Syllabus(2021-1)

Course Title	Financial Economics	Course No.	36304
Department/ Major	Economics	Credit	3.0
Class Time/ Classroom	Officially, 12:30am on Tuesday and 14:00pm on Friday. But this is on-line classes, so these class times will be used for exams.		
Instructor	Name: Jaeho Yun	Department: Economics	
	E-mail: yunjaeho@ewha.ac.kr	Telephone: 3277-4468	
Office Hours/ Office Location	POSCO 526. Office hours will be announced later.		

Ⅰ. Course Overview

1. Course Description

This course introduces modern finance theories to understand how asset prices are determined. Broadly, we will cover the following topics. First, we study the basic portfolio theory. There, risk and return relationship will be studied. Next, we discuss important asset pricing models such as Capital Asset Pricing Model (CAPM) and Arbitrage Pricing Theory (APT). The third topic will be fixed income securities (e.g., bond). We will see how bonds are priced and what are important in managing bond portfolio. We will do some empirical works using real world data via a statistical software "R," which is very powerful statistical software. However, no prior knowledge about "R" is required. We will study it in the class. Only very basic function in R will be used in this class.

2. Prerequisites

Knowledge on undergraduate level of microeconomics and statistics are welcomed. You already have to be familiar with statistical concepts like expectation, variance, standard deviation, correlation, covariance, and normal distribution. There will be some homework which should be done by R. R will be discussed in class.

3. Course Format

Lecture	Discussion/Presentation	Experiment/Practicum	Field Study	Other
100%	%	%		%

(Instructor can change to match the actual format of the class.)

Explanation of course format:

4. Course Objectives

This course introduces portfolio theory, basic asset pricing models, fixed income securities, and financial derivatives.

5. Evaluation System

Midterm Exam	Final Exam	Quizzes	Presentation	Projects	Assignments	Participation	Other
40%	40%	%	%	%	20%	%	%

(Instructor can change to match the actual format of the class.)

* Evaluation of group projects may include peer evaluations.

Explanation of evaluation system:

Ⅱ. Course Materials and Additional Readings

1. Required Materials

"Essentials of Investments" Bodie, Kane and Marcus, McGraw-Hill/Irwin, 11th ed. Any older edition (or Korean translation) will be fine.

2. Supplementary Materials

Older or newer editions of the textbook or Korean translation will be fine.

3. Optional Additional Readings

None.

Ⅲ. Course Policies

* For laboratory courses, all students are required to complete lab safety training.

Ⅳ. Course Schedule (At least 15 credit hours must be completed.)

Week	Date		
Week 1	(mm/dd) / (mm/dd)	Topics & Class Format	Probability models for financial returns.
		Materials & Assignments	
Week 2	(mm/dd) / (mm/dd)	Topics & Class Format	Risk and returns (1)
		Materials & Assignments	
Week 3	(mm/dd) / (mm/dd)	Topics&Class Format	Risk and returns (2)
		Materials & Assignments	
Week 4	(mm/dd) / (mm/dd)	Topics & Class Format	Portfolio theory: Efficient diversification (1)
		Materials & Assignments	
Week 5	(mm/dd) / (mm/dd)	Topics & Class Format	Portfolio theory: Efficient diversification (2)
		Materials & Assignments	
Week 6	(mm/dd) / (mm/dd)	Topics & Class Format	Portfolio theory: Efficient diversification (3)
		Materials & Assignments	
Week 7	(mm/dd) / (mm/dd)	Topics & Class Format	CAPM (1)
		Materials & Assignments	
Week 8	(mm/dd) / (mm/dd)	Topics & Class Format	CAPM (2)
		Materials & Assignments	

Week	Date		
Week 9	(mm/dd) / (mm/dd)	Topics & Class Format	Midterm Exam (April 27 in class time)
		Materials & Assignments	
Week 10	(mm/dd) / (mm/dd)	Topics & Class Format	Multifactor models
		Materials & Assignments	
Week 11	(mm/dd) / (mm/dd)	Topics & Class Format	Bond prices and yields (1)
		Materials & Assignments	
Week 12	(mm/dd) / (mm/dd)	Topics & Class Format	Bond prices and yields (2)
		Materials & Assignments	
Week 13	(mm/dd) / (mm/dd)	Topics & Class Format	Managing bond portfolios (1)
		Materials & Assignments	
Week 14	(mm/dd) / (mm/dd)	Topics & Class Format	Managing bond portfolios (2)
		Materials & Assignments	
Week 15	(mm/dd) / (mm/dd)	Topics & Class Format	Final Exam (June 11th in Class)
		Materials & Assignments	
Week 16	(mm/dd) / (mm/dd)	Topics & Class Format	
		Materials & Assignments	
Makeup Classes	(mm/dd) / (mm/dd)	Topics & Class Format	
		Materials & Assignments	

Ⅴ. Special Accommodations

* According to the University regulation #57, students with disabilities can request special accommodation related to attendance, lectures, assignments, and/or tests by contacting the course professor at the beginning of semester. Based on the nature of the students' requests, students can receive support for such accommodations from the course professor and/or from the Support Center for Students with Disabilities (SCSD).

* The contents of this syllabus are not final—they may be updated.