

Course Title	Asset Pricing			
Course Code	ACF 430			
Course Type	Compulsory			
Level	Undergraduate			
Year / Semester	Year 4 / Semester 7			
Teacher's Name	THEODOSIS KALLENOS/MARIOS VOURGOS			
ECTS	6	Lectures / week	3	Laboratories / week
Course Purpose and Objectives	<p>This course introduces students to the principles of asset pricing theories. Its main objective is to equip students with the knowledge needed to conduct research in the area of asset pricing and apply the various asset pricing models using real market data. In particular, the course starts with consumption-based models of asset pricing and then discusses in detail the law of one price and arbitrage opportunities. Then it emphasizes on various well-known asset pricing models. This module also provides a detailed explanation of the option pricing theory, focusing on the Black-Scholes-Merton model. In the end, it discusses the application of various asset pricing models in the financial industry and academic research</p>			
Learning Outcomes	<p>Upon completion of this course, students will be able to:</p> <ul style="list-style-type: none"> • Understand the theory of various asset pricing models and the no-arbitrage principle • Apply various asset pricing models for research and practical purposes • Develop their asset pricing models • Conduct research in the area of asset pricing • Develop practiced skills of critical thinking and analysis 			
Prerequisites	MAT 101, ACF 320, ACF 220		Required	
Course Content	<ul style="list-style-type: none"> • Consumption-based models of asset pricing and their applications <ul style="list-style-type: none"> • Utility Theory and State Preference Theory • The discount factor and the law of one price • Mean-Variance Frontier and Beta Representations • Asset Pricing Models <ul style="list-style-type: none"> • Capital Asset Pricing Model (CAPM) • Intertemporal CAPM • Arbitrage Pricing Theory (APT) 			

	<ul style="list-style-type: none"> • Contingent Claims and Option Pricing • Empirical asset pricing
Teaching Methodology	<ul style="list-style-type: none"> • Lectures coupled with case study teaching and discussion • Reading and resolving problems • Working on problem-solving and case studies • Solving unstructured questions and case studies • Brief oral presentation before starting a new chapter and reply to queries from students • Homework for revision purposes • Assignment including an interactive presentation • Interaction and collaborative learning
Bibliography	<ul style="list-style-type: none"> • Cochrane, J. H. (2009). Asset pricing: Revised edition. Princeton university press. • Copeland, T. E., Weston, J. F., & Shastri, K. (2005). Financial theory and corporate policy (Vol. 4). Boston: Pearson Addison Wesley. • Bali, T. G., Engle, R. F., & Murray, S. (2016). Empirical asset pricing: The cross-section of stock returns. John Wiley & Sons. • CFA Program Curriculum 2020 Level I, Wiley: • Corporate Finance and Portfolio management (Reading 40)
Assessment	<p>Midterm Exam: 30%</p> <p>Assignment and presentation: 20%</p> <p>Final Exam: 50%</p>
Language	English