

Tentative Course Outline

- Week 1: The Fundamental Theorem of Asset Pricing
Cochrane, Chapters 3 and 4
- Week 2: State Prices in Alternative Settings
Cochrane, Chapters 3 and 4
- Week 3: Tautologies and Economics in the Interpretation of the Fundamental Theorem of
Asset Pricing
Cochrane, Chapter 7
- Week 4: Two Date Asset Pricing Models
Cochrane, Chapters 1, 2, and 9
- Week 5: The Econometrics of Asset Pricing Relations
Cochrane, Chapters 10-15
- Week 6: Pitfalls in Learning from Asset Prices in Linear Factor Pricing Models
Cochrane, Chapters 10-15
- Week 7: Finite State Approximations to Discrete and Continuous Time Stochastic
Processes
Cochrane, Chapter 18, Appendix
- Week 8: Security Price Dynamics
Cochrane, Chapter 18
- Week 9: Market Efficiency, Asymmetric Information, and Security Price Dynamics
- Week 10: An Introduction to Market Microstructure from the No-Arbitrage Point of View