JÖNKÖPING UNIVERSITY
Jönköping International Business School

COURSE SYLLABUS

Asset Pricing, 5 credits

Asset Pricing, 5 högskolepoäng

Course Code:	J2APJC	Education Cycle:	Second-cycle level
Confirmed:	Mar 25, 2026	Disciplinary domain:	Social sciences (75%) and Natural sciences (25%)
Valid From:	Aug 31, 2026	Subject group:	Business Administration
		Specialised in:	A1N Second cycle, has only first-cycle course/s as entry requirements
		Main field of study:	Business Administration, Economics

Intended Learning Outcomes (ILO)

On completion of the course you will be able to:

Knowledge and Understanding

1.1 Demonstrate current, advanced, and specialised knowledge (concepts, theories, frameworks) in the course content, applying and integrating this expertise to solve complex problems.

1.2 Critically apply disciplinary knowledge to address complex issues in international contexts, while reflecting on its transferability and limitations across different settings.

Skills and Abilities

2.2 Critically analyse complex issues using theories and data and justifying solutions with rigorous, evidence-based reasoning.

Judgement and Approach

4.1 Integrate ethical and sustainability considerations into the critical evaluation of organisational, market, and/or policy issues.

5.1 Exercise initiative, creativity, and entrepreneurial mindset to achieve innovative solutions in situations characterised by uncertainty and ambiguity.

Content

Understanding what drives asset prices is fundamental to financial stability, investment strategy, and policy design. This course responds to the growing need for professionals who can interpret market valuation through theory and evidence, integrating quantitative analysis with awareness of sustainability and macroeconomic conditions that influence risk, return, and capital allocation.

This course provides you with a rigorous foundation in the theory and empirical methods of asset pricing. You will explore how financial markets value securities, with a focus on the role of risk, time, and information.

In the equity markets section, models such as the Capital Asset Pricing Model, are used to explain how systematic risk determines expected returns and market valuations, while insights from Behavioral Finance highlight how cognitive biases and limits to arbitrage can produce deviations from fully rational pricing. In fixed income, you will analyse the evolution of short-term rates, the shape of the yield curve, and the decomposition of yield movements into key components. For commodities and digital assets, you will be presented with frameworks addressing storage, convenience yield, and risk premia, as well as the distinctive characteristics of emerging asset classes and the role of market sentiment.

The course integrates mathematical tools and empirical methods to analyse asset returns and test pricing models. Computational implementation in Python is used for econometric estimation and the analysis of financial data. Emphasis is placed on both theoretical intuition and practical application, preparing you for a career in finance, research, or further academic study.

Connection to Research

You will engage with current research in asset pricing by reading and discussing academic studies on expected returns, risk premia, factor models, and market anomalies. You will apply empirical research methods commonly used in financial economics to analyse financial data and evaluate the performance of asset-pricing models. The course also connects to research on sustainable finance, including work on green financial assets conducted at Jönköping International Business School, helping you understand how asset-pricing research informs emerging sustainability-related financial markets.

Connection to Practice

You will connect asset-pricing theory to real financial markets by analysing how risk and expected return are reflected in the valuation of individual assets across equities, fixed income, and alternative assets. Through empirical analysis of market data, you will evaluate how theoretical models perform in real market settings. Computational tools and data-analysis methods commonly used in financial markets will be applied to reflect contemporary analytical practices.

Connection to Ethics, Responsibility, Sustainability (ERS)

You will examine how asset-pricing and investment decisions influence the allocation of capital and broader economic outcomes. The course addresses how risk assessment and investment strategies relate to responsible investment practices, including environmental, social, and governance (ESG) considerations. Through discussion and analysis, you will reflect on the responsibilities of financial market participants in promoting sustainable and responsible financial decision-making.

Type of Instruction

The course is taught on campus through lectures, computer-lab sessions using spreadsheet software and programming languages. Teaching combines theoretical explanations with applied computational exercises.

Attendance is expected for scheduled on-campus sessions and may be compulsory for some sessions.

Language of instruction is English.

Entry Requirements

The applicant must hold a minimum of a Bachelor's degree (equivalent to 180 ECTS credits from an accredited university), including at least 30 ECTS credits in Business Administration, of which at least 15 ECTS must be finance and/or accounting. Also, the applicant must have passed at least 10 ECTS in statistics, mathematics, econometrics, or the equivalent. Proof of English proficiency is required.

Examination and Grades

The course is graded A, B, C, D, E, FX or F.

The ILOs are assessed through the following examination forms:

Individual written exam (ILOs: 1.1, 1.2, 2.2), representing 4 credits. The exam assesses your understanding of core asset-pricing theories, empirical methods, and ability to analyse financial market data and interpret results using appropriate theoretical frameworks.

Group assignment (ILOs: 4.1, 5.1), representing 1 credit. You will work in groups to analyse a financial market question related to asset pricing and deliver an oral presentation a structured evaluation of market behavior, emerging trends, and sustainability considerations in financial markets.

All parts of the compulsory examination in the course must receive a passing grade before a final grade can be set. Grades are set in accordance with JIBS grading policy.

Registration of examination:

Name of the Test	Value	Grading
Individual written exam [1]	4 credits	A/B/C/D/E/FX/F
Group assignment	1 credit	G/U

[1]Determines the final grade of the course, which is issued only when all course units have been passed.

Course Evaluation

The course evaluation is important for the continuous improvement of JIBS' courses and degree programmes. The examiner is responsible for ensuring that each course is evaluated, but as a student you are essential in this process. We rely on your input to understand how we can improve. At the outset of a course the student representatives are identified. In the middle of the course there should be an opportunity for the student representatives (or a larger group of students) to share reflections on how the course is progressing. At the end of the course, you will get a course evaluation survey to fill in. The examiner will then host a debrief meeting with the student representatives to discuss improvement opportunities, based on the course evaluation data and comments.

Other Information

As a JIBS student, you are expected to maintain strong academic integrity. You must act within the boundaries of academic rules and expectations relating to all types of teaching and examination.

Copying someone else's work is a particularly serious offence and can lead to disciplinary action. When you use someone else's work without proper citation or transparency about where it came from, you are committing plagiarism. Cutting and pasting without clearly acknowledging the original source is a textbook example of plagiarism.

You must also act responsibly when using Generative AI tools. Acting responsibly includes staying informed about the school's AI-policy, understanding what rules apply in each course, and properly declaring or disclaiming any use of generative AI. You are accountable for all content you submit, including AI-assisted material. Using AI without disclosure or beyond what is allowed in a course is a violation of academic integrity and will be subject to the same academic consequences as other forms of misconduct, which may include failing the assignment, failing the course, or further disciplinary action according to school policy.

The Jönköping University library offers online and in-person support for assisting you in identifying relevant sources, using and referencing literature, and creating texts that meet academic standards and integrity.

Other forms of academic misconduct include (but are not limited to) adding your name to a project you did not contribute to (or allowing someone to add their name), cheating during an examination, helping other students to cheat or submitting other students' work as your own, and using non-allowed electronic equipment during an examination. All such actions may result in disciplinary measures.

Course Literature

Please note that the course literature may be revised up to eight weeks before the start of the course.

Bodie, Z., Kane, A., and Marcus, A.J. (2024). Investments (13th ed.). McGraw Hill.

Additional academic articles and reference materials will be provided by the instructors.