

EC988: The Economics of Financial Markets

- ▶ Objective: to understand how financial markets work (and why they don't):
 - types of assets
 - prices in relation to
 - Firm preferences and behaviour
 - The 'real economy'
 - Market structures and behaviour
 - Investor types (human, institutional, algorithmic) and preferences (time, uncertainty, risk, wealth, and information)
 - Valuation and other models
 - How do we know whether markets are 'working'?



Syllabus (subject to minor change)

- ▶ Empirical stylised facts
- ▶ Pricing
 - Basic models and EMH with symmetric information
 - Paradoxes and Advanced symmetric models
 - OPM and APM
 - Asymmetric information models
- ▶ Topics (as time and interest dictate) e.g.
 - Networked markets
 - Algorithmic discovery and execution



Mechanics

- ▶ Lectures (weekly); classes (3); problem sets (2)
- ▶ Assessment: 2-hour final exam (100%) – choice of 2 questions from 3
- ▶ Office hours: Fridays 10-1230 in S2.126
- ▶ Email: j.a.k.cave@warwick.ac.uk
- ▶ Module page:
<http://www2.warwick.ac.uk/fac/soc/economics/current/modules/ec988/details>

