



Course and Examination Fact Sheet: Spring Semester 2021

10,279: Pensions Economics and Finance

ECTS credits: 4

Overview examination/s

(binding regulations see below)

Decentral - examination paper written at home (individual) (50%)

Examination time: term time

Decentral - Presentation (in groups - all given the same grades) (50%)

Examination time: term time

Attached courses

Timetable -- Language -- Lecturer

[10,279,1.00 Pensions Economics and Finance](#) -- Englisch -- [Boyer Martin](#)

Course information

Course prerequisites

None.

Learning objectives

Students understand the key concepts in pension economics and pension finance and are able to apply it in a case-study presentation and to build upon this knowledge in a term paper.

Course content

Pension Economics

Life cycle models

Choice of saving (Yaari model)

Saving across periods and Asset allocation problems

An individual's labour-leisure choice and savings

Defined benefit and defined contribution: Golden handcuffs and Silver catapults

DB plans and firm risk

Debt overhang issues and credit risk

Operational risk

Pension Finance

DC Pension plan: Accumulation and De-accumulation

Behavioral biases in asset allocation

Annuity puzzle



Asset location puzzle

DB Pension plan liabilities

Present value and choice of discount rates

Managing risks: Interest rates, inflation, demographics

Longevity risk for insurers, pension plans and individuals

Asset-liability management & Liability-driven investments

Use of alternative asset classes

"Pure-beta" assets: Infrastructure and real-return bonds

"Zero-beta" assets: Cat bonds

Course structure

The course will consist of six lecture blocks of about 4 * 45 minutes each. The course will take place entirely online on the platform Zoom.

Course literature

Blake, David: Pension Economics, John Wiley and Sons, 2007.

In addition, a set of articles from mainstream economics and finance journals on the topic of pension economics and finance will be used.

Additional course information

In the case of the President's Board having to implement new directives due to the SARS-CoV-2 pandemic in SpS2021, the course information listed above will be changed as follows:

- There are no changes necessary to the course information.

The examination information listed below would be changed as follows:

- There are no changes necessary to the examination information.

Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form

Decentral - examination paper written at home (individual) (50%)

Examination time: term time

Remark

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Examination-aid rule

Term papers

Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship which is a published template in StudentWeb.

The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the



chosen citation standard such as APA or MLA.

For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGOREK R. et SCHINDLER B., Juristisches Arbeiten: Eine Anleitung für Studierende, newest edition respectively, or according to the recommendations of the Law School).

The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into texts in accordance with the precepts of the applicable quotation standard, while informative and bibliographical notes must be added as footnotes (recommendations and standards can be found, for example, in METZGER, C., Lern- und Arbeitsstrategien, newest edition respectively).

For any work written at the HSG, the indication of the page numbers is mandatory independent of the chosen citation standard. Where there are no page numbers in sources, precise references must be provided in a different way: titles of chapters or sections, section numbers, acts, scenes, verses, etc.

Supplementary aids

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Examination languages

Question language: English

Answer language: English

2. Examination sub part (2/2)

Examination time and form

Decentral - Presentation (in groups - all given the same grades) (50%)

Examination time: term time

Remark

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Examination-aid rule

Presentations

In presentations, aids for visual presentation can be used. These aids can be specified or restricted by the lecturers.

Supplementary aids

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Examination languages

Question language: English

Answer language: English

Examination content

Pension Economics

Life cycle models

Choice of saving (Yaari model)

Saving across periods and Asset allocation problems

An individual's labour-leisure choice and savings

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Pension Finance

DC Pension plan: Accumulation and De-accumulation

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Use of alternative asset classes

"Pure-beta" assets: Infrastructure and real-return bonds

"Zero-beta" assets: Cat bonds

Examination relevant literature

Blake, David: Pension Economics, John Wiley and Sons, 2007.

In addition, a set of articles from mainstream economics and finance journals on the topic of pension economics and finance will be used. These articles will be made available on StudyNet by the end of the week of the first lecture.

Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 12 are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 28 January 2021);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 22 March 2021);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 12 (Monday, 22 March 2021);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 14 (Thursday, 8 April 2021).