Course Organization

**Week 1**
Art markets: a brief history and their structure and characteristics
The role of dealers, galleries, auction houses, art critics, etc.
The importance of the three Ds (death, divorce, and destitution)
The Chinese, Latin American, and Middle East markets

**Week 2**
Key differences between art and other assets
Estimating returns for art-related investments
Examples: Picasso, Renoir, and Matisse
Life-cycle (creativity) curves: Monet, Pissarro, and Cezanne

**Week 3**
Art market indexes: basic concepts
Review of most popular indexes, shortcomings, and advantages
Correlation between art and other markets
Risk-return profile of some art investments
Does the CAPM work in this market?
A simple valuation example: Jackson Pollock
Week 4
Paintings: Price and color
Sotheby’s, Christie’s and the auction market
Different types of price guarantees: their role and implications
The Damien Hirst case and contemporary art
Is the art market an efficient market?

Week 5
The importance of provenance
Legal issues: freeports, taxes, authentication, and lawsuits
The Andy Warhol case, and, the American Leonardo case
Beyond paintings: investing in violins, antique furniture, and other collectibles

Week 6
Art derivatives?
Art as collateral (secured lending)
Art funds and other art-related investment vehicles
The online market
Investing in art: Dos & Don’ts

Class Format: Expository lectures with active class participation. Students might be required to read some material in preparation for certain lectures.

Grading
Final grade:
- Group (two-student) project, 50% weight
- Final exam (take-home), 50% weight