1. KentVision Code and title of the module

ECON8430 Financial Econometrics

## Division and School/Department or partner institution which will be responsible for management of the module

Human and Social Sciences/School of Economics

## The level of the module (Level 4, Level 5, Level 6 or Level 7)

Level 7

## The number of credits and the ECTS value which the module represents

15 credits (7.5 ECTS)

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

Spring term

## Prerequisite and co-requisite modules and/or any module restrictions

Prerequisites:

ECON8210, Econometric Methods

ECON8220, Financial Economics

## The course(s) of study to which the module contributes

Compulsory to the following courses:

* MSc Economics and Econometrics

Optional to the following courses:

* MSc Financial Economics

## The intended subject specific learning outcomes.On successfully completing the module students will be able to:

8.1 Comprehensively understand the role of financial markets in modern economies

8.2 Critically apply financial theories (including Efficient Market Hypothesis and Behavioural Finance) and reason at the high level of generality and abstraction

8.3 Learn novel advanced techniques to test different implications of financial complex theories using the real-world financial data

8.4 Identify and understand the new challenging and controversial issues in the financial markets

8.5 Critically analyse financial debates conducted in the media

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

9.1 Retrieve information from a variety of data sources using modern computing and data access resources

9.2 Critically use information to support their understanding of complex and contradictory economic and/or financial issues

9.3 Proficiently communicate and present sophisticated economic and/or financial ideas through short articles and formal reports

## A synopsis of the curriculum

The module offers rigorous treatment of advanced methods in modern financial econometrics. Giving equal attention to theory and empirical practice it provides students with essential knowledge indispensable for financial market professionals working in analytics departments. The module starts with the overview of core concepts of time series analysis. It proceeds with specifying, estimating and testing a range of asset pricing models including Stochastic Discount Factor Based Asset Pricing, The Capital Asset Pricing Model, and Factor Pricing Regressions. Next, the module addresses the analysis of returns predictability, both in the single regression framework and in the multivariate setting. Here we also provide careful modelling of volatility effects of the market data (e.g. by using asymmetric GARCH), and market interdependence. A special attention is paid to small sample biases and identification issues.

## Reading list

The University is committed to ensuring that core reading materials are in accessible electronic format in line with the Kent Inclusive Practices.

The most up to date reading list for each module can be found on the university's [reading list pages](https://kent.rl.talis.com/index.html).

## Contact Hours

Private Study: 120 hours

Contact Hours: 30 hours

Total: 150 hours

## Assessment methods

* 1. Main assessment methods
* Project. (2000 words): 20%
* Take HomeTest (60 minutes): 20%
* Examination (2 hours): 60%

13.2 Reassessment methods

* Reassessment Method: 100% Exam

## Map of module learning outcomes (sections 8 & 9) to learning and teaching methods and methods of assessment (section 13)

**Module learning outcomes against learning and teaching methods:**

| **Module learning outcome** | 8.1 | 8.2 | 8.3 | 8.4 | 8.5 | 9.1 | 9.2 | 9.3 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Private Study | **x**  | **x**  | **x** | **x** | **x** | **x** | **x** | **x** |
| Lectures | **x**  | **x**  | **x** | **x** |  |  |  |  |
| Seminars |  | **x** | **x** |  | **x** | **x** | **x** | **x** |

**Module learning outcomes against assessment methods:**

| **Module learning outcome** | 8.1 | 8.2 | 8.3 | 8.4 | 8.5 | 9.1 | 9.2 | 9.3 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Project | **x**  | **x**  | **x** | **x** | **x** | **x** |  |  |
| Take Home Test | **x**  | **x**  |  | **x** | **x** |  | **x**  | **x**  |
| Exam | **x**  | **x**  | **X** | **x** | **x** | **X** | **x**  | **x**  |

## Inclusive module design

The Division 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

## Campus(es) or centre(s) where module will be delivered

Canterbury

## Internationalisation

The module provides an analytical toolbox widely used at the contemporary international financial markets.

**DIVISIONAL USE ONLY**

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

| **Date approved** | **New/Major/Minor revision** | **Start date of delivery of (revised) version** | **Section revised (if applicable)** | **Impacts PLOs (Q6 & 7 cover sheet)** |
| --- | --- | --- | --- | --- |
| 14.07.22 | Minor | Spring 2023 | 13. 14 | None |
|  |  |  |  |  |