Course Description

This course offers advanced asset pricing theory, in particular the asset pricing theory in continuous-time setting. Students with strong stochastic calculus background and the asset pricing theory in discrete-time framework is required. The topics include: Optimal portfolio choice, Equilibrium, Habit formation model and Asymmetric information.

Course Objective

This second year PhD course (Asset Pricing II) mainly emphasizes the asset pricing in continuous time and its applications.

Textbook

Preliminary Reading


Course Assessment

The course requirements consist on two problem sets (the questions are chosen from the textbook), course participation, one referred report on assigned article(s), and a final exam.

Grading

Problems sets, midterm (Week Oct 28), project (presentation) and final exam (Dec 16) will count 30%, 20%, 20% and 30%.

Honor Code

All students are required to read and abide by the Code of Student Academic Integrity. Violations of the Code of Student Academic Integrity, including plagiarism, will result in disciplinary action as provided in the Code.

Academic Diversity

*The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individual is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.*
Recommended Reading Articles

Contingent Claims Pricing


Asset Pricing in Continuous Time

Continuous-Time Consumption and Portfolio Choice


Equilibrium Asset Returns


**Additional Topics in Asset Pricing**


