



YLIOPISTOTENTTILOMAKEPOHJA / UNIVERSITY EXAM TEMPLATE

Opiskelijan nimi / Student name:	Opiskelijanumero / Student number:
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Opintojakson koodi and nimi / The code and the name of the course: 721383S: Asset Pricing	
Tiedekunta / Faculty: Oulun yliopiston kauppakorkeakoulu / Oulu Business School	
Tentin pvm / Date of exam: 04/04/2016	Tentin kesto tunteina / Exam in hours: 4
Tentin nro / No. of the exam: 2/3	Opintopistemäärä / Credit units: 6
Tentaattori(t) / Examiner(s): Hannu Kahra	Sisäinen postios. / Internal address: 6 OyKKK
Sallitut apuvälineet / The devices allowed in the exam: <input checked="" type="checkbox"/> Nelilaskin / Standard calculator <input checked="" type="checkbox"/> Funktiolaskin / Scientific calculator <input checked="" type="checkbox"/> Ohjelmoitava laskin / Programmable calculator <input type="checkbox"/> Muu materiaali, tarkennettu alla / Other material, specified below:	
Tenttiin vastaaminen / Please answer the questions: <input checked="" type="checkbox"/> Suomeksi / in Finnish <input checked="" type="checkbox"/> Englanniksi / in English	
Kysymyspaperi on palautettava / Paper with exam questions must be returned: <input type="checkbox"/> Kyllä / Yes <input checked="" type="checkbox"/> Ei / No	

1. Why testing asset pricing models is performed using portfolios (and characteristics) rather than just looking at individual stocks?
2. Old and new facts in finance.
3. APT vs. ICAPM
4. Consider the SDF framework in which $p_t = E(m_{t+1}x_{t+1})$.
 - a. Interpret the model.
 - b. What is the role of m_{t+1} ?
 - c. How risk premium is related to m_{t+1} ?