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Datum	5. April 2022

Course Syllabus

SS 2022

Empirical Finance

Course Outline

The course introduces to the principles of empirical methods in modern capital market research. Among the major issues to be discussed are the underlying economic models and assumptions, common statistical and econometric methods, as well as their application. Students participate actively via self-prepared presentations on studies in capital market research. Prerequisites are fundamental skills in statistics and probability (random variables and their distributions, statistical methods, testing and inference), as well as the contents of an introductory course in corporate finance (valuation of bonds and stocks, capital market theory, asset pricing).

Rules for Course Participation

This course is open to all students in the Master- and PhD-Program, especially those specializing in subject area of Financial Economics, Econometrics or Accounting, Finance and Taxation. Most parts of the course material and references are in English. However, the lecture language is German. Hence, for course participation, basic knowledge of the German language is required. The course comprises 3 SWS of which 2 SWS are lectures and 1 SWS is a seminar. Participants are encouraged to participate in the seminar with their presentation and discussion of a research paper written by members of the Chair in Finance and Financial Control (see the website <http://www.wiwi.uni-passau.de/finanzcontrolling/forschung/publikationen> for a research paper overview and use for example SSRN www.ssrn.com, ideas repec <https://ideas.repec.org>, or Researchgate <https://www.researchgate.net> for downloads). This deliberate presentation is then part of the course's final grade and implies a bonus

of up to 6 points (i.e. a maximum of 10%) on top of the final written examination (with 60 points maximum).

Timetable

The course material and additional information on course organization are available in Stud.IP (course number 31802). The schedule for the lecture is as follows.

Date	Time	Topic	CLMK
27.04.	14:00-17:00	Introductory session, key concepts in basic financial calculations and statistics	Chapter 1: pp. 1-19
04.05.	14:00-17:00	Efficient market hypothesis	Chapter 1: pp. 20-25
11.05.	14:00-17:00	Empirical properties of financial data	Chapter 2: pp. 27-33
18.05.	14:00-17:00	Tests for Random Walk I	Chapter 2: pp. 33-55
25.05.	14:00-17:00	Tests for Random Walk II	Chapter 2: pp. 55-80
01.06.	14:00-17:00	Market microstructure I	Chapter 3: pp. 83-128
08.06.	14:00-17:00	Market microstructure II	
15.06.	14:00-17:00	Event Studies I: Theory and models for expected returns	Chapter 4: pp.149-166
22.06.	14:00-17:00	Event Studies II: Measurement of abnormal returns	
29.06.	14:00-17:00	Multifactor pricing models I	Chapter 6: pp. 219-251
06.07.	14:00-17:00	Multifactor pricing models II	
13.07.	14:00-17:00	In-class presentations I	
20.07.	14:00-17:00	In-class presentations II	
27.07.	14:00-17:00	In-class presentations III	
t.b.a.	t.b.a.	Final examination (5 ECTS): one hour written in-class exam (60 Points).	

Main Reference

Campbell, J. Y., Lo, A. W., and MacKinlay, A. C. (1997). *The Econometrics of Financial Markets*, Princeton University Press, Princeton. [CLMK]

References for Further Reading

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