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
• 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