

FIN-701

**Asset pricing**

Bretscher Lorenzo

<b>Cursus</b>	<b>Sem.</b>	<b>Type</b>
Finance		Opt.

Language of teaching	English
Credits	3
Session	
Exam	Written
Workload	90h
<b>Hours</b>	<b>58</b>
Courses	28
Exercises	30
<b>Number of positions</b>	

**Frequency**

Every year

**Remark**

If you would like to attend this course, please send an email to: [edfi@epfl.ch](mailto:edfi@epfl.ch) to register

**Summary**

Its main objective is to rigorously develop the foundations of modern financial economics and asset pricing theory. While the focus of the course is theoretical, we will consider empirical evidence alongside. The course is designed for first-year PhD students in finance.

**Content**

This course provides an introduction to financial economics. Its main objective is to rigorously develop the foundations of modern financial economics and asset pricing theory. While the focus of the course is theoretical, we will consider empirical evidence alongside. The course is designed for first-year PhD students in finance, and assumes familiarity with basic microeconomics and macroeconomics, as well as mathematics and statistics.

Topic I: Choice under Uncertainty

Topic II: Preferences, risk aversion, portfolio choice

Topic III: State Prices, Arbitrage, and Stochastic Discount Factors

Topic IV: CAPM, APT, Linear Factor Models

Topic V: Excess Volatility and Return Predictability

Topic VI: Consumption Based Asset Pricing and Intertemporal Models

Topic VII: Recent Developments in Asset Pricing

**Assessment methods**

Written Exam

**Resources****Moodle Link**

- <https://go.epfl.ch/FIN-701>