# COURSE DETAIL

| FINANCE THEORY |
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| **Country**<br>Norway |
| **Host Institution**<br>University of Oslo |
| **Program(s)**<br>University of Oslo |
| **UCEAP Course Level**<br>Upper Division |
| **UCEAP Subject Area(s)**<br>Economics |
| **UCEAP Course Number**<br>125 |
| **UCEAP Course Suffix** |
| **UCEAP Official Title**<br>FINANCE THEORY |
| **UCEAP Transcript Title**<br>FINANCE THEORY |
| **UCEAP Quarter Units**<br>8.00 |
| **UCEAP Semester Units**<br>5.30 |

**Course Description**
Topics covered in this course include: individual decision-making under uncertainty; expected utility and the mean-variance criterion; portfolio choice and separation; capital asset pricing models (also without riskless asset) and complete markets for state contingent claims, spanning, consequences for investment decisions; market efficiency, information Paradox; theory of pricing of derivative assets, such as forward and futures contracts and in particular options. Also covered: basic theory of portfolio choice and different equilibrium models for financial markets under one-period uncertainty; when, how, and to what extent the models are applicable; some elements of empirical research in the field; implications of the theory for capital budgeting and financing decisions in the private sector; the basics of absence-of-arbitrage pricing models applied to financial options which include binomial trees in discrete time as well as diffusions in continuous time.

**Language(s) of Instruction**
English

**Host Institution Course Number**
ECON4510

**Host Institution Course Title**
FINANCE THEORY

**Host Institution Course Details**

**Host Institution Campus**
Social Sciences

**Host Institution Faculty**

**Host Institution Degree**

**Host Institution Department**
Economics

**Course Last Reviewed**

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