

FIN-607

Empirical Asset Pricing

Rockinger Michael

Cursus	Sem.	Type
Finance		Obl.

Language of teaching	English
Credits	3
Session	
Exam	Written
Workload	90h
Hours	28
Courses	28
Number of positions	

Frequency

Every year

Summary

This course aims at understanding how to solve certain discrete-time general-equilibrium models.

Content

1. Euler equation, Bellman Principle, Solving Euler equation in Gaussian case, Solving Euler equation via fixed-point techniques (value-function iteration) in univariate case.
2. Solving Euler equation via fixed-point techniques (value-function iteration) in multivariate case. Discussion of paper by Tauchen (JBES), Tauchen and Hussey (E'Metrica). Discussion of Campbell-Cochrane (2000).
3. Behavioral in General Equilibrium: explaining volatility, explaining skewness and kurtosis. Discussion of Barberis Huang and Santos.
4. Portfolio allocation in a discrete dynamic setting. Discussion of MacQueen and Vorkink.
5. Bayesian techniques into a portfolio-allocation setting. Introduction to Bayesian techniques (prior, posterior). Discussion of Barberis (1999).
- 6 + 7. Predicting returns (Cochrane: discussion of paper on barking dogs and others). How to deal with ambiguity.
8. Questions and answers.

Keywords

Equilibrium Models, Asset Pricing, Integration, Discrete Dynamic Programming.

Learning Prerequisites**Required courses**

Asset pricing.

Resources**Websites**

- https://hec.unil.ch/hec/recherche/fiche?pnom=mrockinger&dyn_lang=en