City University of Hong Kong
Course Syllabus

offered by Department of Economics and Finance
with effect from Semester A in 2022/23

Part I   **Course Overview**

Course Title: **Empirical Asset Pricing**

Course Code: **EF8083**

Course Duration: **1 semester**

Credit Units: **3**

Level: **R8**

**Medium of
Instruction:**   **English**

**Medium of
Assessment:**   **English**

Prerequisites:
(Course Code and Title)   **Nil**

Precursors:
(Course Code and Title)   **Nil**

Equivalent Courses:
(Course Code and Title)   **Nil**

Exclusive Courses:
(Course Code and Title)   **Nil**

Part II   Course Details

1.   Abstract

This course aims to introduce students to various areas of empirical asset pricing and to hone their skills in developing research questions and methodologies, and evaluating and interpreting empirical research findings in asset pricing area. It also teaches a basic skill of literature search that will be conducted through hands-on practice throughout the course. This course will fully utilize the best expertise of the faculty of this department. Upon completing the course, students are equipped to evaluate and assess the existing research literature and to discover and identify important academic issues to tackle, often with the help of literature search in vast e-resources. The whole training focuses on the discovery and innovative process that is the nature of rigorous academic research.

2.   Course Intended Learning Outcomes (CILOs)

No.	CILOs	Weighting	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	*A2*	*A3*
1.	Introduce students to various areas of empirical asset pricing research.	40%	√	√	√
2.	Hone their skills in developing research questions and methodologies, and evaluating and interpreting empirical research findings in asset pricing area, and increase their ability to discover and identify new research topics.	40%	√	√	√
3.	Conduct literature search through hands-on practice.	20%	√	√	√
		100%			

A1:   Attitude
Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.
A2:   Ability
Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.
A3:   *Accomplishments*
Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3. Teaching and Learning Activities (TLAs)

| TLA | Brief Description | CILO No. | | | Hours/week |
		1	2	3	(if applicable)
Lectures	-	√	√	√	-
Intensive In-class Discussions	-	√	√	√	-
Assignments	-	√	√	√	-

4. Assessment Tasks/Activities (ATs)

| Assessment Tasks/Activities | CILO No. | | | Weighting | Remarks |
	1	2	3		
Continuous Assessment: <u>100</u> %					
One short project involving data processing	√	√	√	50%	
Literature review report in a specific area	√	√	√	50%	
Examination: <u>0</u>% (duration: , if applicable)					
-				0%	
				100%	

5. Assessment Rubrics

Applicable to students admitted in Semester A 2022/23 and thereafter

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
1. One short project involving data processing 2. Literature review report in a specific area	First-rate Criterion	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of the subject of portfolio investment; evidence of extensive knowledge base as outlined in CILOs; very strong overall ability to discover and innovate, and very strong evidence of accomplishments of discovery.	Evidence of knowing how to apply the related concepts outlined in CILOs; strong overall ability to discover and innovate, and strong evidence of accomplishments of discovery.	Marginal familiarity with the subject of portfolio investment; marginal ability to discover and innovate, and marginal evidence of accomplishments of discovery.	Little evidence of familiarity with the subject of portfolio; or no show and no excuse in final exam; little evidence of ability to discover and innovate, and little evidence of accomplishments of discovery.

Applicable to students admitted before Semester A 2022/23

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. One short project involving data processing 2. Literature review report in a specific area	First-rate Criterion	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of the subject of portfolio investment; evidence of extensive knowledge base as outlined in CILOs; very strong overall ability to discover and innovate, and very strong evidence of accomplishments of discovery.	Evidence of knowing how to apply the related concepts outlined in CILOs; strong overall ability to discover and innovate, and strong evidence of accomplishments of discovery.	Some evidence of knowing how to apply the concepts outlined in CILOs; some ability to discover and innovate, and satisfactory evidence of accomplishments of discovery.	Marginal familiarity with the subject of portfolio investment; marginal ability to discover and innovate, and marginal evidence of accomplishments of discovery.	Little evidence of familiarity with the subject of portfolio; or no show and no excuse in final exam; little evidence of ability to discover and innovate, and little evidence of accomplishments of discovery.

Part III   Other Information

1.   Keyword Syllabus

Investor Sentiment; Time-Series Predictability of Returns; Cross-Sectional Predictability of Returns; Return Anomalies; CAPM; Multifactor Models; Market Efficiency; GMM Estimation/Test of Asset Pricing Models; Volatility; Empirical Issues in Market Microstructure.

2.   Reading List
2.1   Compulsory Readings

1.	Campbell, John, Andrew Lo, and A Craig MacKinlay (1997) The Econometrics of Financial Markets, Princeton University Press
2.	Singleton, Kenneth (2006) Empirical Dynamic Asset Pricing, Princeton University Press
3.	Bodie, Zvi, Alex Kane, and Alan Marcus (2013) Investments, 10ed, McGraw-Hill Education
4.	Bali, Turan G, Robert Engle, Scott Murray (2016) Empirical Asset Pricing: The Cross Section of Stock Returns, John Wiley & Sons, Inc.

2.2   Additional Readings

1.	Nagel, Stefan (2013) Empirical Cross-Sectional Asset Pricing, Annual Review of Financial Economics, 5, 167-199.