The purpose of this course is to provide the foundations for the study of modern financial economics. Concentrating on individual’s consumption and portfolio decisions under uncertainty, we will explore the implications of these decisions on the valuation of securities. The focus will be on single period models although some dynamics, discrete-time models will be considered. Topics will include stochastic dominance, arbitrage, CAPM and APT.

Semester offered: Fall

Source URL: http://dev.economics.yale.edu/courses/econ-670amgmt-740a-financial-economics-i