

## **EGMP17 Financial Economics**

**Autumn 2014**

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**PLEASE NOTE:** *In addition to the detail contained within this hand out, it is your responsibility to read and understand the information provided within the programme's Succeed site. In particular, please pay close attention to the plagiarism documents.*

SCQF Level 11 – 15 credits

Pre-requisites:

### **TEACHING STAFF**

Module Co-ordinator

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Seminar Tutor

tba

### **MODULE INTRODUCTION, AIMS AND OBJECTIVES**

- To introduce financial instruments and how they are traded
- To introduce the key tools used by financial economists
- To introduce the major topics in financial economics including portfolio theory, diversification and mean variance analysis; asset-pricing models, efficient market hypothesis, and market anomalies.

### **LEARNING OUTCOMES AND SKILLS DEVELOPED**

Knowledge and understanding of

- financial instruments
- risk and return relationship
- diversification and mean-variance analysis
- asset-pricing models
- efficient market hypothesis
- calendar anomalies
- security prices and yields
- derivatives

## LECTURES AND CLASS WORK

**Lectures:** Tuesdays 10.00 – 11.00 LTA6 weeks 3-6, 8-10, 12

The first lecture is schedule to take place on Tuesday 30 September at 10am in LTA6

Seminars begin in week 4.

### Lecture Timetable

Week	Lecture	Topic
3	1	Risk-Return Relationships (Ch 5)
4	2	Modern Portfolio Theory (Ch 6)
5	3	Asset Pricing Models (Ch 7)
6	4	Asset Pricing Models (Ch 7)
8	5	The Efficient Markets Hypothesis (Ch 8)
9	6	Bond Price/Term Structure of Interest Rates (Ch 10&11)
10	7	Introduction to Derivative Markets (Ch 15)
11		<b>Class Test</b>
12	8	Review lecture

### Seminar Timetable

Week	Topic
4	Risk-Return Relationships (Ch 5)
5	Modern Portfolio Theory (Ch 6)
6	Asset Pricing Models (Ch 7)
8	The Efficient Markets Hypothesis (Ch 8)
9	Bond Price/Term Structure of Interest Rates (Ch 10&11)
10	Introduction to Derivative Markets (Ch 15)

## REQUIREMENTS

### It is essential that you:

- Attend lectures and seminars
- Actively participate in lectures / seminars, taking notes as appropriate
- Read prior to lectures the relevant chapters of the main textbook
- Take time to work out the seminar-assignments to check if you understand them and are capable to solve the questions by yourself

## ASSESSMENT

This module is assessed by: 40 % coursework (the class test) and 60 % examination.

## **SUCCEED INFORMATION**

Refer to the Succeed website for complementary information about:

- What is meant by plagiarism at Stirling (also check your student Handbook for comprehensive explanations on how to reference work properly)
- Your responsibilities as a student
- Workload
- Marking and retention of assessed work
- Grading scheme

## **RECOMMENDED READING LIST**

The core text book for this module is:

Bodie, Z., Kane, A., & Marcus, A. 2008, Essentials of Investments, 8th edn, McGraw-Hill

## **MARKING SCHEME**

Details of the Common Marking Scheme can be found [here](#).

## **ACADEMIC MISCONDUCT**

The University has an agreed policy setting out procedures for dealing with academic misconduct. Details can be found at: <http://www.quality.stir.ac.uk/ac-policy/assessment.php>

Students' should familiarise themselves with "The Little Book of Plagiarism" and "The Little Book of Academic Misconduct", which can be found in the Succeed site for this module.