 **Date:** Sep. 2015

Course Name and Number:

Introduction to Financial Economics II

**Type of course:** Lecture

**Year of Studies:** 2015-2016 **Semester:** Spring **Hours/credits**: 3

**Course Objectives**

This course is intended to help the student learn to think carefully and productively about financial markets and financial aspects of entrepreneurship. It will provide a survey of questions faced, and techniques used, by financial practitioners. It continues and builds on Introduction to Financial Economics-Semester One.

**Course Plan**

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| Meeting | Topic |
| 1 | How do I manage a portfolio of investments? Modern Portfolio Theory.1 |
| 2 | How do I manage a portfolio of investments? Modern Portfolio Theory.2 |
| 3 | How do I manage a portfolio of investments? Modern Portfolio Theory.3 |
| 4 | Modern portfolio theory 4: scenario building |
| 5 | Modern portfolio theory 5: data issues |
| 6 | Midterm Examination |
| 7 | Behavioral Finance: Aspects of Investor Psychology.1 |
| 8 | Behavioral Finance: Aspects of Investor Psychology.2 |
| 9 | Behavioral Finance: Aspects of Investor Psychology.3 |
| 10 | Behavioral Finance: Co-movement |
| 11 | Behavioral Finance: Alpha: beta in disguise? Is this your father’s beta? |
| 12 | What makes entrepreneurs entrepreneurial: causal versus effectual reasoning |

**Grading and administration**

Grades will be assigned on the basis of a midterm examination and final project. Class meetings will be conducted according to the Socratic Method, meaning that students need to be prepared to work actively within class, as well as outside of it. In addition to a supporting, recommended text, frequent readings (either available on the internet or supplied by me) will be assigned.

**Text**: Jonathan Berk and Peter DeMarzo, Fundamentals of Corporate Finance, Prentice Hall, 2012