Akash Econometrics final Project

I will use the Fama - French 5 factor model, which is the dividend discount model.

**Goals to be achieved – To find that regression test is to observe whether the five-factor model captures average returns on the variables and to see which variables are positively or negatively correlated to each other and additionally identifying the size of the regression slopes and how all these factors are related to and affect average returns of stocks values.**

**Companies taken – Microsoft, Costco**

First I will to run multiple regression from excel. R-RF is set as dependent variable and Fama French model factors as control variables.

From the regression result, we can get our linear regression model for each of the stocks.

After this I will use the R language and try to code the 5 Factor model.