

Brief report on course evaluation, ECON4510

This brief report is partly based on the standardized feedback forms and partly based on emails I have received from the students. Early in the class, I told the students that all constructive feedback was greatly appreciated. I didn't expect much, but to my pleasant surprise, several students have sent me nice and thoughtful emails.

The feedback from the forms was a pleasant surprise. Satisfaction, whether they found the course interesting, and the quality of the lectures were all split solely between 4s and 5s, difficulty was split between 3s and 4s (which I believe is just where I hoped to be), whether the students learned how theory could be applied was a uniform "yes".

One email was mainly concerned that it was "too much energy", and that she appreciates slower lectures. I am not sure whether or how I should act upon that.

Two other emails mentioned notation, and that it, preferably could be more consistent throughout the course. This applies, in particular, to the use of the letter β , which we first used as a measure of risk loading ("a stock's beta") and then as the time discount factor. The students are right, and I will keep this in mind for the future.

This course had two main, and almost separate, parts:

1. In the first part, we cover applied valuation and investment analysis such as it is taught at most modern business schools. The key to valuation and investment analysis is to find the expected free cash flows and the applicable discount factors relative to the (exogenously given) overall market's discount factors.
2. In the second part, we cover an introduction to structural asset pricing models where the levels of the risk-free rate and the market's price of risk, hence also the market's discount factor, are (endogenous) equilibrium outcomes of a structural model.

A couple of students who emailed me recommended me to spend more time on Part 2 at the expense of Part 1. I am ambivalent about this advice. Academically, Part 2 is more exciting. In practice, it is, however, the material in Part 1 that is used. For the career prospects of our graduates and for their ability to create as high value-added for society as possible, I would rather err on the side of spending too much time on Part 1 than err on the side of spending too much time on Part 2.

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