FINS3775/4775/5575: RESEARCH METHODS IN FINANCE 1

Session 1, 2003

Room:
Computer Lab:

1. Lecturer: Dr Jonathan Reeves Q 3068, reeves@unsw.edu.au
   Office Hours:

2. Aims of Course: The aim of this course is to provide an introduction to econometric theory and its application in empirical finance. Much emphasis will be on the practical aspects of this subject. There will be extensive use of leading statistical and econometric software that is employed extensively in research and practice. The Stata statistical package (http://www.stata.com/) will be used throughout the course and the Ox object-oriented matrix language (http://www.nuff.ox.ac.uk/Users/Doornik/) will also be introduced.


4. Evaluation: The marking scheme for the course will be:

   Four (4) Assignments 30 (7.5 each)
   Exam 70

5. Topics to be Covered:

   Review of matrix algebra and elementary probability theory
   Introduction to Stata and Ox
   Least squares estimation
   Hypothesis testing and confidence intervals
   The bootstrap
   Maximum likelihood estimation
   Heteroscedasticity and Autocorrelation
   ARIMA models
   ARCH models
   Limited dependent variable models
   Asset pricing, Value at Risk and other financial applications