Course program and reading list

Semester 6 Year 2024

School: Arison School of Business MA in Financial Economics

Research Workshop In Empirical Asset Pricing

Lecturer:

Prof. Doron Avramov   doron.avramov@runi.ac.il

Teaching Assistant:

Ms. Idit Zeelon Rozen   izeelon@post.runi.ac.il

Course No.:	Course Type :	Weekly Hours :	Credit:
29062	Elective	4	2

Course Requirements :	Group Code :	Language:
Final Paper	246290621	English

◎ Course Description

The finance profession has witnessed an extraordinary growth in the use of quantitative methods to analyze stocks, bonds, commodities, currencies, derivatives, mutual funds, hedge funds, ETFs, and cryptocurrencies.

The list of asset classes is ever growing.

In parallel, financial economists, myself included, have been developing advanced methods to understand the dynamics of asset returns, market anomalies, return predictability, asset allocation, security selection, volatility, correlation, trading strategies, and more.

Course Goals

The course aim to provide a comprehensive understanding of the **econometrics of financial markets**.

Grading

There are six meetings to be held through Zoom.

Zoom links are available on the course webpage.

You must attend each of the sessions **and you have to be visible to me**.

The final grade consists of two problem sets to be submitted individually.

Each problem set is equivalent to a take-home test – no cooperation is allowed!

Due dates will be announced later – there are three weeks allocated to submit each of the assignments.

The credit for each problem set is 50%.

If you miss one session – 20% of the final grade will be lost.

If you miss two sessions, 40%.

If you miss more, you will be unable to take the course for credit.

Lecturer Office Hours

A meeting will be held with prior coordination with the lecturer.

Teaching Assistant

Ms. Idit Zeelon Rozen, adv., irozen@runi.ac.il

Additional Notes

A follow up course on Machine Learning is highly recommended if you would like to develop further expertise in quantitative asset management.

The suggested sequence (not a must) – first empirical methods and then machine learning.

The course targets advanced master students in financial economics.

Required: prior exposure to matrix algebra, distribution theory, Ordinary Least Squares, as well as skills in Python, R, or any other advanced programming.

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💬 Reading List

the set of class notes (found in the course site – Moodle).

The Econometrics of Financial Markets, by John Y. Campbell, Andrew W. Lo, and A. Craig MacKinlay, Princeton University Press, 1997.

Asset Pricing, by John H. Cochrane, Princeton University Press, 2005.

Topics in Asset Pricing, 2021 (see my class notes):

https://faculty.idc.ac.il/davramov/AssetPricing1.pdf

Papers in finance and economics as listed in the reference list.