



Econ3372B 570
Intermediate Financial Economics
Winter 2026

Instructor: Dr. Jingjing Xu
Email: jxu938@uwo.ca

Course Information

Mode of Instruction: In Person

Calendar Description:

This course presents the economic theory of asset pricing. Topics covered include decision making under uncertainty, mean-variance analysis, Capital Asset Pricing Model (CAPM), Arbitrage Pricing Theory (APT), Equity Premium Puzzle, Bonds, and The Term Structure of Interest Rates.

Pre-requisite(s): Economics 2300A/B.

Anti-requisite(s): Economics 2181A/B, Economics 3332A/B, Economics 3346A/B, MOS 3316A/B.

Extra Information: 3 lecture hours.

Course Weight: 0.50

Breadth: CATEGORY A

Subject Code: ECONOMIC

Notice: Unless you have either the requisites for this course (fulfilment of pre-requisites, no anti-requisite conflicts), or special permission from your Dean to enrol in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.



Economics 3372 (570)
Intermediate Financial Economics
Fall/Winter 2025-2026

Instructor: Jingjing Xu

E-mail: jxu938@uwo.ca (Please include "Econ 3372" in the subject line.)

Office Hours: Thursday 10:30 am -11:30 am or by appointment

Course Description:

This course presents the economic theory of asset pricing. Topics covered include decision making under uncertainty, mean-variance analysis, Capital Asset Pricing Model (CAPM), Arbitrage Pricing Theory (APT), Equity Premium Puzzle, Bonds, and The Term Structure of Interest Rates.

Learning Outcomes:

By the end of the semester, successful students will be able to:

- Understand the economic intuition behind asset pricing models.
- Assess asset pricing models and their implications.
- Understand the Equity Premium Puzzle and attempts to solve it.
- Comprehend bond pricing and the term structure of interest rates.

Prerequisite:

ECON 2300A/B

Antirequisite:

ECON 2181A/B, ECON 3332A/B, ECON 3346A/B, MOS 3316A/B

Class Format

Most classes will be structured in the traditional lecture format. The class time will be divided between lecture / presentation and discussion / solving problems / exercises. Students' participation and questions are strongly encouraged as this will count towards participation marks. Students are expected to have read the assigned material before class.

Referred Textbooks

- Bailey, Roy. *Economics of Financial Markets*. Cambridge University Press, 2005. \$153.70
- Bodie, Zvi; Kane, Alex; Marcus, Alan J.; Switzer, Lorne; Stapleton, Maureen; Boyko, Dana; Panasia, Christine. *Investments*. 10th Canadian ed., McGraw Hill., 2022.

Course Calendar

The following outline is tentative and subject to change. The instructor reserves the right to make changes as well as drop one or two topics if there is insufficient time

**All the changes in schedule and deadlines will be announced via OWL Brightspace in advance. Students are responsible for learning about these changes – not knowing about the change does not qualify as an excuse. **

Weeks	Topics
Week 1	Introduction
Week 2	Asset markets and Asset prices
Week 3	Decision Making Under Uncertainty
Week 4-5	Mean Variance Analysis
Week 6	Capital Asset Pricing Model (CAPM)
Week 7	Reading Week
Week 8-9	Arbitrage Pricing Theory (APT)
Week 10	Present value relationships and price variability
Week 11	Equity Premium Puzzle
Week 12	Efficient Markets
Week 13	Selected Topic(s)

Grading

The following assignments and exams will constitute grade for the course.

Participation & Attendance		5%
Assignments (3)	Due date for each assignment to be updated on OWL Brightspace	30%
Mid-term Examination	Tuesday, Feb 24, 1:00 pm -2:20 pm	25%
Final Examination	To be scheduled during exam period	40%

- **Participation & Attendance:** Regular class attendance and participation in class is expected as it creates a more conducive environment in the learning process. Students should come to class prepared enough to effectively participate. Though there may not be a written attendance on a given day, I will recognize student's absence. Participation includes class participation, forum on OWL, awareness of current events, which are all important parts of this course.
- **Assignments:** There are **three** assignments for this course. Students are expected to complete and submit their work through OWL Brightspace within 10 days of the posting date. A 4-day grace period applies, which means that submissions will be accepted without penalty until 14 days after the original posting date. Updates regarding the assignment will be provided on OWL Brightspace.

Please note that due to the “no-late-penalty” period, requests for academic consideration past the final accepted date will be denied. That is, **anything submitted past the two-week period will NOT be accepted and will be assigned a grade of zero.**

- **Midterm:** The midterm exam will be held on **Tuesday, Feb 24, 2026**, from 1:00 pm to 2:20 pm (during the scheduled lecture time). It will be a closed book examination. A formula sheet (if needed) will be provided along with the question paper.

