

## Course Syllabus

1	<b>Course title</b>	Financial Economics	
2	<b>Course number</b>	1607906	
3	<b>Credit hours</b>	3 hours	
	<b>Contact hours (theory, practical)</b>	3 hours	
4	<b>Prerequisites/corequisites</b>	-	
5	<b>Program title</b>	Ph.D in Business Economics	
6	<b>Program code</b>		
7	<b>Awarding institution</b>	The University of Jordan	
8	<b>School</b>	Business	
9	<b>Department</b>	Business Economics	
10	<b>Course level</b>		
11	<b>Year of study and semester (s)</b>	2022/ First semester	
12	<b>Other department (s) involved in teaching the course</b>		
13	<b>Main teaching language</b>	English	
14	<b>Delivery method</b>	<input checked="" type="checkbox"/> Face to face learning <input type="checkbox"/> Blended <input type="checkbox"/> Fully online	
15	<b>Online platforms(s)</b>	Moodle    Microsoft Teams <input type="checkbox"/> Skype <input type="checkbox"/> Zoom <input type="checkbox"/> Others.....	
16	<b>Issuing/Revision Date</b>		

### 17 Course Coordinator:

Name:

Contact hours: Monday & Wednesday 12-2, and 4-5

Office number: 104

Phone number: 24167

Email: s\_khatib @ju.edu.jo

**18 Other instructors:**

Name:

Office number:

Phone number:

Email:

Contact hours:

**19 Course Description:**

As stated in the approved study plan.

This is an advanced course in financial economics intended for PhD students. Financial economics is about building the economic foundations and understanding the intuition behind the portfolio theory upon which modern finance is based. The course starts by introducing equilibrium in securities markets and then, deeply analyzes how risk of securities and investor's attitude towards risk can be modeled. Then, the course proceeds by presenting two main asset pricing models (namely, CAPM and APT).

**20 Course aims and outcomes:**

#### A- Aims:

1. This course is designed to
2. Provide both a self-contained study of the principles of financial economics, and a bridge between related courses.
3. Include a critical discussion of the efficient markets theory, an overview of quantitative methods in finance.
4. Consider risk aversion in the context of utility theory.
5. Examines portfolio theory, the Capital Asset Pricing Model and multi-factor asset pricing models, covers bond pricing, duration and convexity, theories of the term structure of interest rates, the dividend discount and price-earnings models of share valuation.
6. Introduce the top down approach to investment decisions. The emphasis is on a thorough coverage of modern finance theory as applied to investment analysis, balanced with a consideration of new developments in the discipline, and of the application of both old and new theoretical perspectives to understand the current environment for financial investment decisions.

#### B- Students Learning Outcomes (SLOs):

Upon successful completion of this course, students will be able to:

1. Have an ability to discuss critically the efficient markets theory of financial markets and behavioral finance.
2. Have an understanding at advanced level of quantitative methods in finance.
3. Have an understanding of risk aversion in the context of utility theory.
4. Have an ability to discuss deeply portfolio theory, the Capital Asset Pricing Model and multi-factor asset pricing models.
5. Have the ability to apply the theory of bond pricing, duration and convexity.
6. Have the ability to apply theories of the term structure of interest rates.

SLO	SLO(1)	SLO(2)	SLO(3)	SLO(4)	SLO(5)	SLO(6)
SLO of the Course						
1. Evaluate all available information in the three core fields of Economics (Microeconomics), Macroeconomics, and Econometrics	***	***	***			

2. Apply economic Theories and Concepts to contemporary economic and social issues, as well as formulation and analysis of policy.						***
3. Apply Advanced and Effective oral and writing communication skills, using technologies, to communicate effectively with the discipline and deal with advanced research problem.						
4. Evaluate in-depth theory and clearly critique research within the discipline and deal with advanced research problems.						
5. Analyze critically economic policy or business decision making problems and apply relevant models and theories to generate effective solutions.			***	***		
6. Interpret and critically evaluate academic articles in the economics research literature.						
7. Work effectively, respectfully, ethically and professionally with people of diverse ethnic, cultural, gender and other backgrounds with people with different organizational						
8. Write a dissertation that contributes to further knowledge and understanding in a related specialized field.						
9. Produce unique theoretical and empirical contributions to existing bodies of literature.						
10. Develop and publish original and independent research papers that meet the existing standards of theoretical and empirical analysis.						

