



Economics of Financial Markets

Module Code: ECU44142

Module Name: Economics of Financial Markets

- **ECTS weighting:** 10
- **Semester/term taught:** Semester 2
- **Contact Hours:** 22 hours of lectures and 4 hours of tutorials
- **Module Personnel:** Lecturer – Prof Paul Scanlon

Module Learning Aims

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.

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.

Module Content

- Topics include the pricing of assets, uncertainty & the predictability of asset prices, the efficient market hypothesis, the possibility of bubbles and hedging against risk.

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

Recommended Reading List

JS Investment Analysis and JS Econometrics

Assessment Details

An assignment will account for 20% of the final mark, and the remaining 80% will be based on the final exam.

Module Website

Blackboard