



Course and Examination Fact Sheet: Autumn Semester 2022

10,270: Asset Pricing

ECTS credits: 4

Overview examination/s

(binding regulations see below)

Decentral - Group examination paper with presentation (all given the same grades) (50%)

Examination time: term time

Decentral - Doctoral examination with individual examination time (50%)

Examination time: term time

Attached courses

Timetable -- Language -- Lecturer

[10,270,1,00 Asset Pricing](#) -- Englisch -- [Fengler Matthias Reginald](#)

Course information

Course prerequisites

PhD level knowledge in microeconomics and mathematics.

Learning objectives

The class provides a PhD level introduction to asset pricing.

Course content

The class considers discrete-time asset valuation. Students learn how competing asset pricing theories can be phrased by using the notion of the stochastic discount factor.

1. Stylized facts of asset pricing & Introduction
2. Stochastic discount factor and arbitrage-free markets
3. Mean variance analysis
4. Discount factors, betas, and mean-variance efficient frontiers
5. Dynamic security markets
6. Risk-neutral pricing
7. Portfolio choice and equilibrium
8. Consumption-based AP

Course structure and indications of the learning and teaching design

The class will be run as a lecture with assignment which are to be solved in groups of 2/3 students.

Course literature

- Cochrane (2005): Asset Pricing, Revised Edition, Princeton University Press.
- Back (2012): Asset Pricing and Portfolio Choice Theory, Oxford University Press.
- Munk (2015) : Financial Asset Pricing Theory, Oxford University Press



Additional course information

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Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form

Decentral - Group examination paper with presentation (all given the same grades) (50%)

Examination time: term time

Remark

Written assignment solved in groups of 2/3 student

Examination-aid rule

Term papers

Written work must be written without outside help according to the known citation standards, and a declaration of authorship must be attached, which is available as a template on the StudentWeb.

Documentation (quotations, bibliography, etc.) must be carried out universally and consistently according to the requirements of the chosen/specified citation standard such as e.g. APA or MLA.

The legal standard is recommended for legal work (cf. by way of example: FORSTMOSER, P., OGOREK R., SCHINDLER B., Juristisches Arbeiten: Eine Anleitung für Studierende (the latest edition in each case), or according to the recommendations of the Law School).

The reference sources of information (paraphrases, quotations, etc.) that has been taken over literally or in the sense of the original text must be integrated into the text in accordance with the requirements of the citation standard used. Informative and bibliographical notes must be included as footnotes (recommendations and standards e.g. in METZGER, C., Lern- und Arbeitsstrategien (latest edition)).

For all written work at the University of St.Gallen, the indication of page numbers is mandatory, regardless of the standard chosen. Where page numbers are missing in sources, the precise designation must be made differently: chapter or section title, section number, article, 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 - Doctoral examination with individual examination time (50%)

Examination time: term time

Remark

4h-take home exam. No group work.

Examination-aid rule

Online remote examination - Open book



Students are free to choose aids but will have to comply with the following restrictions:

- Calculator models which do not belong to the Texas Instruments TI-30 series are explicitly not allowed.
- In addition, any type of communication is inadmissible, as are all electronic devices that can be programmed and enable communication, such as electronic dictionaries, additional notebooks, tablets, mobile phones and other devices, which have not been explicitly permitted by the faculty member in charge.

The procurement of the electronic aids as well as ensuring their functionality and fulfillment of the technical requirements is the responsibility of the students.

The examination must be carried out using the programs defined in advance by the faculty member in charge. Mastery of the operation of the programs is part of the examination.

Supplementary aids

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Examination languages

Question language: English

Answer language: English

Examination content

1. Stylized facts of asset pricing & Introduction
2. Stochastic discount factor and arbitrage-free markets
3. Mean variance analysis
4. Discount factors, betas, and mean-variance efficient frontiers
5. Dynamic security markets
6. Risk-neutral pricing
7. Portfolio choice and equilibrium
8. Consumption-based AP

Examination relevant literature

Lecture notes, readings, and text books as published on canvas by the end of the term.



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 (CW51) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 42 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 34 (Thursday, 25 August 2022);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 42 (Monday, 17 October 2022);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 42 (Monday, 17 October 2022);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 45 (Monday, 7 November 2022).