SYLLABUS

Financial Econometrics II, BUSN 6360-27552, Spring 2019

General Information

Time and Location: W 1:00-3:50PM, CoBA Lab #2

Instructor: Dr. Xiaojin (Aaron) Sun   Office: BUSN-222

Email: xsun3@utep.edu   Office Hours: By appointment

Course Overview

This two-semester sequence of PhD Financial Econometrics is an in-depth study of quantitative methods as employed in finance and accounting research.

I have given a review on linear models, maximum likelihood, and generalized method of moments, and covered static linear panel data models, simple discrete choice models, and Tobit and selection models in the Fall. This semester I will talk about dynamic panel data models, unbalanced panel data models, and treatment evaluation. If time permits, I will also cover a few time series models, e.g., simple autoregressive models, moving-average models, ARMA models, the ARCH and GARCH models, and vector autoregressive models.

Textbook

- *Econometric Analysis of Panel Data* by Badi H. Baltagi, 5th Edition. Wiley. ISBN: 978-1-118-67232-7.
- **(Optional)** *Microeconometrics: Methods and Applications* by A. Colin Cameron and Pravin K. Trivedi, Cambridge University Press. ISBN: 9780521848053.
- **(Optional)** *Microeconometrics Using Stata* by A. Colin Cameron and Pravin K. Trivedi, Revised Edition. Stata Press. ISBN: 978-1-59718-073-3.

Statistical Software

- Stata (available via UTEP MyAPPS)

Grading Policy

The class grade will be determined by the following components:

- **Homework Assignments (10%×5):** Five homework assignments will be given during the semester. Assignments will usually be collected on Tuesdays by 5PM unless otherwise announced. No late submissions will be accepted. Your homework should be typed in Latex (or Microsoft Word).
- **Term Project and Presentation (50%):** You will have to find a topic in your area and use the knowledge acquired in this class to write a paper of your own. The project should consist of

  1. complete Stata code that produces all your results,
  2. nicely formatted figures and tables produced by your code,
  3. and a complete research paper.

  The last day of the semester (May 8th) will be reserved for presentations. Each student will have about 40 minutes.

Grading Scale: 90+=A, 80-89=B, 70-79=C, 60-69=D, 59 and below=F.

Tentative Course Schedule

Dynamic Panel Data Models	Baltagi Ch 8
Unbalanced Panel Data Models	Baltagi Ch 9
Treatment Evaluation	Lecture notes
Linear Time Series Analysis	Lecture notes
Conditional Heteroscedastic Models	Lecture notes
Vector Autoregression Models	Lecture notes