

York University
Department of Economics
Winter 2017

Course Outline

Course # and Title: ECON 5030 Econometrics of Financial Markets

Course Webpage: <https://moodle.yorku.ca/>

Course Instructor/Contact:

Name: Prof. Razvan Sufana
Office: VH 1030
Phone: 416-736-2100 Ext. 66065
Office Hours: Monday 12:30 – 1:30 PM, Thursday 5 – 6 PM
Email: rsufana@yorku.ca (Please include course number in subject line)

Lecture Time and Location: Monday 2:30 – 5:30 PM, VH 3006

Course Description:

The course focuses on making the transition from an asset pricing model to an econometric model and covers econometric methods and techniques used in modern empirical finance. Theoretical analysis of the problems is combined with empirical investigation based on the use of real financial data.

Evaluation:

Midterm Exam (30% of final grade): February 7
Assignment (30% of final grade): available March 7,
due at beginning of class on March 14
Final Exam (40% of final grade): TBA

Missed midterm exam / assignment:

Students who miss the midterm exam (or assignment) and provide valid documentation (for example, medical notes) will have the entire weight transferred to the final exam, otherwise a grade of zero will be recorded for the midterm exam (or assignment). There will be no make-up midterm exam. The assignment will not be accepted after the due time.

Course Textbook:

Statistics and Finance, by David Ruppert, Springer 2004 (R)

Some material will be from:

Statistics and Data Analysis for Financial Engineering, by David Ruppert and David S. Matteson, Second Edition, Springer 2015 (RM)

Organization of the Course (Topics):

1. Probability and Statistical Models (R - Chapter 2)
2. Returns (R - Chapter 3)
3. Portfolio Theory I (R - Chapter 5)
4. Portfolio Theory II (R - Chapter 5)
5. The Capital Asset Pricing Model (R - Chapter 7)
6. Factor Models I (RM - Chapter 18, R - Chapter 7)
7. Factor Models II (RM - Chapter 18, R - Chapter 7)
8. Option Pricing (R - Chapter 8)
9. Risk Management (RM - Chapter 19, R - Chapter 11)

Important Course Information for Students:

All students are expected to familiarize themselves with the following information, available on the Senate Committee on Curriculum & Academic Standards webpage:

<http://www.yorku.ca/secretariat/policies/index-policies.html/>

- York's Academic Honesty Policy and Procedures/Academic Integrity Website
- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities
- Student Conduct Standards
- Religious Observance Accommodation