



Course Outline

EE433 Asset Pricing Theory

Semester 2/2025 (January 5 - May 2, 2026)

Lecture Time: Thursday, 09.00-12.00 hours

Lecture Venue: Room 201

Teaching Materials Platform: Google Classroom (code: cr53axhh)

Instructor:

Name: Assoc. Prof. Dr. Vimut Vanitcharearnthum

Office Hours: by appointment

Email: vimut@econ.tu.ac.th

Phone: -

Number of Credit: 3 Credits (3-0-6)

Prerequisite: EE311 and EE320 (or EE421)

Course Description:

Study concepts and frameworks of asset pricing theory in the intermediate level; the theory of choice under uncertainty; classical asset pricing theory in the discrete time such as the Capital Asset Pricing Model (CAPM), The Arbitrage Pricing Theory (APT), and The Consumption Capital Asset Pricing Model (C-CAPM); Empirical puzzles in asset pricing/returns and proposed resolutions in the literature.

Course Objectives:

The aim of the course is to provide a broad understanding of the principles of asset pricing. In this class, I will start with a review of the theory of choice under uncertainty that you have learned in EE311. Then, we will develop classical asset pricing theory in the discrete time. In this class, the students will learn and discuss the empirical puzzles and recent theories that have been developed to try to solve these puzzles.

Learning Management and Evaluation

CLO	Learning Management	Evaluation
CLO 1: K1, K2, K3, S1, S2 Learning modern asset pricing theories and relevant empirical studies	<ul style="list-style-type: none"> Lecture Connecting theories with data using R 	<ul style="list-style-type: none"> Class participation and discussion Midterm examination Final examination Assignments
CLO 2: K1, K2, K4, C1, C2, C4, S2 Initiate problem analysis in independent or group assignments	<ul style="list-style-type: none"> Assignment Replication of empirical studies 	<ul style="list-style-type: none"> Individual or group assignments In-class presentation
CLO 3: E1 Acknowledge moral values and exhibit ethical traits embedded in the asset pricing theories	<ul style="list-style-type: none"> Case study Group discussion 	<ul style="list-style-type: none"> Class works evaluation

Learning Assessment Plan

CLO	Methods of Learning Assessment	Assessment Week	Proportion of Assessment
CLO 1	<ul style="list-style-type: none"> Class participation 	1-15	10%
	<ul style="list-style-type: none"> Midterm exam 	8	30%
	<ul style="list-style-type: none"> Final exam 	16	40%
	<ul style="list-style-type: none"> Assignments 	Every 3 rd week	20%
CLO 2	<ul style="list-style-type: none"> Assignments 	Every 3 rd week	20%
CLO 3	<ul style="list-style-type: none"> Class participatio 	1-15	10%

Main Text:

- Danthine, J.-P., and Donaldson J. B., & . (2014). *Intermediate financial theory* (3th ed.). Elsevier (DD)
- Bodie, Z., Kane, A., and Marcus A. (2023). *Investments* (13th ed.). McGraww-Hill.

Recommended Texts:

- Pennacchi, G. (2008). *Theory of Asset Pricing*. Pearsons

Grading Criteria

Raw Score	Grade
85-100	A
80-84	B+
75-79	B
70-74	C+
65-69	C
60-64	D+
55-59	D
<55	F

Assessment Component	Weight
Class Participation	10%
Midterm Exam	30%
Final Exam	40%
Assignments	20%
Total	100%

Tentative Class Schedule

Session	Topic	Reading
1-2	Expected Utility and Risk Aversion	DD Ch.3-4
3	Demand for Assets	DD Ch. 5
4	Modern Portfolio Theory and Mean-Variance Analysis	DD Ch. 6
5	The Capital Asset Pricing Model	DD Ch. 8
6	Arrow-Debreu Pricing	DD Ch. 9
7	Empirical Evidences	
26 th February: Midterm exam		
9-10	The Consumption CAPM	DD Ch. 10
11-12	Options and Arrow-Debreu Pricing	DD Ch. 11
13-14	The Binomial Model and The Martingale Measures	DD Ch. 12-13
15	The Arbitrage Pricing Theory	DD Ch. 14
16	Review Session	
15 th May: Final Exam		

Conduct and Manner

Ethics is all above everything, far more valuable than merely subject knowledge. Accordingly, plagiarism and cheating, including any possible plagiarism and cheating, will be subject to penalties as stated in the University Regulations. More importantly, to achieve overall objectives of learning, it is strongly advised that all students of EE433 classes behave in proper manner with socially acceptable and right conduct.

Below is advised code of conduct to be performed in EE433 class. Achieving and maintaining the code of conduct throughout the course will surely be awarded.

1. No mobile phones used. This includes silent mode, message sending, LINE, and all social network communication that would interfere teaching and learning. Should any mobile phone ring, a pop-up closed-book quiz will be given to all students in the group. Score earned from the quiz will be counted toward the course evaluation.
2. Be punctual. Class starts at 09:00 am. Yet it is understood that students may have continuing classes that cause delay. It is acceptable if it is a few minutes late. But unnecessary delay should be avoided. Even if students are on time, they are advised not to leave the room without unnecessary purposes.
3. Behave. Everyone is expected to behave with basic politeness, civility, and respect for others. In particular, talking in class is allowed if it's part of a class discussion. Private communications are not, especially during quizzes. Neither are reading extraneous materials, using electronic equipment/s or sleeping. Other socially acceptable manner should be practiced here. For example, this is a classroom whereby food and drink is not allowed. This is the university whereby students wear proper dress