

**KYIV SCHOOL OF ECONOMICS**  
**Financial Econometrics (2nd part):**  
**Introduction to Financial Time Series**  
**Term V, 2011**

Instructor: Maksym Obrizan

Time & Location: Time varies - please check the schedule, Room 207

Instructor's Office: 318

Office Hours: You can always stop by whenever my office door is open or schedule an appointment by email.

E-mail: [mobrizan@kse.org.ua](mailto:mobrizan@kse.org.ua) or [mobrizan@gmail.com](mailto:mobrizan@gmail.com)

**Text:** *Analysis of Financial Time Series*, by Ruey Tsay.

**Course Objective:**

The purpose of this short course is to develop an applied knowledge of financial time series econometrics. We will start by reviewing the standard linear time series methods and their applications to real stock data. Current financial crisis indicates that catastrophic events are possible in finance. The second (and main) part of this course introduces some recent nonlinear time series methods specifically developed for financial time series data.

**Weekly Schedule** (Preliminary!):

*Week: May 9-13 (2 classes).* Characteristics of Financial Time Series and Review of Linear Time Series Methods, Chapters 1 and 2 and lecture notes

*Week: May 16-20 (2 classes).* Nonlinear Time Series Methods and Their Applications, Chapter 3 and lecture notes

*Week: May 23-27 (1 class).* Value at Risk (VaR): Review, Sections 7.1-7.3

*Week: May 30 - June 3rd (2 classes).* VaR Applications and Quantile Regression, Section 7.4 and lecture notes

**Grading:**

Scoring of the 2nd part of this course will be based on the following:

Assignment	% of Grade	Dates
2 Homeworks	40%	To be announced
2 Unannounced Quizzes	10%	One lowest score dropped
Final	50%	TBA

Homeworks are due in the beginning of class. Homeworks submitted 10 minutes after the class starts **will not be accepted** (but you can request them to be graded with 0 score). The purpose of unannounced quizzes is to prepare you for the final exam. There will be no makeups for quizzes that you miss.

**Policy on Student Attendance:**

It is expected that you attend classes regularly. In the case of emergency when you must skip a class, it is your sole responsibility **to copy lecture notes from a classmate**. At least part of the exam material will be based on lectures and not on the textbook.

**Students with Disabilities:**

If you have a disability that may require some modification of seating, testing, or any other class requirement, please let me know as soon as possible so that appropriate arrangements can be made. Please see me after class, during office hours, or schedule an appointment.

**Academic Dishonesty:**

You are more than welcome to work on homework problems together. However, each student **must turn in answers that are in her own words**. **Copying another student's assignment is cheating!** While you should not cheat, I do not expect you to inform on somebody else cheating.

**Policy on Using Cell Phones and Other Electronic Devices:**

Please do not distract other students during the class by using your cell phones or other electronic devices. Your equipment should be in a silent mode of operation. Please do not be surprised if I ask you to leave when your phone rings in class.

**Policy on Student Complaints:**

You are welcome to discuss a complaint with the instructor after class or during office hours. If you have a complaint or concern that you do not feel can be or has been addressed adequately by the instructor, you should take the matter up with the KSE academic director Denys Nizalov.