



RUPRECHT-KARLS-UNIVERSITÄT HEIDELBERG
ALFRED-WEBER-INSTITUT FÜR
WIRTSCHAFTSWISSENSCHAFTEN
Prof. Dr. Christian Conrad

Winter term 2015/16

Financial Econometrics

Lecture	Wed	10:00 a.m.	12:00a.m.	AWI, 01.030, Bergheimer Str. 58
Tutorial	Mon	3:00 p.m.	5:00 p.m.	AWI 01.030, Bergheimer Str. 58

First lecture: 14.10.2015

First tutorial: 19.10.2015

Commentary:

The course is designed to introduce the econometric tools most used in financial econometrics and to gain an understanding of the characteristics of financial data as well as current and classic applications. The course will give an introduction to volatility and correlation models and their empirical applications. Throughout the course we will read and discuss articles. Moreover, an important objective is to provide a comprehensive knowledge to do empirical work in financial research and practice. Therefore, a part of the course consists of practical exercises where students are instructed to apply econometric concepts to real financial data using the statistical software package EViews.

Contents:

1. Introduction
2. Consumption-Based Asset Pricing
3. Volatility Models
4. Realized Volatility
5. Models for dynamic correlations
6. Variance Risk Premium
7. Value at Risk
8. Systemic Risk

Requirements:

Econometrics Master

Transcript of records:

Your grade for this course will be determined in a final exam but you can earn extra credit by presenting articles or EViews assignments.

Literature:

Campbell, J. Y., A. W. Lo und A. C. MacKinlay (1997). *The Econometrics of Financial Markets*. Princeton University Press.

Christoffersen, P. (2012). *Elements of Financial Risk Management*. Elsevier.

Cochrane, J. H. (2005). *Asset Pricing*. Princeton University Press.

Enders, W. (2009). *Applied Econometric Time Series*. Wiley.

Gourieroux, C. und J. Jasiak (2001). *Financial Econometrics*. Princeton University Press.

Hamilton, J. D. (1994). *Time Series Analysis*. Princeton University Press.

Taylor, S. J. (2005). *Asset Price Dynamics, Volatility, and Prediction*. Princeton University Press.

Tsay, R. S. (2005). *Analysis of Financial Time Series*. Wiley Series in Probability and Statistics.

Course language:

English