

Course title: Advanced Financial Economics

Course Basic Information	
Academic Unit: (University/Department)	University of Zurich, Department for Banking and Finance
Course title:	Advanced Financial Economics
Level:	Master of Science UZH ETH in Quantitative Finance
Course Status:	Core FIN
Year of Study:	Spring Semester
Number of Classes per Week:	2h (lectures) + 2h (exercises)
ECTS Credits:	6 ECTS
Time /Location:	According to the timetable in UZH course catalogue
Lecturer:	Prof. Dr. Felix Kübler
Content	
Content of the course	<p>Equilibrium savings and interest rates. Asset pricing with complete financial markets. Financial frictions.</p> <p>The real interest rate (2 weeks)</p> <ul style="list-style-type: none"> - A simple two period exchange economy - A T-period model <p>A two period asset-pricing model (4-5 weeks)</p> <ul style="list-style-type: none"> - Complete financial markets - Incomplete markets - CAPM <p>The consumption CAPM (2-3 weeks)</p> <p>Asset markets and the real economy: Leverage, booms and busts (1-2 weeks)</p>
Course's objectives:	The course offers an introduction to equilibrium asset pricing. We consider discrete time models with complete financial markets explain their failure to match basic moments of asset prices and provide an introduction into financial frictions.
The expected outcomes:	<p>On successful completion of this module, students should be able to:</p> <p>Read and understand papers on equilibrium asset pricing and macro-finance.</p>