

316-673 Financial Econometrics

Credit Points:	12.500
Level:	Graduate/Postgraduate
Dates & Locations:	2008, This subject commences in the following study period/s: Semester 2, - Taught on campus.
Time Commitment:	Contact Hours: Three hours of classes per week plus three hours of seminars during the semester (Semester 2). Total Time Commitment: Not available
Prerequisites:	316-678 Econometric Techniques.
Corequisites:	None
Recommended Background Knowledge:	None
Non Allowed Subjects:	None
Core Participation Requirements:	<p><p>For the purposes of considering request for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Student Support and Engagement Policy, academic requirements for this subject are articulated in the Subject Overview, Learning Outcomes, Assessment and Generic Skills sections of this entry.</p> <p>It is University policy to take all reasonable steps to minimise the impact of disability upon academic study, and reasonable adjustments will be made to enhance a student's participation in the University's programs. Students who feel their disability may impact on meeting the requirements of this subject are encouraged to discuss this matter with a Faculty Student Adviser and Student Equity and Disability Support: http://services.unimelb.edu.au/disability</p></p>
Coordinator:	Professor G Lim
Subject Overview:	The subject presents an econometric treatment of topics in finance. Normally the finance topics will include portfolio theory, capital asset pricing models, arbitrage pricing theory, efficient markets hypothesis, covered interest parity, term structure of interest rates, and option pricing models. The econometrics topics will include unit roots, cointegration, ARCH modelling, structural change, and regime-switching. The computer software used is EViews.
Assessment:	A 2-hour end-of-semester examination (50%), and assignments of up to 5000 words in total (50%).
Prescribed Texts:	None
Breadth Options:	This subject is not available as a breadth subject.
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	<p>On successful completion of this subject students should be able to:</p> <ul style="list-style-type: none"> # Describe the properties of econometric techniques (such as unit roots, cointegration, ARCH/GARCH and Kalman filters) used in financial analysis; # Apply econometric techniques to test hypothesis in financial economics (such as the efficient markets hypothesis, the theory of speculative efficiency, the capital asset pricing model); # Evaluate the robustness of results obtained from using econometric techniques on real world financial data; # Analyse results obtained from financial data and explain their implications for economic and financial theory. <p>On successful completion of this subject, students should have improved the following generic skills:</p> <ul style="list-style-type: none"> # Evaluation of ideas, views and evidence # Synthesis of ideas, views and evidence

	<ul style="list-style-type: none"># Critical thinking# Accessing economic and other information# Summary and interpretation of information# Using computer programs# Statistical reasoning# Problem solving skills# Collaborative learning and teamwork# Written communication
Related Course(s):	Master of Commerce - Economics Master of Commerce - Finance