1. **Title of the module**

BUSN7670 (CB767): Financial Econometrics

1. **School or partner institution which will be responsible for management of the module**

Kent Business School

1. **The level of the module (Level 4, Level 5, Level 6 or Level 7)**

Level 5

1. **The number of credits and the ECTS value which the module represents**

15 credits (7.5 ECTS)

1. **Which term(s) the module is to be taught in (or other teaching pattern)**

Spring

1. **Prerequisite and co-requisite modules**

Prerequisites: CB374: Quantitative Methods for Finance.

1. **The programmes of study to which the module contributes**

BSc (Hons) Finance and Investment and associated programmes

1. **The intended subject specific learning outcomes.**

On successfully completing the module students will be able to:

8.1 Demonstrate a comprehensive knowledge and understanding of the fundamentals of the statistical theory underlying basic econometric models and techniques.

8.2. Formulate and validate econometric models to test financial theories and hypotheses.

8.3 Critically apply relevant knowledge and IT skills to analyse financial data and draw conclusions regarding the behaviour of financial markets.

8.4 Comprehend and critically evaluate the use of econometrics in the published academic finance literature.

1. **The intended generic learning outcomes.**On successfully completing the module students will be able to:

9.1 Select and critically apply a variety of econometric techniques, both autonomously and collaboratively.

9.2 Undertake modelling of data using statistical software.

9.3 Demonstrate numeracy and problem solving skills for the interpretation and manipulation of quantitative data

9.4 Effectively communicate information, arguments and analysis to both specialist and non-specialist audiences.

1. **A synopsis of the curriculum**

The module aims to give students a solid understanding of the basic econometric tools that are often used in the empirical finance literature. The module also develops the IT skills of the students so that students are able to implement sophisticated statistical techniques to model, analyse and forecast financial data by means of Eviews (econometric software). Students will also improve their ability to critically evaluate the use of econometrics in the academic finance literature.

Indicative topics may include:

* Dummy variables in linear regression models
* Time series models (ARIMA models)
* Forecasting
* Unit root tests
* Simulation analysis
1. **Reading list (Indicative list, current at time of publication. Reading lists will be published annually)**

Essential reading:

Brooks, C. (2014) *Introductory Econometrics for Finance* (3rd Ed.), Cambridge: Cambridge University Press.

Other reading:

Patterson, K. (2000). [*An Introduction to Applied Econometrics: A Time Series Approach.* Andover: Palgrave.](https://www.amazon.co.uk/Introduction-Applied-Econometrics-Time-Approach/dp/0333802462/ref%3Dsr_1_2?s=books&ie=UTF8&qid=1489054598&sr=1-2&keywords=introduction+to+time+series+econometrics)

Wooldridge, J. M. (2016) *Introductory Econometrics: A Modern Approach* (6th Ed.), Boston, MA: Cengage Learning.

1. **Learning and teaching methods**

Total Contact Hours: 32

Private Study Hours: 18

Total hours: 150

1. **Assessment methods**
	1. Main assessment methods

Eviews In-course Test – 45 Minutes: 20%

Examination – 2 hours: 80%

* 1. Reassessment methods

100% examination

1. **Map of module learning outcomes (sections 8 & 9) to learning and teaching methods (section12) and methods of assessment (section 13)**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Module learning outcome** | *8.1* | *8.2* | *8.3* | *8.4* | *9.1* | *9.2* | *9.3* | *9.4* |
| **Learning/ teaching method** |  |  |  |  |  |  |  |  |
| Independent study | **X** | **X** | **X** | **X** | **X** | **X** | **X** | **X** |
| *Lectures* | **X** | **X** | **X** | **X** |  | **X** | **X** | **X** |
| *Computer workshops* |  | **X** | **X** | **X** | **X** | **X** | **X** | **X** |
| ***Total hours*** |  |  |  |  |  |  |  |  |
| **Assessment method** |  |  |  |  |  |  |  |  |
| *In-course Eviews ICT*  | **X** | **X** | **X** |  | **X** | **X** | **X** |  |
| *Examination* | **X** | **X** | **X** | **X** | **X** | **X** | **X** | **X** |

1. **Inclusive module design**

The School recognises and has embedded the expectations of current equality legislation, by ensuring that the module is as accessible as possible by design. Additional alternative arrangements for students with Inclusive Learning Plans (ILPs)/declared disabilities will be made on an individual basis, in consultation with the relevant policies and support services.

The inclusive practices in the guidance (see Annex B Appendix A) have been considered in order to support all students in the following areas:

a) Accessible resources and curriculum

b) Learning, teaching and assessment methods

1. **Campus(es) or centre(s) where module will be delivered**

Medway

1. **Internationalisation**

In the computer lab workshops, students are trained, among other things, to use on-line databases to access international datasets which can be used to analyse international markets. Students can then perform an international analysis when working on the assignments of other modules (including their dissertation in Stage 3). Finally, various empirical examples based on international datasets are analysed throughout the term (in the lectures and workshops).

**FACULTIES SUPPORT OFFICE USE ONLY**

**Revision record – all revisions must be recorded in the grid and full details of the change retained in the appropriate committee records.**

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| --- | --- | --- | --- | --- |
| Date approved | Major/minor revision | Start date of the delivery of revised version | Section revised | Impacts PLOs (Q6&7 cover sheet) |
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