

**Instructor: Jan Werner**

University of Minnesota

**Topics in Financial Economics:  
Heterogeneous Beliefs and Learning in Asset Markets**

The course will focus on models of dynamic asset markets with heterogeneous beliefs. We will explore possibilities of speculative trade and speculative bubbles. Part of the course will be devoted to beliefs arising in models of Bayesian learning and learning in mis-specified models.

Main readings for the course will be journal articles. There will be lecture notes available to course participants.

**Course Outline:**

1. Dynamic Asset Markets.
2. Arbitrage and Equilibrium in Dynamic Markets.
3. Heterogeneous Beliefs, Speculative Trade, and Speculative Bubbles.
4. Bayesian Learning and Speculative Trade.
5. Learning in Misspecified Models.