C21FE Financial Econometrics

COURSE DETAILS
Course Code: C21FE
Full Course Title: Financial Econometrics
SCQF Level: 11
SCAF Credits: 7.5
Available as Elective: No

DELIVERY LEVEL
Undergraduate: No  Postgraduate Taught: Yes  Postgraduate Research: No

COURSE AIMS
To introduce the methods of econometrics and their application to financial data.

LEARNING OUTCOMES – SUBJECT MASTERY

- Demonstrate an understanding of the basic econometric methods
- Test multivariate time series for characteristics such as Granger causality, unit roots, cointegration
- Apply the generalised method of moments to problems involving financial time series
- Have a critical understanding of the scope and limitations of econometric methods

LEARNING OUTCOMES – PERSONAL ABILITIES

- Apply the concepts and techniques listed above to the modelling of stock prices, exchange rates and other related financial time series
- Formulate and test models for financial time series
- Plan and organize through self-management and time-management
- Assess issues with working as part of a team

SYLLABUS

- Economic and financial data
- Basic econometric methods
- Simultaneity, identification
- Instrumental variables
- Non-spherical disturbances
- Collinearity
- Multivariate time series methods
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- Vector autoregression
- Granger causality
- Unit roots
- Cointegration
- Error correction
- Generalised method of moments
- Applied studies in financial econometric methods

**NOTE:** Students taking this course without the course Time Series Analysis will be assessed with a 1.5 hour exam

**LOCATION AND ASSESSMENT METHODS**

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