

## **Topical Issues in Asset Pricing**

Summer 2019

### **Seminar within the specializations "Financial Markets" and "Financial Intermediation"**

Predicting asset prices has always fascinated practitioners as well as academics. Despite the huge successes of simple models to explain the basic phenomena of asset prices, standard theories provide little guidance for a vast variety of practical challenges.

The tremendous post-crisis success of ETFs does generate the emergence of common ownership. Industry 4.0 and the digital economy deeply change the interconnection of productive firms as well as the relative allocation of labor and (machine) capital. Social security affects employee risk and the cost of labor. Will, and if so how will these developments affect asset prices?

Likewise, how can we attempt to understand the widely and robustly observed cyclicity in risk premia? How can bubbles emerge and which are the determinants that limit apparent (?) arbitrage opportunities?

Moreover, how are asset prices related to individual attitudes and behavior? Which are the determinants of trust and which are the asset pricing implications of breaking trust? Are environmental attitudes priced and (how) are environmentally friendly business models rewarded by the (anonymous) market?

#### **Requirements:**

This is an advanced master-level seminar. It also serves as a basis for the preparation of a potential master thesis or other advanced academic work. Therefore, having passed successfully the "Asset Pricing" course is a pre-requirement.

#### **Literature:**

Literature will be made available on Moodle for registered users.

#### **Organization/Office Hours:**

Please arrange office hours with my secretary Sigrid Hopf at 6.331 at [sigrid.hopf@univie.ac.at](mailto:sigrid.hopf@univie.ac.at)

## Topics:

1. Pricing Implications of Market Frictions
  - a. The Liquidity Asset Pricing Model
  - b. Information Risk as a Priced Factor
  - c. Common Ownership and Asset Prices
2. Cross-Market Interaction
  - a. Asset Pricing in Network Markets
  - b. Asset Pricing Implications of Labor Market Frictions
  - c. The Labor Asset Pricing Model
3. Explaining Cyclicity
  - a. Momentum and Asset Pricing
  - b. Bubbles, Growth and Asset Prices
  - c. FOMC-Cycles
  - d. Is Systemic Risk a Priced Factor?
4. Does Individual Behavior Matter?
  - a. Trust and Asset Prices
  - b. ESG Factors and Asset Prices
    - i. Stock Price Awards to Climate Saints and Sinners
    - ii. Is CSR Priced in Stock Markets?
    - iii. Is Good Governance Priced in Stock Markets?
  - c. Experimental Asset Markets

## Grading:

Grading is based on three elements:

1. The worked out seminar paper (50 points). Each candidate has to submit a single-authored paper not exceeding 12 pages. The seminar draft has to be **submitted one week prior to the presentation** in electronic form. This version is distributed to seminar participants in order to allow them preparation. After the presentation the paper can still be improved. **Final submission** for all papers is **July 1st, 2019**. Thereafter no corrections are possibly anymore.
2. Presentation of the seminar paper (25 points)

Presentations can be shared, but each candidate will be assessed on his/her own part.
3. Course participation (25 points)

Active preparation and active participation are required, which requires regular participation.

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**040029 Seminar Asset Pricing - Univ.-Prof. Dipl.-Vw. Thomas Gehrig, PhD SR 4 OMP1**

**SCHEDULE**

<b>KW</b>	<b>Datum</b>	<b>Tag</b>	<b>Beginn-Ende</b>	<b>Kurztitel</b>
10	04.03.2019	Mo	15:00 - 16:30	Introduction
11	11.03.2019	Mo	15:00 - 16:30	
12	18.03.2019	Mo	15:00 - 16:30	
13	25.03.2019	Mo	15:00 - 16:30	
14	01.04.2019	Mo	15:00 - 16:30	
15	08.04.2019	Mo	15:00 - 16:30	
18	29.04.2019	Mo	15:00 - 16:30	
19	06.05.2019	Mo	15:00 - 16:30	
20	13.05.2019	Mo	15:00 - 16:30	
21	20.05.2019	Mo	15:00 - 16:30	
22	27.05.2019	Mo	15:00 - 16:30	
23	03.06.2019	Mo	15:00 - 16:30	
<b>25</b>	<b>17.06.2019</b>	<b>Mo</b>	<b>08:00 - 13:30</b>	<b>Abschlusspräsentation in der Skylounge</b>