

MT-526	Economic Theory for Financial Market
	<p><u>Decision-Making under Uncertainty:</u> Certainty & uncertainty, Decision making under uncertainty, Decision-making & Expected utility, Mean-variance analysis.</p> <p><u>Financial Markets:</u> Spot markets, Contingent claim markets, Security markets, Incomplete markets, Firms & stock-market equilibrium, Financial structure, Arbitrage and option pricing, Theory & critical evaluation of CAPM & ATP.</p> <p><u>Deposit Contractors and Banking:</u> Money as a means of payment, Assets (Liquid & illiquid), Problem of deposit, Deposit insurance, Bank regulation, Reserve requirements, Bank as deposit-taking institution, Capital-adequacy requirements, Financial intermediation, Monetary theory & policies.</p> <p><u>Reference Books:</u></p> <ul style="list-style-type: none"> • Bailey R, <i>The Economics of Financial Markets</i>, Cambridge University Press, 2005. • Jones C, <i>Financial Economics</i>, Routledge, 2007.