

## ECOM40004 Financial Econometrics

<b>Credit Points:</b>	12.5						
<b>Level:</b>	4 (Undergraduate)						
<b>Dates &amp; Locations:</b>	2016, Parkville This subject commences in the following study period/s: Semester 2, Parkville - Taught on campus.						
<b>Time Commitment:</b>	Contact Hours: Three hours of lectures per week Total Time Commitment: Not available						
<b>Prerequisites:</b>	Admission into BH-COM or BH-ARTS (Economics) and either an Honours grade in <b>ECOM30001 Basic Econometrics</b> ( <a href="#">../view/current/ECOM30001</a> ) or: <table border="1" data-bbox="387 573 1485 719"> <thead> <tr> <th>Subject</th> <th>Study Period Commencement:</th> <th>Credit Points:</th> </tr> </thead> <tbody> <tr> <td>ECOM30002 Econometrics</td> <td>Semester 1</td> <td>12.50</td> </tr> </tbody> </table>	Subject	Study Period Commencement:	Credit Points:	ECOM30002 Econometrics	Semester 1	12.50
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ECOM30002 Econometrics	Semester 1	12.50					
<b>Corequisites:</b>	None						
<b>Recommended Background Knowledge:</b>	Please refer to Prerequisites and Corequisites.						
<b>Non Allowed Subjects:</b>	Students may not gain credit for both <b>ECOM40004 Financial Econometrics</b> ( <a href="#">../view/current/ecom40004</a> ) and <b>ECOM90011 Financial Econometrics</b> ( <a href="#">../view/current/ecom90011</a> ) .						
<b>Core Participation Requirements:</b>	<p>&lt;p&gt;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.&lt;/p&gt; &lt;p&gt;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: &lt;a href="http://services.unimelb.edu.au/disability"&gt;http://services.unimelb.edu.au/disability&lt;/a&gt;&lt;/p&gt;</p>						
<b>Coordinator:</b>	Mr Tomasz Wozniak						
<b>Contact:</b>	<a href="mailto:tomasz.wozniak@unimelb.edu.au">tomasz.wozniak@unimelb.edu.au</a> ( <a href="mailto:tomasz.wozniak@unimelb.edu.au">mailto:tomasz.wozniak@unimelb.edu.au</a> )						
<b>Subject Overview:</b>	Features of financial data require specific methods of analysis. Basic econometric tools are presented for the analysis of data such as stock exchange returns, exchange rates, bonds prices, etc. Applications of econometric models in finance include option pricing, extreme values and value at risk as well as financial assets portfolio selection. A special focus is put on modelling and forecasting of returns and volatility of financial assets. An up to date selection time series econometric models and methods is presented. The computer software used is R.						
<b>Learning Outcomes:</b>	<ul style="list-style-type: none"> <li># Describe the properties of econometric techniques (such as unit roots, cointegration, ARCH/GARCH and Kalman filters) used in financial analysis;</li> <li># 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);</li> <li># Evaluate the robustness of results obtained from using econometric techniques on real world financial data;</li> <li># Analyse results obtained from financial data and explain their implications for economic and financial theory.</li> </ul>						

<b>Assessment:</b>	A 2-hour end-of-semester examination (50%) and an empirical assignment totalling not more than 3000 words due in week 10 (50%).
<b>Prescribed Texts:</b>	You will be advised of prescribed texts by your lecturer.
<b>Breadth Options:</b>	This subject is not available as a breadth subject.
<b>Fees Information:</b>	Subject EFTSL, Level, Discipline & Census Date, <a href="http://enrolment.unimelb.edu.au/fees">http://enrolment.unimelb.edu.au/fees</a>
<b>Generic Skills:</b>	<p># High level of development: written communication; problem solving; statistical reasoning; application of theory to practice; interpretation and analysis; critical thinking; synthesis of data and other information; evaluation of data and other information; use of computer software; accessing data and other information from a range of sources; receptiveness to alternative ideas.</p> <p># Moderate level of development: collaborative learning; team work.</p> <p># Some level of development: oral communication.</p>
<b>Related Majors/Minors/ Specialisations:</b>	Economics Master of Economics electives