O ce. Economics Building 105.

Meetings. Tuesdays and Thursdays 12:30 PM - 1:45 PM at ECON 117.

O ce hours. Thursdays 3:00 PM - 4:30 PM or by appointment. For appointment send an email to carlos.martins@colorado.edu.

Prerequisites. Successful completion of ECON 3818 or equivalent is a required prerequisite. Completion of ECON 4818 is desirable, but not necessary.

Objectives. Introduce statistical models, estimation and testing procedures used in analyzing nancial data.

Class URL. http://spot.colorado.edu/ martinsc/Brunet/4858.html.

Grades. Grades (A-F) will be based on the following:

There will be ve sets of homework questions that will not be graded. However, you must turn in your answers at the speci ed due date. I will provide answers for these questions. Failing to submit answers for a homework set will result in a 10 percent reduction on **course** grade.

There will be two midterm examinations. Each accounts for 30 percent of your course grade.

There will be a nal examination. It accounts for 40 percent of your course grade.

Dates for the examinations:

Examination	Date and Time
Midterm 1	October 1
Midterm 2	November 5
Final Examination	December 15, 4:30 PM - 7:00 PM at ECON 117

Homework sets will be available on the class web site with their respective due dates.

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4. Tsay, R. S., 2010, Analysis of Financial Time Series. John Wiley & Sons, Hoboken, New Jersey.

   This is an advanced textbook, normally used in graduate courses. Its study is recommended for those that have taken more advanced courses in probability, statistics and econometrics and are looking for a deeper understanding of what we discuss in class.

5. Hanselman, D. and Little eld, B., 2005, Mastering MATLAB 7. Pearson, Upper Saddle River, New Jersey.

   This is one of many step-by-step manuals/guide to MATLAB that are commercially available. It is very easy to read and provides speedy access to the many resources this software o ers.

6. Frain, J. C., 2014, MATLAB for Economics and Econometrics: A Beginners Guide. Trinity College Economics Papers - Working Paper 0414.

   This is another step-by-step introduction to MATLAB with a focus on the Econometrics Toolbox.

Topics.

Readings are from the textbook and class notes. All topics covered depend on some fundamental statistical concepts and results from Chapter 2 and Econ 3818. As such, throughout the course, we will be repeatedly using the concepts and results from Chapter 2.

1. Returns (Chapter 3)

   Gross returns, Net returns and log returns

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7. Fixed income securities (Chapter 9)

      Zero-coupon bonds, coupon bonds

      Yield to maturity

      Term structure

      Continuous compounding

      Continuous forward rates

      Sensitivity of price to yield

Important information.

If you qualify for accommodations because of a disability, please submit a letter from Disability Services in a timely manner (for exam accommodations provide your letter at least one week prior to the exam) so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities. Contact Disability Services at 303-492-8671 or by e-mail dsinfo@colorado.edu.

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council honor@colorado.edu; 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including