



UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

SYLLABUS DEL CORSO

Economia Finanziaria M

2324-2-F8204B023

Learning area

Financial Economics is complementary to Macroeconomics M and Risk Management.

Learning objectives

Financial Economics focuses on the origin of risks in financial markets and the role that asymmetric information plays in explaining failures in these markets. The main topics covered, both from a theoretical and empirical point of view, are: principles of corporate governance; formation and structure of credit agreements in the event of information asymmetry; credit rationing; role and functions of financial intermediaries in the economic system; stability and competition in the banking sector; macroeconomic shocks and banks; capital requirements in banks as instruments of prudential regulation (Basel requirements); bank crisis resolution.

At the end of the course, the student will be able to understand the context in which agents participating in the direct credit and bank credit market operate. Furthermore, he will be able to measure the risk associated with the main financial contracts and the function of prudential regulation.

Contents

The course consists of two parts.

The first part of the course (6 ETCS) aims at studying some specific topics of finance, such as: origin and structure of credit agreements in the hypothesis of information asymmetry, credit rationing, role and functions of financial intermediaries in the economic system. The analysis is both theoretical and empirical.

The second part of the course (3 ETCS) focuses on risk management in the banking system: effects of

macroeconomic shocks; the transfer of credit risk from banks to financial markets; management of banking crises.

Detailed program

Parte I. (6 ETCS) - Prof. Alessandra Michelangeli

- Principles of Corporate governance
- Information asymmetries and structure of credit agreements
- Credit rationing
- Hierarchy of funding sources
- Underpricing in IPOs
- The bank as a financial intermediary
- Stability and competition in the banking sector
- Costs of bank financing
- Bank credit and direct credit

Part II. (3 ECTS) - Prof. Vittoria Cerasi

- Macroeconomic shocks and banks
- Capital requirements in banks
- Resolution of banking crises (from bail-out to bail-in)

Prerequisites

It is strongly recommended to have passed the exam of Microeconomics.

Teaching methods

Lectures, case studies and exercises.

Assessment methods

The exam is written and consists of numerical exercises and open questions.

Textbooks and Reading Materials

- Macho-Stadler Perez Castrillo J.D., An introduction to the Economics of Information: Contracts, Oxford University Press, 1997 (tutto)
- Tirole J., The Theory of Corporate Finance, Princeton Press, 2006, Cap.2, 6.

Teaching material provided by the two professors.

Sustainable Development Goals

RESPONSIBLE CONSUMPTION AND PRODUCTION
