



Department of Economics Course Outline

		Term:	Winter 2014
Course:	Economics 641 [Financial Economics]	Section:	01
Time:	MW 12:30 – 13.45	Place:	SS 423
Instructor:	A. Serletis		
Office:	SS 546	Telephone:	220-4092
Office Hours:	MW 08:00 – 09:00	E-mail:	serletis@ucalgary.ca

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* (4th edition), Pearson, 2005.
- [3] Lars Ljungqvist and Thomas J. Sargent. *Recursive Macroeconomic Theory*. The MIT Press, 2004.
- [4] Rajnish Mehra (Ed.) *Handbook of the Equity Risk Premium*. North-Holland, 2008.
- [5] Ruey S. Tsay. *Analysis of Financial Time Series* (3rd edition), Wiley, 2010.
- [6] Ruey S. Tsay. *An Introduction to Analysis of Financial Data with R*, Wiley, 2013.

Course Outline:

1. Modern Portfolio Theory
 - [2] Chapter 5
2. Equilibrium Asset Pricing Theory
 - [2] Chapter 6
 - [1] Chapter 5
2. Asset Pricing and Consumption
 - [3] Chapter 13
 - [4] Chapter 1
3. Present-Value Relations
 - [1] Chapter 7
4. Fixed-Income Securities
 - [1] Chapter 10
5. Statistical Models in Empirical Finance
 - [5] Chapters 2, 3, 8, and 10
 - [6] Chapter 1-5
6. Nonlinear and Complex Dynamics in Finance
 - [1] Chapter 12

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 (March 3)	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 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.

Students' Union Vice-President Academic:

Emily Macphail

Phone: 403-220-3911

E-mail suvpaca@ucalgary.ca

Students' Union Faculty Representative (Arts)

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Society of Undergraduates in Economics (S.U.E.):

www.ucalgary.ca/sue

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career partnerships with the Career Centre through hosting industry nights and information sessions, recognizing achievements in teaching, and organizing social events for members. They invite you to join by contacting sue@ucalgary.ca.

Faculty of Arts Program Advising and Student Information Resources

- Have a question, but not sure where to start? The Faculty of Arts Program Information Centre (PIC) is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580 or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate> which has detailed information on common academic concerns.
- For program planning and advice, contact the Student Success Centre (formerly the Undergraduate programs Office) at 403-220-5881 or visit them on the 3rd Floor of the Taylor Family Digital Library.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Library Block. .../4
- Online writing resources are available at <http://ucalgary.ca/ssc/writing-support/online-writing-resources>

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.
- If you find it necessary to miss a midterm test, you must notify me *in advance* and produce a physician's certificate or other documentation as soon as possible. Deferred tests will not be offered. The weight attached to the missed test will be moved to the final exam.
- 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

AS/mi
2013-10-23