Economics 423
Financial Econometrics
SYLLABUS
Prof. John Kim

Spring 2017 Office Hours: MW 3:00pm – 4:30pm

Course description: Econometric and statistical methods as applied to finance. Topics include: introduction to the properties of financial asset returns, univariate time series modeling and forecasting, multivariate time series, stationarity and unit root testing, switching models, panel data, limited dependent variable models, simulation methods for finance, conducting empirical finance research.

Textbook:
Options include:

Attendance: Attendance of the class is required and essential. The course materials are mainly from the notes. Many conceptual issues and financial econometrics thinking are only taught in the class. They will appear in the midterm and final exams. If you have to miss a class for an excusable reason, please let me know before that class. Please do not make travel arrangements that will cause you to miss class or the final exam. If you cannot make class because you are ill or injured, please email me before class. I will not offer makeup exams or drop grades after the fact.

- Food: Please no food in class.
- Recording devices: Please do not record class without explicit permission from me.

Homework: Problems will be assigned at class meetings. The homework will not be graded, but we will discuss them in class and I will present solutions.

Exams: I am planning on giving three midterms during the semester. All exams may test material that has been covered up to that point. The final exam will cover the entirety of the course. Unless I explicitly exclude something, exams may cover any material presented in the assigned chapters and in lectures.

Grading: Students will be graded on the basis of the final exam (50%) and the three midterms (50% total).
**Topics:** Following is an approximate schedule of topics and readings. We may need to adjust the schedule a bit as we go along, so please keep alert for changes. Your best means of learning about current topics and assignments is by coming to class.

1. Introduction to the properties of financial asset returns
2. Univariate time series modelling and forecasting
3. Multivariate time series models
4. Modelling long-run relationships in finance
5. Modelling volatility and correlation
6. Switching models
7. Panel data
8. Limited dependent variable models
9. Simulation methods
10. Conducting empirical finance research
11. Additional Topics (if time permits):
   A. Efficient Portfolios and Capital Asset Pricing Model
   B. Factor Pricing Models
Honor Code: I expect all students enrolled in the course to abide by the Emory Honor Code. I take honor code violations EXTREMELY seriously. Please do not come even a little bit close to violating any of its stipulations. Details can be found at http://college.emory.edu/home/academic/policy/honor_code.html

Please note in particular the discussion of academic misconduct:

**ARTICLE 4: ACADEMIC MISCONDUCT**

Academic misconduct is an offense generally defined as any action or inaction which is offensive to the integrity and honesty of the members of the academic community. This offense includes, but is not limited to, the following:

(a) Seeking, acquiring, receiving, or giving information about the conduct of an examination, knowing that the release of such information has not been authorized:

(b) Plagiarizing;

(c) Seeking, using, giving, or obtaining unauthorized assistance or information in any academic assignment or examination;

(d) Intentionally giving false information to professors or instructors for the purpose of gaining academic advantage;

(e) Breach of any duties prescribed by this Code;

(f) Intentionally giving false evidence in any Honor Council hearing or refusing to give evidence when requested by the Honor Council.
Office for Undergraduate Education – Information for Syllabus

- The Office for Undergraduate Education (OUE) central office is located in White Hall 300
- Please visit or call 404.727.6069 with questions about academic affairs, concerns or policies.
- All Emory College of Arts and Sciences policies may be found in the College Catalog: http://college.emory.edu/home/academic/catalog/index.html

Academic Advising and Class Deans
If you have any academic concerns or questions about Emory College of Arts and Sciences policies, you should first meet with an OUE academic adviser. If an academic adviser is unavailable to meet with you, you may meet with an OUE dean during open hours.

- OUE Academic Adviser appointments: Visit White Hall 300 or call 404.727.6069
- Deans’ Open Hours: http://college.emory.edu/home/administration/office/undergraduate/hours.html

Academic Support
There are a range of resources available to Emory undergraduates designed to enrich each student’s educational experience.

- Visit http://college.emory.edu/advising for a list of support programs and appointment directions

Access and Disability Resources
Students with medical/health conditions that might impact academic success should visit Access, Disability Services and Resources (ADSR formerly the Office of Disability Services, ODS) to determine eligibility for appropriate accommodations. Students who receive accommodations must present the Accommodation Letter from ADSR to your professor at the beginning of the semester, or when the letter is received.

Attendance Policies (Absences and Absences from Examinations)

- Absences: Although students incur no administrative penalties for a reasonable number of absences from class or laboratory, they should understand that they are responsible for the academic consequences of absence and that instructors may set specific policies about absence for individual courses.
- Absences from Examinations: A student who fails to take any required midterm or final examination at the scheduled time may not make up the examination without written permission from a dean in the Office for Undergraduate Education. Permission will be granted only for illness or other compelling reasons, such as participation in scheduled events off-campus as an official representative of the University. A student who takes any part of a final examination ordinarily will not be allowed to defer or retake that final. Deferred examinations must be taken during the student’s next semester of residence by the last date for deferred examinations in the academic calendar or within twelve months if the student does not re-enroll in the college. Failure to take a deferred examination by the appropriate deadline will result automatically in the grade IF or IU.

Honor Code
Upon every individual who is a part of Emory University falls the responsibility for maintaining in the life of Emory a standard of unimpeachable honor in all academic work. The Honor Code of Emory College is based on the fundamental assumption that every loyal person of the University not only will conduct his or her own life according to the dictates of the highest honor, but will also refuse to tolerate in others action which would sully the good name of the institution. Academic misconduct is an offense generally defined as any action or inaction which is offensive to the integrity and honesty of the members of the academic community.

- The Honor Code, a list of offenses and the Honor Council process may be found; http://college.emory.edu/home/academic/policy/honor_code.html