

Korea Advanced Institute of Science and Technology
Graduate School of Finance and Accounting

Micro-Analysis of Financial Economics
(FMB556)

First Half, Fall 2015

Instructor: Sungmin Kim

Textbook: Robert Pindyck and Daniel Rubinfeld, *Microeconomic*, Eighth Edition 2013, Pearson, International Edition

Course description:

Microeconomics is an essential foundation of finance and financial management. The primary goal of this course is to develop the abilities of students to apply fundamental microeconomics principle and analytical tools to a range of decisions on financial matters. Although there are so many issues in microeconomics, this course will focus on selected issues which are important in understanding finance and financial markets. Students will also be introduced to more advanced topics in microeconomics. In fact, another major objective of the course is to equip students with background concepts and tools for more specialized courses in economics and finance.

The class schedule below is a guideline rather than a fixed one. The best way to come to classes prepared is to read the relevant textbook chapters beforehand

Requirements and grading:

There will be a final exam. In addition, there will be group presentations to facilitate class discussions. Finally, students are required to read a book related to economic analysis, which will be assigned at the beginning of the course and to submit a written report based on the book.

Assuming your course work is completed successfully, **your final grade** will be based **60% on your final examination, 30% on your written report on an assigned book and 10% on your class participation.**

Preliminary course outline:

Week 1: Introduction, Basic Supply and Demand

Week 2: Basic Supply and Demand

Week 3: Consumer Behavior

Week 4: Uncertainty and Consumer Behavior

Week 5: Behavioral Economics

Week 6: Markets with Asymmetric Information

Week 7: Market Failures, Externalities, and Government Intervention

Week 8: Final Exam