UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Economics of Financial Markets

2425-3-E1803M105

Learning objectives

The course aims at understanding the role of financial markets and of the institutions that work in financial markets, banks and central banks in particular. It studies the most important financial instruments and the mathematical theory analyzing the pricing of these instruments

Contents

Micro and Macroeconomic theory of financial markets.

Detailed program

1. *Financial balances and principles of national accounts.*
2. *Financial constraints to economic activity under certainty.*
3. *Uncertainty and financial markets. Arrow's model of contingent commodities and the theory of incomplete markets.*
4. *Portfolio choice in the mean/variance model: CAPM.*
5. *Term structure of interest rates.*
6. *Corporate finance.*
7. *Efficiency and stability of the banking system.*

Prerequisites

Basic courses of Micro and Macroeconomics. A reasonable knowledge of the English language

Teaching methods

Lectures and classes

Assessment methods

Written exam with exercises. The student will need to solve three numerical problems of equal importance, each of which divided in 2 or 3 points of increasing difficulty so as to permit the most precise evaluation possible of the student's knowledge. The topics covered by the exam will be all (and just) those covered in class. No oral integration. A mock exam will be solved in class by the teacher.

Textbooks and Reading Materials

G. Cassese (2023), *Economia dei mercati finanziari. Un'introduzione*, Roma, Carocci

Semester

Second semester

Teaching language

English

Sustainable Development Goals