MN5320 – Research Methods in Banking and Finance

Module Type/Semester: Core (20 credits), Semester 2

Module Co-ordinator: Dr Pejman Abedifar

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Aim:
This module is designed to further develop econometric skills of students to implement statistical analysis in the area of banking and finance. To accomplish the objective, students will be introduced to advanced empirical techniques such as models with endogenous regressors, dynamic panel data, event studies and models with limited dependent variable.

Learning Outcomes:
Students will learn how to apply econometric techniques in practice using Stata. Moreover, they will acquaint basic programing skills to conduct empirical research projects.

Teaching Format:
Ten weeks of teaching (two hours per week), supplemented by workshop & seminars.

Topic Outline (Indicative):

Part 1: Panel Data Techniques
  • Topic 1: Classical Linear Model (CLM) Assumptions
  • Topic 2: Multiple Regression Analysis with Qualitative Information
  • Topic 3: Pooled Cross Sections Across Time
  • Topic 4: Panel Data

Part 2: Models with Endogenous Regressors
  • Topic 5: Endogeneity
  • Topic 6: Instrumental Variables Estimation
  • Topic 7: Simultaneous Equations Model

Part 3: Advanced Topics
  • Topic 8: Limited Dependent Variable Models
  • Topic 9: Event Studies

Part 4: Workshop
  • Topic 10: Data Management in Stata

Assessment:
  Paper Discussion: 15%
  Laboratory Assessment: 15%

Date Modified: 14 July 2016
Class test: 20%
Two hours written examination: 50%

READING LIST:

Main Textbooks:


Supplementary Textbook:


Articles:

The list will be provided in the class.