

## Brief Course Outline

<b>Course Title:</b>	<b>Financial Market</b>	
<b>Course Number and Section:</b>	ECONOMIC	3346B 550
<b>Instructor Name(s):</b>	Bo Liu	
<b>Instructor Email(s):</b>	bo.liu@uwo.ca	

Disclaimer: Information in the brief course outline is subject to change. The syllabus posted on OWL is the official and authoritative source of information for the course.

### Course Description:

This course offers an introduction to asset pricing and financial markets. It emphasizes mastering key concepts and models while gaining familiarity with institutional details essential for success. The course is built around three core pricing principles: arbitrage pricing, present-value pricing, and general-equilibrium asset pricing. These principles are abstract and supported by mathematical models, making this a challenging but rewarding learning experience. Active engagement is crucial for understanding the material, which is best learned through hands-on involvement. The course features two primary active-learning components. First, success in tests relies on solving analytical problems, particularly the end-of-chapter questions from the course textbook. Collaborative group work is encouraged for tackling these problems. Second, students will complete two major group assignments: one on portfolio optimization and another on fundamental analysis, both requiring computational skills. This course demands effort and critical thinking, preparing students with the tools and frameworks necessary for advanced studies and applications in financial markets.

### Learning Outcomes:

- **Comprehend the Role of Capital Markets:** Develop a clear understanding of how capital markets function within the broader economy.
- **Explore Financial Products and Mechanisms:** Gain foundational knowledge of various financial products and their associated financing and trading mechanisms.
- **Apply Economic and Mathematical Models:** Use economic and mathematical frameworks to analyze and understand asset pricing in financial markets.
- **Integrate Economic Thinking into Financial Systems:** Cultivate the ability to apply economic reasoning to analyze and interpret financial systems.
- **Develop Data Analysis Competencies:** Enhance proficiency with at least one data analysis tool, applying financial data to derive actionable insights and support financial decision-making.
- **Delve into Advanced Financial Topics:** Explore potential advanced topics in continuous time finance theory and market microstructure, gaining insights into complex market behaviors and advanced financial modeling techniques.

**Textbooks and Course Materials:**

Textbook and Other Learning Materials (Hard Copy Not Required)

Required textbook: Investments, 10th Canadian Edition, by Bodie, Kane, Marcus, Perrakis and Ryan (McGraw-Hill Ryerson).

McGraw Hill Connect (Required):

Connect with textbook: Investments, 10/e

Available here from the online bookstore.

**Methods Of Evaluation:**

Assignment	Due Date mm/dd/yy	Weight - %
Smartbook Assignments	Weekly	10
Midterm Exam 1	02/05/2025	10
Midterm Exam 2	03/17/2025	20
Assignment 1	02/28/2025	15
Assignment 2	03/28/2025	15
Final Exam		30

In solidarity with the Anishinaabe, Haudenosaunee, Lūnaapéewak, and Chonnonton peoples on whose traditional treaty and unceded territories this course is shared.

Sunday, December 8, 2024