



APPLIES TO ACADEMIC YEAR 2010/2011

## **EXC 2505 Empirical Methods in Finance**

### **Programme**

Bachelor in Business Administration (BBA) (3. year)

### **Responsible for the course**

### **Department**

### **Term**

According to study plan

### **ECTS Credits**

6

### **Language of instruction**

English

### **Introduction**

### **Objective**

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

### **Prerequisites**

EXC 2300 Basic Financial Management or equivalent.

### **Compulsory reading**

#### **Books:**

Koop, Gary. 2006. Analysis of financial data. Chichester : John Wiley

### **Recommended reading**

#### **Other:**

Any basic econometrics book

### **Course outline**

1. Introduction, OLS
2. Regression analysis, assumptions
3. Hypothesis testing
4. Specification
5. Multicollinearity
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.

### **Examination**

The course is concluded with three exams that must be passed with an E or better. A three-hour written exam at the end of the course accounts for 60% of the final grade while 2 written assignments during the course account for the remaining 40%.

**Examination code(s)**

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

**Examination support materials**

BI-approved exam calculator. Examination support materials at written examinations are specified under exam information in our web-based Student Handbook. Please note the use of calculator and dictionary. <http://www.bi.edu/studenthandbook/examaids>

**Re-sit examination**

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

**Additional information**

Due to changes in our Bachelor Programmes from the autumn of 2009, there also will be changes in every single course. This course will be taught for the last time in the autumn semester of 2010. A re-sit exam will be offered every term as from autumn 2011 and including the spring semester of 2013.