, and problems sets  
The assessment system for the retake is the same as the regular one

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

**BASIC BIBLIOGRAPHY**

- Álvaro Cartea, Sebastian Jaimungal & Jose Penalva Algorithmic and High-Frequency Trading , Cambridge University Press, 2015
- Markus K. Brunnermeier Asset Pricing Under Asymmetric Information: Bubbles, Crashes, Technical Analysis, and Herding, OUP Oxford, 2001