

Empirical Finance: Methods & Applications

Course Outline: Spring Term 2024

Contact Information

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Course Information

Lecture: Monday 15.00–16.30 @ LT1
Monday 17.00–18.30 @ LT1
Tuesday 15.00–16.30 @ ACEX 554
Tuesday 17.00–18.30 @ ACEX 455
Office Hours: Tuesday 14.00–15.00

Course Description

This module introduces a variety of econometric methods used to tackle key problems in empirical finance and economics. Beyond the formal derivation of statistical properties, students will develop insight into the appropriate choice of tools when confronting new questions, will learn to apply these tools practically, and will develop the skills to critically evaluate the empirical work of others.

Course Assessment

The module is assessed via **course works (50%)** and a **final exam (50%)**. This breakdown ensures that students balance their time between learning new material and learning how to apply it in practice. The final exam will consist of **multiple-choice questions**, **open questions** (numerical or theory), and **an essay question**. A mock exam paper will be distributed prior to the final exam and is a useful revision aid. I will also give a detailed presentation on how the exam is structured and what I expect from students at the end of this course.

Suggested Textbook

Angrist & Pischke (2009). *Mostly Harmless Econometrics*. Princeton University Press.

Linton (2019). *Financial Econometrics: Models and Methods*. Cambridge University Press.

Week 1: Introduction & Basic Concepts

- Handout 1

Week 2: Statistical Evaluation of Asset Returns

- Handout 2

Week 3: Economic Evaluation of Asset Returns

- Handout 4

Week 4: Modelling Volatility & Correlations

- Handout 3

Week 5: Observed & Unobserved Factors

- Handout 5

Week 6: Linear Asset Pricing Models

- Handout 6

Week 7: Advanced Topics

- Handout 7

Week 8: Guest Speakers

- TBC
- TBC

Week 9: Review Session

- Handout 9