

Financial Economics

By Antonio Mele

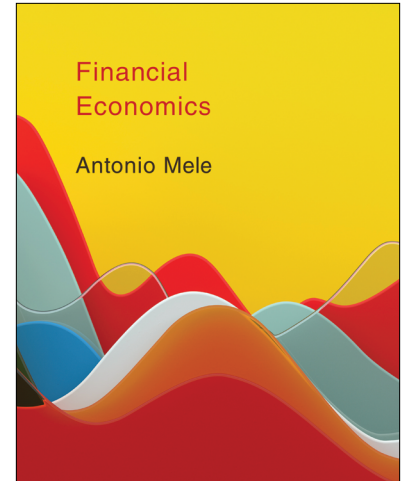
A comprehensive reference for financial economics, balancing theoretical explanations, empirical evidence, and the practical relevance of knowledge in the field.

This volume offers a comprehensive, integrated treatment of financial economics, tracking the major milestones in the field and providing methodological tools. Doing so, it balances theoretical explanations, empirical evidence, and practical relevance. It illustrates nearly a century of theoretical advances with a vast array of models, showing how real phenomena (and, at times, market practice) have helped economists reformulate existing theories. Throughout, the book offers examples and solved problems that help readers understand the main lessons conveyed by the models analyzed. The book provides a unique and authoritative reference for the field of financial economics.

Part I offers the foundations of the field, introducing asset evaluation, information problems in asset markets and corporate finance, and methods of statistical inference. Part II explains the main empirical facts and the challenges these pose for financial economists, which include excess price volatility, market liquidity, market dysfunctionalities, and the countercyclical behavior of market volatility. Part III covers the main instruments that protect institutions against the volatilities and uncertainties of capital markets described in part II. Doing so, it relies on models that have become the market standard, and incorporates practices that emerged from the 2007–2008 financial crisis.

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November 2022 | 8 x 10 in, 1146 pp. | US \$250.00 | 9780262046848



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