

Liverpool John Moores University

Title: Financial Economics
Status: Definitive
Code: **7003LBSIF** (128050)
Version Start Date: 01-08-2021

Owning School/Faculty: Business and Management
Teaching School/Faculty: Business and Management

Team	Leader
Aneirin Owen	Y

Academic Level: FHEQ7
Credit Value: 20
Total Delivered Hours: 36
Total Learning Hours: 200
Private Study: 164

Delivery Options

Course typically offered: Semester 2

Component	Contact Hours
Lecture	33

Grading Basis: 50 %

Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Test	Test	In class Test	20	
Exam	Exam	Closed Book Exam	80	3

Aims

This module provides students with a critical appreciation of the full range of economic concepts, theories and models relating to financial markets, instruments, risks and decisions.

Learning Outcomes

After completing the module the student should be able to:

- 1 Critically evaluate the strengths and weaknesses (limitations) of economists' theories of finance.
- 2 Compare and contrast alternative theories and approaches to financial economics.
- 3 Critically evaluate recent and relevant research findings.
- 4 Develop financial models, and plan a methodology to test models.

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

In class Test	1		
Closed Book Exam	2	3	4

Outline Syllabus

Financial developments and the emergence of global finance.
Economic concepts of consumption, saving and investment.
Economists' methods of analysis and use of theories.
Economics of savings and the demand and supply of liquidity.
Time value of money, discounted cash flow and Quantity theory of money.
Keynes' ideas on liquidity, interest rates and risk.
Agency theory and Efficient Market Hypothesis.
Comparing gearing to equity, the contribution of Modigliani and Miller.
Risk, market pricing of risk, capital market line and CAPM.
Testing a hypothesis drawn from financial economics.
Political economy of finance, trade cycle, instability and inequality.

Learning Activities

Lectures will expose students to relevant theories, models and concepts. The VLE will be further utilised to contextualise theories, models and concepts for students.

Notes

This is a research driven module, responding to the need as to how economics impacts on financial markets and institutions.