



## Department of Economics Course Outline

		<b>Term:</b>	Winter 2013
<b>Course:</b>	Economics 641 [Financial Economics]	<b>Section:</b>	01
<b>Time:</b>	TR 14:00 – 15.15	<b>Place:</b>	SS 423
<b>Instructor:</b>	Dr. A. Serletis		
<b>Office:</b>	SS 546	<b>Telephone:</b>	220-4092
<b>Office Hours:</b>	TR 08:30 – 09:30	<b>E-mail:</b>	<a href="mailto:serletis@ucalgary.ca">serletis@ucalgary.ca</a>

**Textbook(s):** None.

### **Book(s) on Reserve:**

- [1] John Y. Campbell, Andrew W. Lo, and A. Craig MacKinlay. *The Econometrics of Financial Markets*, Princeton University Press, 1997.
- [2] Thomas E. Copeland, J. Fred Weston, and Kuldeep Shastri. *Financial Theory and Corporate Policy* (4<sup>th</sup> edition), Pearson, 2005.
- [3] Frederic S. Mishkin and Apostolos Serletis. *The Economics of Money, Banking, and Financial Markets* (5th Canadian edition), Pearson, 2013.
- [4] Ruey S. Tsay. *Analysis of Financial Time Series* (3rd edition), John Wiley, 2010.
- [5] Serletis, Apostolos. *The Demand for Money: Theoretical and Empirical Approaches* (2<sup>nd</sup> edition), Springer, 2007.

### **Course Outline:**

1. The Demand for Financial Assets
  - [5] Chapters 19, 20, and 22

William A. Barnett and Apostolos Serletis. "Consumer Preferences and Demand Systems." *Journal of Econometrics* 147 (2008), 210-224.

2. Modern Portfolio Theory
  - [2] Chapter 5
3. Equilibrium Asset Pricing Theory
  - [2] Chapter 6
  - [1] Chapter 8
4. Present-Value Relations
  - [1] Chapter 7
5. Fixed-Income Securities
  - [3] Chapters 4-6
  - [2] Chapter 8
  - [1] Chapter 10
6. Statistical Models in Empirical Finance
  - [4] Chapters 2, 3, 8, and 10
7. Nonlinear and Complex Dynamics in Economics and Finance
  - [1] Chapter 12

William A. Barnett and Apostolos Serletis. "Martingales, Nonlinearity, and Chaos,"  
*Journal of Economic Dynamics and Control* 24 (2000), 703-724.

### **Grade Determination and Final Examination Details:**

There will be one mid-term, a final exam, and a paper. The weights of these in the course grade are as follows:

Midterm exam (February 26)	20%
Final exam	40%
Paper	40%

Before you start working on the paper, you need to write a one-page prospectus and get it approved by me. Suggested types of papers: 1) survey of some literature related to the course, 2) an econometric test of some model related to the course. Particularly people with an interest in econometrics may wish to consider this possibility.

The final examination will be scheduled by the department and will last two hours; it will be held during the final exam period in the classroom. A passing grade on any particular component of the course is *not* essential to pass the course as a whole. Programmable or non-programmable calculators will be allowed during the writing of tests or final examinations. Tests and exams will not involve multiple choice questions.

Tests and final exams are marked on a numerical (percentage) basis, then converted to letter grades. The course grade is then calculated using the weights indicated. As a guide to determining standing, these letter grade equivalences will generally apply:

A+	96 – 100	B+	81 – 84	C+	68 – 71	D+	55 – 58
A	89 – 95	B	76 – 80	C	63 – 67	D	50 – 54
A-	85 – 88	B-	72 - 75	C-	59 – 62	F	0 – 49

Part marks of 0.5 or above will be rounded up; those below 0.5 will be rounded down.

**Notes:**

- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor *within 15 days* of the work being returned to the class.
- Make-up examinations and deferred examinations will not be given *except in cases of extreme personal emergencies*. Also, examinations will not be given *before* the indicated dates.
- It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than fourteen (14) days after the start of this course.

Safewalk / Campus Security: 220-5333  
Emergency Assembly Location – Professional Faculties Food Court

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AS/mi  
2012-10-10