COURSE DETAIL

FINANCE THEORY

Country
Norway

Host Institution
University of Oslo

Program(s)
University of Oslo

UCEAP Course Level
Upper Division

UCEAP Subject Area(s)
Economics

UCEAP Course Number
125

UCEAP Course Suffix

UCEAP Official Title
FINANCE THEORY

UCEAP Transcript Title
FINANCE THEORY

UCEAP Quarter Units
8.00

UCEAP Semester Units
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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