

# IB9Y6-15 Empirical Finance

**26/27**

**Department**

Warwick Business School

**Level**

Taught Postgraduate Level

**Module leader**

Jun Li

**Credit value**

15

**Module duration**

9 weeks

**Assessment**

30% coursework, 70% exam

**Study location**

University of Warwick main campus, Coventry

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## Description

### Introductory description

The module provides the tools for the empirical analysis of financial time series and their application.

[Module web page](#)

### Module aims

The module provides the tools for the empirical analysis of financial time series and their application. It aims to provide students with an understanding of:

- i) the theory and tools used in financial econometrics and the ability to carry out empirical analysis of financial time series using a variety of packages
- ii) a range of empirical stylised facts drawn from the analysis of financial markets; the rates of efficiency, models of equity returns, the yield curve and exchange rates
- iii) volatility and risk modelling

### Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

Combining finance theory and econometric techniques, this course introduces the students to the quantitative research in financial economics. It gives an overview of the most important empirical facts and findings in finance, it provides the appropriate econometric tools to estimate and test financial models and it discusses the major results in the recent empirical literature. The course will focus on the statistical properties of asset returns, tests for market efficiency and asset return predictability, the estimation and testing of asset pricing models such as the capital asset pricing model and the arbitrage pricing theory and the estimation of time-varying volatility and the modeling of extreme events in financial markets.

## Learning outcomes

By the end of the module, students should be able to:

- Demonstrate an understanding of the limitations and assumptions underlying statistical methods
- Demonstrate a comprehensive understanding of the body of existing empirical results that have been established in equity, fixed income and foreign exchange markets
- Interpret and evaluate published financial research using econometric methods
- Critically interpret results in relation to the statistical/econometric methodology adopted, the financial/economic theory and other empirical findings/stylized facts studied in the course

## Indicative reading list

[Reading lists can be found in Talis](#)

## Subject specific skills

Formulate and carry out detailed econometric analysis of financial time series

## Transferable skills

Written communication

Numeracy (statistical research, using data)

IT (use of statistical software, programming)

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## Study

### Study time

Type	Required
Lectures	9 sessions of 1 hour (12%)
Seminars	8 sessions of 1 hour (11%)
Total	76 hours

<b>Type</b>	<b>Required</b>
Other activity	9 hours (12%)
Private study	50 hours (66%)
Total	76 hours

## Private study description

Private Study to include pre-reading and preparation for seminars

## Other activity description

1 hr per week will be either a face to face lecture or asynchronous tasks with either online or face-to-face support

## Costs

No further costs have been identified for this module.

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## Assessment

You do not need to pass all assessment components to pass the module.

## Assessment group DB

<b>Assessment component</b>	<b>Weighting</b>	<b>Study time</b>	<b>Eligible for self-certification</b>
Class test	10%	7 hours	No
Reassessment component is the same			
Group Report (2000 words)	20%	15 hours	No
Reassessment component is the same			
Assessment component			

	<b>Weighting</b>	<b>Study time</b>	<b>Eligible for self-certification</b>
Centrally-timetabled examination (On-campus)	70%	52 hours	No

- Answerbook Pink (12 page)
- Students may use a calculator

Reassessment component is the same

## **Feedback on assessment**

Feedback will be provided both in-class during seminars plus written feedback both generic and specific.

[Past exam papers for IB9Y6](#)

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## **Availability**

There is currently no information about the courses for which this module is core or optional.