

Empirical Asset Pricing Models
(Econometría para valoración de activos)
Syllabus

Karoll GOMEZ-PORTILLA
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This course aims to teach you how to conduct empirical analysis in the area of asset pricing. The course are concentrated on application of methods to classic model in asset pricing, so that I will not expend so much time in the econometric theory, but how these methods are useful to answer question that are on economic relevance.

The course is based on three topics:

1. The Predictability of Asset Returns
2. The Capital Asset Pricing Model
3. Multifactor Pricing Models

Slides are based on Oliver Linton, Empirical Finance Course at Cambridge University. January 2014.

The main references are:

- Cochrane, J (2005). Asset pricing. Princeton University Press. 2nd Edition
- Campbell, Lo and Mackinlay (1996). The econometrics of Financial Markets. Princeton University Press.
- Fama, E. (1970). "Efficient Capital Markets: a Review of Theory and Empirical Work," *Journal of Finance*, 25, 2, 383-417
- Grosman and Stiglitz, (1980). "On the impossibility of informationally eficiente markets" *American Economic Review*. 70, 3, 393-408.
- Fama, Eugene F.; MacBeth, James D. (1973). "Risk, Return, and Equilibrium: Empirical Tests". *Journal of Political Economy* 81 (3): 607–636
- Fama, E. F.; French, K. R. (1988). "Permanent and temporary components of stock prices". *Journal of Political Economy* 96 (2): 246–273