



## Economics of Financial Markets | ECU44142/ECU44144

Year	Senior Sophister
ECTS Credits	10/5
Contact Hours	22 hours of lectures and 4 hours of tutorials
Pre-Requisite	JS Investment Analysis and JS Econometrics
Semester	2
Module Leader and Lecturer	Professor Paul Scanlon
Contact Email	scanlop@tcd.ie

### Module Outline:

This course is concerned with the pricing of financial assets, with the pricing and handling of risk, and with the place of the financial markets in the economy as a whole. For example, how might risk-averse investors choose an efficient portfolio of risky investments? Do stock market prices reflect all available information, or are they influenced by irrational waves of sentiment? This module assumes previous knowledge of financial economics.

### Topics Covered Include:

- Topics include the pricing of assets
- Uncertainty & the predictability of asset prices
- The efficient market hypothesis
- The possibility of bubbles
- Hedging against risk

### Module Learning Outcomes:

On successful completion of this module, you will be able to:

- Synthesize a broad range of topics in modern finance;



- Apply statistical techniques to judge the empirical performance of economic theories of financial markets.

**Assessment:**

- For ECU44142 (10 ECTS) students, an assignment will account for 20% of the final mark, and the remaining 80% will be based on the final exam.
- For ECU44144 (5 ECTS) students, a final exam will account for 100% of the final mark.

**Recommended Reading List:**

- Cuthbertson, K. and D. Nitzsche *Quantitative Financial Economics*, (Chichester: Wiley).
- Hull, J., *Options, Futures and other Derivatives*, Prentice Hall
- Additional readings will be assigned