EXC 2505 Empirical Methods in Finance

Program
Bachelor in Business Administration - (3. year)

Responsible for the course
Kjell Jørgensen

Department
Financial Economics

Term
According to study plan

ECTS Credits
6

Objective
The aim of the course is to provide students with an elementary but comprehensive introduction to econometrics. Special attention will given to methods required for solving empirical issues in finance.

Prerequisites
EXC 2300 Basic Financial Managenment or equivalent.

Compulsory literature
Books:
Koop, Gary. 2006. Analysis of financial data. Chichester: John Wiley & Sons

Recommended literature

Other:
Any basic econometrics book

Course outline
1. 1. Introduction, OLS
2. Regression analysis, assumptions
3. Hypothesis testing
4. Specification
5. Multicolinearity
6. Autocorrelation
7. Heteroscedasticity
8. Exercises, revision
9. Time series models
10. Simultaneous equations
11. Prediction
12. Event studies

Computer-based tools
Students are required to use computer-based tools such as Excel, SPSS and/or Eviews or the equivalent.

Course structure
The course is based on 36 teaching hours plus 6 hours of problemsolving using statistical software.

Evaluation
The course is concluded with three exams which must be passed with an E og better. A three-hour written exam at the end of the course counts for 60% of the final grade while 2 written assignments during the course count for the remaining 40%.

Evaluation code(s)

EXC 25051 - Process evaluation counts 100% of the final grade in EXC 2505 Empirical Methods in Finance, 6 credits.

Aids at the examination
Programmable calculator.

Makeup exam
A re-sit is held at the next scheduled exam in the course. Students who are taking new exam must take the course all over including all parts of evaluation.