There will be no deferred midterm exam. Students who can document a compelling reason (such as an academic conflict, confirmed medical issue, or confirmed compassionate grounds) for missing the midterm will be excused and the weight of the midterm will be automatically added to their final exam. Birthdays, social activities, family trips, vacations, concerts, and similar events do not constitute valid grounds for missing the exam.

- **Final:** The final exam will take place during the fall term examination period at a time set by the University. It will be a closed book examination. For updates on the schedule, please check the university timetable https://registrar.uwo.ca/academics/examinations/exam_schedule.html
- Only non-programmable calculators will be allowed into the exams.
- Electronic devices of any kind (including cell phones, smart watches) are NOT permitted at exams.

!!!IMPORTANT!!!!: One requirement that must be met to pass the course:

- Though the final course grade is calculated based on the weighted average of the above components, **there is one additional requirement that must be met to pass the course: Your FINAL EXAM GRADE must be NO LOWER THAN 40** (i.e., if your grade for the final exam is lower than 40, even if your weighted final grade is greater than 50, you will still fail the course).

Re-grading

- The final grades for the course cannot be changed. If the student believes that there exist objective reasons for the change of the final grade, they must provide the instructor with details on an email sent to jxu938@uwo.ca, explaining the reason(s) for requesting a reappraisal of their graded work. In this case the instructor will revise and re-grade student’s work. Re-grading will apply to the entire assignment/exam, not just the contentious question. As a result, the revised grade maybe higher than, lower than or the same as the original grade. Exams or assignments completed in pencil or erasable ink will not be regraded.
- The instructor reserves the right to reallocate the distribution of marks as special circumstances may demand, in the interest of academic fairness. This redistribution would never negatively affect the grades of any student.

Email and communication Policy:

For verification and security purposes, I will only respond to emails originating from @uwo.ca e-mail accounts, and which are signed with a student's name and student number. Please make sure that you include course and section number in the subject line to help me track your question(s) appropriately. All course changes and updates will be communicated via the OWL Brightspace course website, so please check that frequently.

Academic Integrity:

Reference to Western Scholastic Discipline Policy, e.g.: Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf

Policy on Generative AI:

Within this course, generative AI tools such as ChatGPT are permitted exclusively for information-gathering and preliminary research purposes. If AI tools are used, students must acknowledge use and state how the tool was used. Unauthorized use of AI will be subject to academic discipline.

KING'S UNIVERSITY COLLEGE

GENERAL COURSE POLICIES

2025-2026

1. Academic Accommodations, Consideration for Absences

Academic Accommodation (Accessibility)

Accessibility Services works to ensure that academic programs are accessible to all students, and supports students who may have a condition related to, but not limited to, vision, hearing, mobility, different ways of learning, mental health, chronic illnesses, chronic pain, autism spectrum disorder, ADD/ADHD, and temporary conditions (beyond short-term academic consideration). Accessibility Services provides recommendations for accommodation based on medical documentation or psychological and cognitive assessment. The accommodation policy can be found here [Academic Accommodation for Students with Disabilities](#). Information on Accessibility Services at King's can be found [here](#).

Academic Consideration for Student Absence

If a student is unable to meet a course requirement due to substantial but temporary extenuating circumstances (medical or compassionate), they should follow the procedures below.

In some cases, where instructors have built flexibility into their assessments, this flexibility will already address consideration needs.

Requests for academic consideration should be directed to the Academic Advising Office of your faculty/college of registration. Requests must be made as soon as possible and no later than 48 hours after the missed assessment.

As a rule, documentation is required for academic consideration. For academic consideration requests on medical grounds, the Student Medical Certificate is available at https://www.kings.uwo.ca/kings/assets/File/currentStudents/courses_enrollment/exams_and_tests/SMC-Feb-2025.pdf.

Students are permitted one academic consideration request without supporting documentation per term per course.

Instructors may designate one assessment per half-course weight as requiring formal supporting documentation. Please refer to the course outline for each course.

For further information, please see:

https://uwo.ca/univsec/pdf/academic_policies/appeals/academic_consideration_Sep24.pdf

Absences from Final Examinations

If you miss the Final Exam, contact the Academic Advising Office of your faculty/college of registration as soon as you are able to do so. They will assess your eligibility to write the Special Examination (the name given by the University to a makeup Final Exam).

You may also be eligible to write the Special Exam if you are in a “Multiple Exam Situation” (e.g., more than 2 exams in 23-hour period, or more than 3 exams in a 47-hour period).

If a student fails to write a scheduled Special Examination, the date of the next Special Examination (if granted) normally will be the scheduled date for the final exam the next time this course is offered. The maximum course load for that term will be reduced by the credit of the course(s) for which the final examination has been deferred. See the Academic Calendar for details (under [Special Examinations](#)).

