

FIN-618

Financial Econometrics II

Fuster Andreas, Nikolov Boris

Cursus	Sem.	Type
Finance		Opt.

Language of teaching	English
Credits	3
Session	
Exam	Written
Workload	90h
Hours	64
Lecture	24
Exercises	40
Number of positions	

Frequency

Every year

Remark

If you would like to attend this course, please send an email to: edfi@epfl.ch to register

Summary

The course aims to give students the tools to write academic papers and is divided into two parts. The first part covers microeconomic methods including panel data, IVs, difference-in-differences, and regression discontinuity design. The second part covers structural estimations methods.

Content

Financial Econometrics - Cross-Section and Panel Data

This part of the course provides students with a toolbox of empirical methods used in corporate finance research. These methods include

panel data and various methods to deal with problems of endogeneity. Students will learn the economic intuition behind each method and

how to implement the methods. The following will be discussed:

1. Panel data
2. Instrumental Variables
3. Difference-in-Differences
4. Regression Discontinuity Design

Financial Econometrics - Structural Estimation

This part of the course seeks to achieve two objectives. First, it is intended to introduce students to structural estimation methods. Second, it is designed to expose students to the latest papers in the structural estimation literature in finance.

More specifically, the following topics will be covered:

1. Simulated methods of moments, SMM.
2. Simulated maximum likelihood estimation, SMLE.
3. Empirical policy functions.

Assessment methods

- Homeworks (on part 1): 25%
- Midterm exam (on part 1): 25%
- Report (on part 2): 50%

Resources**Moodle Link**

- <https://go.epfl.ch/FIN-618>