

## 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 Campus

Social Sciences

## Host Institution Faculty

## Host Institution Degree

## Host Institution Department

Economics

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