

Course Descriptions Exchange 2019-2020

Course Title Quantitative Techniques for Financial Economics
 Course Code EBC4097
 ECTS Credits 6,5
 Assessment Whole/Half Grades

Period	Start	End	Mon	Tue	Wed	Thu	Fri
1	2-9-2019	25-10-2019	X		L	X	
4	3-2-2020	3-4-2020	X		L	X	

Level Advanced

Coordinator Michael Eichler, Nalan Bastürk For more information: m.eichler@maastrichtuniversity.nl; n.basturk@maastrichtuniversity.nl

Language of instruction English

Goals The objectives of the course are to provide student in the Financial Economics master programme with a solid knowledge of stochastic models and econometric techniques used in the analysis of financial markets. The students should be able to read and assess the current literature on stochastic models and econometric methods used in security pricing and empirical finance and to apply the acquired techniques in practice.

Description The course consists of two parts.
 Part A focuses on advanced econometric techniques for modelling financial time series. Topics that are covered include volatility models. Empirical applications will provide students with practical experience in analysing financial time series.
 In part B, we cover and discuss the theoretical concepts and probability models underlying the pricing, construction, and hedging of (derivative) securities. Key concepts such as arbitrage pricing and risk-neutral valuation are introduced in a formal way and their implementation and use by market practitioners will be discussed.

Literature Hull, J.C., Options, Futures and Other Derivatives, Prentice Hall, 8th edition, 2011 (or more recent edition). Other literature will be provided or listed on the course webpage.

Prerequisites Solid background in finance and in statistics/econometrics (on the level of a quantitatively oriented economics/finance bachelor). Required concepts from mathematics/statistics are a.o. random variables, probability distributions, statistical tests, regression analysis, ordinary and partial derivatives, exponential function. Basic knowledge in programming (e.g. in R, MATLAB, or VBA) is suggested (introductory material for R will be provided on the course webpage before the start of the course).
 An advanced level of English.

Teaching methods PBL / Presentation / Lecture / Assignment

Assessment methods Participation / Written Exam

Evaluation in previous academic year For the complete evaluation of this course please click <http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM>

This course belongs to the following programme / specialisation

Master Financial Economics - Asset Pricing	Compulsory Course(s)
Master Financial Economics - Banking	Compulsory Course(s)
Master Financial Economics - Financial Analysis	Compulsory Course(s)
Master Financial Economics - No specialisation	Compulsory Course(s)
SBE Exchange Master	Master Exchange Courses
SBE Non Degree Courses	Master Courses