Religious Accommodation

Students should consult the University's list of recognized religious holidays, and should give notice in writing to the instructor and Academic Advising Office if a course requirement will be affected by a religious holiday/observance. Notice must be given as early as possible, and no later than two weeks prior to an examination, and one week prior to a midterm test date. It is the responsibility of such students to inform themselves concerning the work done in classes from which they are absent and to take appropriate action.

2. Support Services

Accessibility, Counselling and Student Development at King’s University College:

<https://www.kings.uwo.ca/current-students/student-services/>

Students experiencing emotional or mental health distress can access services at King’s University College: <http://www.kings.uwo.ca/current-students/campus-services/student-support-services/personal-counselling/>

Good2talk is a good online and phone 24/7 resource for students and is available in English, Mandarin, and French: <https://good2talk.ca>, 1-866-925-5454

MentalHealth@Western provides a complete list of options about how to obtain help:

https://www.uwo.ca/health/mental_wellbeing/

Academic Support Services at King’s University College:

<https://www.kings.uwo.ca/current-students/academic-resources/>

GBSV Support:

King’s is committed to reducing incidents of gender-based and sexual violence and providing compassionate support to anyone who has gone through these traumatic events. If you have experienced sexual or gender-based violence (either recently or in the past), you will find information about support services for survivors, including emergency contacts at:

<https://www.kings.uwo.ca/about-kings/safe-campus/gender-and-sexual-violence/>

You can reach someone supports at Kings by emailing Care@kings.uwo.ca or calling 519-930-4640 to reach a social worker who can offer help.

You can also reach Western’s Gender-Based Violence & Survivor Support Case Manager by [email](#) or by calling 519-661-3568.

Further supports can be found on this website: <https://www.kings.uwo.ca/about-kings/safe-campus/gender-and-sexual-violence/>

See also https://www.uwo.ca/health/student_support/survivor_support/get-help.html

University Students' Council offers many valuable support services for students, including the health insurance plan: <http://westernusc.ca/services/>

3. Statement on Use of Electronic Devices

Use of Electronic Devices: Unless explicitly stated otherwise, you are not allowed to have a cell phone, or any other electronic device, with you during tests or examinations. Unauthorized possession of such a device during a test or examination constitutes an academic offence.

Use of Laptops, Tablets, and Smartphones in the Classroom: King's University College at Western University acknowledges the integration of new technologies and learning methods into the curriculum. The use of electronic devices such as laptop computers, tablets, or smartphones can contribute to student engagement and effective learning. At the same time, King's recognizes that instructors and students share jointly the responsibility to establish and maintain a respectful classroom environment conducive to learning.

The use of electronic devices by students during lectures, seminars, labs, etc., shall be for matters related to the course at hand only. Students found to be using electronic devices for purposes not directly related to the class may be subject to sanctions under the Student Code of Conduct; see <https://www.kings.uwo.ca/current-students/student-affairs/code-of-student-conduct1/>

Inappropriate use of electronics (e.g., laptops, tablets, smartphones) during lectures, seminars, labs, etc., creates a significant disruption. As a consequence, instructors may choose to limit the use of electronic devices in these settings. In addition, in order to provide a safe classroom environment, students attending in-person class sessions are strongly advised to operate laptops with batteries rather than power cords.

4. Statement on Academic Offences

King's is committed to academic integrity. Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, is posted at

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf

It is expected that students will submit work that is truly their own, completed without external assistance (human or artificial) except as explicitly permitted by the course instructor. Check with your instructor on what tools, including generative AI (ChatGPT, translation tools, grammar-checking tools) are permitted in the course. Because a tool is permitted in one course, that does not mean it is permitted in other courses.

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system; see <https://elearningtoolkit.uwo.ca/tools/Originality Reports - TurnItIn.html>.

Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

5. Copyright of Course Material

Lectures and course materials, including PowerPoint presentations, tests, outlines, and similar materials are protected by copyright. Faculty members are the exclusive owner of copyright in those materials they create. Students may take notes and make copies for their own use. Students may not allow others to reproduce or distribute lecture notes and course materials publicly (whether or not a fee is charged) without the express written consent of a faculty member. Unauthorized sharing of class content is subject to academic discipline.

Similarly, students own copyright in their own original papers and exam essays. If a faculty member wishes to post a student's answers or papers on the course website, they should ask for the student's written permission.

6. Use of Recordings

Participants in this course are not permitted to record the sessions, except where recording is an approved accommodation and/or the participant has the prior written permission of the instructor. Unauthorized recording and/or sharing of class content is subject to academic discipline.

7. Policy on Attendance

Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course, will be reported to the Dean of the Faculty offering the course, after due warning has been given. On the recommendation of the department concerned, and with the permission of the Dean of that Faculty, the student will be debarred from taking the regular examination in the course.