



UNIVERSITÀ  
DEGLI STUDI DI MILANO-BICOCCA

## SYLLABUS DEL CORSO

### Dynamic Asset Pricing

2425-1-F1601M054-F1601M059M

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#### Learning objectives

At the end of the course, students will be familiar with the main asset pricing models available in the literature. The focus will be on the pricing of risky cash flows through both theoretical and empirical models.

#### Contents

Traditional asset pricing models  
Pricing of Fixed income assets  
Pricing of Risky cash Flows  
Asset pricing in general Equilibrium

#### Detailed program

Overview of Pricing Theories  
Choices under risk  
Measures of risk aversion and their interpretation  
Risk Aversion and Investment Choices  
Modern Portfolio Theory  
Capital Asset Pricing Model  
Arrow-Debreu Equilibrium and the CAPM  
CCAPM  
Arrow-Debreu Pricing: Arbitrage  
Term Structure of Interest Rates  
APT and Multifactor Models

Martingale Pricing

## **Prerequisites**

Macroeconomics  
Microeconomics  
Maths  
Statistics  
Inference

## **Teaching methods**

13 lectures, 2 hours each, in the classroom;  
6 lectures, 2 hours each, via webex;  
2 tutorials, 2 hours each in the classroom;

During lectures the teacher will engage with the students in an interactive way.

## **Assessment methods**

Written examination with

1. 1 or 2 numerical exercises
2. 1 theory question

## **Textbooks and Reading Materials**

Lectures slides  
available at

[www.andreacolciago.com](http://www.andreacolciago.com)

2. Book: Asset Pricing, John Cochrane

## **Semester**

September-January

## **Teaching language**

English

## **Sustainable Development Goals**

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