

Introduction to Financial Risk Management (with R)

Exercise 1 – Introduction to Microsoft Open R and RStudio

Overview

The goal of this exercise is to provide you with the installation instructions for Microsoft Open R and RStudio. These computer programs will be used to do all the data retrieval and calculations in the course.

Microsoft Open R Version 3.5.1

IMPORTANT! Because of the long lead time needed to design and implement an online course of this nature, the current course was created using a version of Microsoft Open R (version 3.5.1) that is no longer the most current version. R Versions 3.5.2 and 3.5.3 will give the same results, but R versions 3.6.0 will require addition code to give the same results. **Therefore, in order to correctly answer quiz questions throughout this course, you must either:**

1. Download and use Microsoft Open R 3.5.1 or 3.5.2 or 3.5.3, **OR...**
2. Use CRAN (<https://www.r-project.org/>) R version 3.6.0 or higher and add the command **`RNGkind(sample.kind="Rounding")`** before any instance of the **`set.seed()`** command. This will also be necessary for Microsoft Open R versions of 3.6.0 or higher, if and when they are available.

To download Microsoft Open R version 3.5.1, please go to the following website:
<https://mran.microsoft.com/release-history>

Scroll down to “Microsoft R Open 3.5.1 & MKL (released August 2018)” and click the “+” sign.

Download the appropriate installation file for your operating system (e.g. Windows, Ubuntu, RHEL/CentOS, SLES, OS X).

Install R by running the downloaded exe file.

RStudio

Please go to the following website:
<https://www.rstudio.com/>

Click the “Download RStudio” button. This will take you to the following download page:
<https://www.rstudio.com/products/rstudio/download/>

Click the “DOWNLOAD” button under the FREE version of RStudio.

Under “Installers for Supported Platforms”, select the installer for your computing environment. Download and install.