## 21. Topic Outline and Schedule:

Week	Lecture	Topic	Intended Learning Outcome	Learning Methods (Face to Face/Blended/ Fully Online)	Platform	Synchronous / Asynchronous Lecturing	Evaluation Methods	Resources
1	1	Review the syllabus and the nature of the financial		Face- to -face	On-capmus			
2	2	Ch. 1 Introduction: Capital Market, Consumption, and Investment	SLO(1)	Face- to -face	On-capmus			
3		Ch.2 Investment Decisions: The Certainty Case	SLO(1 ) + SLO(2)	Face- to -face	On-capmus			
4	4	Ch.3 The Theory of Choice: Utility Theory Given Uncertainty	SLO(2) + SLO(3)	face-to-face	On-capmus			
5	5	Ch.5 Objects of Choice: Mean-Variance Portfolio Theory	SLO(2)	face-to-face	On-capmus			
6	6	Ch. 6 Market Equilibrium: CAPM and APT	SLO(4)	face-to-face	On-capmus			

7	7	Ch. 8 The Term Structure of Interest Rates, Forward Contracts, and Future presentation method to use	SLO(6)	face-to-face	On-campus			
8	8	Mid-term Exam		face-to-face	On-campus			
9	9	Ch. 10 Efficient Capital Markets: Theory	SLO(4)	face-to-face	On-campus			
10	10	Ch. 13 The Role of the CFO, Performance Measurement, and Incentive Design	SLO(2)	face-to-face	On-campus			
11	11	Ch. 14 Valuation and Tax Policy	SLO(5)	face-to-face	On-campus			
12	12	Ch. 15 Capital Structure and the Cost of Capital: Theory and Evidence	SLO(6)	face-to-face	On-campus			
13	13	Exam 2		face-to-face	On-campus			
14	14	Ch. 16 Dividend Policy: Theory	SLO(5)	face-to-face	On-campus			



		and Empirical Evidence						
15	15	Final Exam		face-to-face	On-campus			

## 22 Evaluation Methods:

Opportunities to demonstrate achievement of the SLOs are provided through the following assessment methods and requirements:

Evaluation Activity	Mark	Topic(s)	SLOs	Period (Week)	Platform
Mid-term	30			December 15	
Takehome Exam	20			January	
Participation	10				
Final exam	40			January	
Total	100				

## 23 Course Requirements

(e.g: students should have a computer, internet connection, webcam, account on a specific software/platform... etc):

## 24 Course Policies:

A- Attendance policies:

B- Absences from exams and submitting assignments on time:

C- Health and safety procedures:

D- Honesty policy regarding cheating, plagiarism, misbehavior:



E- Grading policy:

F- Available university services that support achievement in the course:

## 25 References:

A- Required book(s): Financial Theory and Corporate Policy, by Thomas E. Copeland, J. Fred Weston, and Kuldeep Shastri, 4<sup>th</sup> edition, Pearson (2003).

B- Recommended Reference(s): Modern Investment Theory, Robert A. Haugen, 5<sup>th</sup> edition, 2001.

## 26 Additional information:

Name of Course Coordinator: -----Signature: -----Farah----- Date: -----10/10/2021---

Head of Curriculum Committee/Department: ----- Signature: -----

Head of Department: ----- Signature: -----

Head of Curriculum Committee/Faculty: ----- Signature: -----

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Dean: ----- Signature: -----