

**MASTER OF SCIENCE IN WEALTH MANAGEMENT**  
*MAÎTRISE UNIVERSITAIRE EN GESTION DE PATRIMOINE*

**ASSET PRICING (S413057)**

Prof. Ines CHAIEB

6 ECTS

Semester: Fall

Teaching language: English

**Objective**

The course introduces basic concepts of financial economics and financial asset pricing theory such as state preference theory, portfolio selection, no-arbitrage pricing, Arrow-Debreu Pricing, martingale measure. It specifically deals with distinction between the equilibrium and the arbitrage perspectives on valuation and pricing.

**Description**

The course first deals with decisions making in risky situations and how to measure risk and risk aversion. It then introduces basic concepts of financial asset pricing theory. It covers the Capital Asset Pricing Model, Arrow-Debreu Pricing, the Consumption Capital Asset Pricing Model (CCAPM), the Martingale measure, the Arbitrage pricing theory (APT). The exercise sessions are compulsory and are part of the course.

**Bibliography**

Jean-Pierre Danthine and John B. Donaldson. Intermediate Financial Theory. Second Edition. Elsevier Publishing, 2005 (ISBN 10: 0-12-369380-2)

**Courses recommended**

Microeconomics, Statistics, Mathematics

**Assessment**

Written exam

Assessment will be based on: 40% Midterm exam and 60% Final exam.