An ancient university with impact
Financial Economics
Why “Financial Economics”?

• “What is your top tip for students studying for a career in finance?”

• “[...] Most importantly, become a good economist. A big part of the problems causing the financial crisis was due to top managers in financial firms not understanding the economics of the products they were selling - for example, the incentive misalignment of lower-level employees or the adverse selection of customers for certain types of mortgages and mortgage repackaging.”

(CLARKE, C., 2013, Jun 24. Why finance workers cannot skimp on economics. Financial Times, 4. ISSN 03071766)
Financial Economics: Goal & Structure

**Goal:** studying finance by adopting rigorous economic methods
- Providing extensive knowledge of the world of economics and finance
- Studying core economic theories and applying them to finance
- Learning advanced quantitative techniques used in the industry

**Structure**
- Training in core subjects
- Asset pricing
- Corporate Finance
- Econometrics
- Macroeconomics
- Microeconomics
- Opportunity to specialise by choosing suggested pathways
Financial Economics: Suggested Pathways

1. **Behavioural and Experimental Finance**
   - **Courses**: experimental economics, advanced microeconomics, behavioural and experimental finance
   - **Prospects**: Highly research-related pathway with policy-relevant applications to financial markets. Ideal choice for a career in financial institutions and also suitable for preparing for an MSc

2. **Financial Investment**
   - **Courses**: portfolio investment, financial strategy, derivatives and treasure management
   - **Prospects**: Perfect choice for a career as investor, broker, financial analyst

3. **Macroeconomics, Policy, and Finance**
   - **Courses**: applied economics policy, empirical methods in finance, advanced macroeconomics
   - **Prospects**: Suitable for students interested in a career as professional economists/policy advisors. Also perfect choice for those interested in continuing to an MSc
1) Academically Sound

Prof. Richard Thaler
2017 Nobel Memorial Prize laureate in Economics
“for his contribution to behavioural economics”
2) Policy-Relevant

- **Insight Team (BIT)**: “BIT is a social purpose company. We are jointly owned by the UK Government; Nesta (the innovation charity); and our employees.

BIT started life inside 10 Downing Street as the world’s first government institution dedicated to the application of behavioural sciences. Our objectives remain the same as they have always been:

- making public services more cost-effective and easier for citizens to use;
- improving outcomes by introducing a more realistic model of human behaviour to policy; and wherever possible,
- enabling people to make ‘better choices for themselves’.”

https://www.behaviouralinsights.co.uk/
3) Job-Oriented

Financial Economics: Further Information

More information

- University webpage: https://www.abdn.ac.uk/study/undergraduate/degree-programmes/1140/L111/financial-economics/
- Admission: study@abdn.ac.uk
- MA coordinator: Dr Mauro Papi (m.papi@abdn.ac.uk)