

NIRMA UNIVERSITY
Institute of Management
Master of Business Administration (Full Time) Programme/
Integrated Bachelor of Business Administration-Master of Business
Administration Programme/
Master of Business Administration (Family Business &
Entrepreneurship) Programme

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Course Code	MFT5SEEF07	MBM5SEEF07	MFB5SEEF07
Course Title	Economic Analysis of Asset Prices		

Course Learning Outcomes (CLO):

At the end of the course, the student will be able to:

1. Explain basic concepts in capital market and asset prices.
2. Evaluate the criteria for portfolio selection.
3. Determine methods for empirical valuation of asset pricing models.

Syllabus

Teaching Hours

<p>Unit I: Introduction to Asset Markets and Asset Prices</p> <ul style="list-style-type: none"> • Predictability of Prices and Market Efficiency • Decision-Making under Uncertainty • Portfolio Selection: Mean-Variance Model 	05
<p>Unit II: Asset Pricing Mechanisms</p> <ul style="list-style-type: none"> • Capital Asset Pricing Model • Arbitrage, Factor Models and the Arbitrage Pricing Theory 	05
<p>Unit III: Applications in Inter-temporal Context</p> <ul style="list-style-type: none"> • Intertemporal Choice and the Equity Premium Puzzle • Asset Market Microstructure 	05

Suggested Readings:

1. Bailey, R. E., *The Economics of Financial Markets*, Cambridge University Press.
2. Elton, E. J. and Gruber, M. J., *Modern Portfolio Theory and Investment Analysis*, Wiley.
3. O'Hara, M., *Market Microstructure Theory*, Blackwell.
4. Malkiel, B. G., *A Random Walk Down Wall Street*. W. W. Norton & Company.

w.e.f. Academic Year 2019-20 and onwards