

# Financial Economics

Econ 421-001

Spring 2019

**Instructor:** J.D. Bridges

**Class Time:** Monday, 4:30-7:10 PM

**Class Location:** Buchanan Hall, D005

**Office Hours:** Before class and by appointment

**Email:** jbridge2@gmu.edu

## **Course Overview**

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Provides a survey of financial economics including a brief overview of the U.S. and international financial system and the role of different financial institutions. Covers the leading theoretical models in the field. May not be repeated for credit.

## **Textbooks and Readings**

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Assigned readings will occasionally be posted on Blackboard. In addition to these, the following textbook is required:

*The Economics of Financial Markets* by R.E. Bailey

## **Recommended Prerequisites**

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Econ 103, Econ 104, Econ 306, and Econ 311

## **Grading**

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Course grades are based on a midterm exam, a final exam and problem sets. They are weighted as follows:

Midterm Exam	30%
Final Exam	40%
Problem Sets	30%

There are no make-up exams. If you miss the midterm exam due to an emergency, the weight of that exam will be shifted to the final exam.

Grading Scale:

A+ (100-98), A (97-93), A- (92-90), B+ (89-87), B (86-83), B- (82-80), C+ (79-77), C (76-73), C- (72-70), D (69-60), F (59-0)

## **Honor Code**

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George Mason University is an Honor Code university; please see the Office for Academic Integrity for a full description of the code and the honor committee process.

## Students with Disabilities

If you are a student with a disability and you need academic accommodations, please contact the Office of Disability Resources at 703-993-2474. All academic accommodations must be arranged through that office.

## Tentative Schedule

Week 1.....	Introduction, prerequisites, key concepts overview
Week 2.....	Models of intertemporal choice
Week 3.....	Decision making under uncertainty
Week 4.....	Portfolio selection
Week 5.....	The Capital Asset Pricing Model (CAPM)
Week 6.....	<b>Midterm</b> /Efficient Markets Hypothesis (EMH)
Week 7.....	<b>Spring Break</b>
Week 8.....	Bond markets, term structure of interest rates
Week 9.....	Capital structure theory
Week 10.....	Dividends, taxes and stock buybacks
Week 11.....	Futures markets
Week 12.....	Options markets
Week 13.....	Corporate governance and agency problems
Week 14.....	Topics in financial economics
Week 15.....	Business cycles and equilibrium
May 13.....	<b>Final Exam</b>

- **Final Exam (May 13, 4:30 – 7:15 PM)**