

# Syllabus

for course at advanced level

**Advanced Empirical Financial Research**

**Avancerad empirisk finansforskning**

**7.5 Higher Education**

**Credits**

**7.5 ECTS credits**

<b>Course code:</b>	FE5127
<b>Valid from:</b>	Spring 2023
<b>Date of approval:</b>	2022-06-23
<b>Department</b>	Stockholm Business School
<b>Main field:</b>	Finance
<b>Specialisation:</b>	A1N - Second cycle, has only first-cycle course/s as entry requirements

## Decision

This syllabus was approved by the head of department at Stockholm Business School, Stockholm University 2022-06-23.

## Prerequisites and special admittance requirements

60 cr business administration and 30 cr economics or 60 cr economics and 30 cr business administration. In addition 7,5 cr mathematics and 7,5 cr statistics and English 6.

## Course structure

Examination code	Name	Higher Education Credits
5127	Advanced Empirical Financial Research	7.5

## Course content

The course equips students with models and research methods used in empirical finance. The course aims to enhance students' capability in understanding and assessing prior empirical research in finance, applying the models and methods they have learnt on new problems, and carrying out their own empirical analysis. Methods to be introduced in the course include panel data models, limited dependent variable regressions, multifactor pricing models and volatility and correlation modelling. The course focuses on the use of these methods for topics including empirical asset pricing, corporate default and credit rating, household financial decisions, and financial market policy effects. Being highly practical, the course prepares students for writing master thesis in finance.

## Learning outcomes

The goal of the course is to deepen students' understanding of models and research methods used in empirical finance research.

Upon successful completion of this course, the student shall be able to:

Knowledge and understanding

1. Demonstrate deep understanding of the selected empirical issues in finance.
2. Demonstrate thorough understanding of the important models and research methods in empirical finance.

## Skills and abilities

3. Demonstrate ability to apply the models and methods they have learnt on new problems and to carry out their own empirical analyses.
4. Demonstrate ability to use scientific methods to analyse quantitative empirical material.

## Judgement and approach

5. Demonstrate ability to search for relevant information from literature within finance.
6. Demonstrate ability to evaluate literature within finance.

## Education

The teaching consists of lectures and computer labs and requires a significant portion of self-study on the part of students.

The language of instruction is English.

The teaching takes place on campus and online.

For more detailed course information, see the study guide, published on the learning platform no later than one month before the course commences.

## Forms of examination

### a) Forms of examination

Assessment for the course will be continuous and is carried throughout the different course activities. Each assessment task is weighted in relation to its importance in the overall assessment of the course. The student's results from the different assessment tasks are added up to a total course score that will then translate into the final grade for the course.

### Assessment tasks

The course contains the following weighted assessment tasks:

1. Individual final examination: assesses intended learning outcomes 1–6; constitutes 80% of total course points.
2. Five computer lab assignments: assess intended learning outcomes number 1–4; constitute 20% of total course points. Each computer lab assignment constitutes 4% of total course points.

The examination is conducted in English.

If the student has a certificate from Stockholm University with a recommendation for special support, the examiner has the opportunity to give an adapted test or let the student complete the test in an alternative way.

### b) Grading scale

Grading takes place according to a criterion-referenced seven-point grading scale:

A = Excellent  
B = Very good  
C = Good  
D = Satisfactory  
E = Sufficient  
Fx = Failed, some more work required  
F = Failed, much more work required

### c) Grading and assessment criteria

### Grading criteria

The course's grading criteria are designed as overall assessments, combined qualitative descriptions of what the student is expected to do in order to demonstrate how well the course's learning outcomes are achieved. A higher grade-level presupposes the abilities at lower levels.

**A (Excellent)**

The student demonstrates ability to evaluate and relate to the content of the course from a comprehensive, critically reflective perspective, as well as to transfer and apply insights in new, meaningful contexts.

**B (Very Good)**

The student demonstrates ability to, from an overarching and coherent perspective of the field, understand and use concepts to explain how different aspects of the course relate to each other, interconnect and become meaningful.

**C (Good)**

The student demonstrates ability to discuss the content, tasks and complex issues dealt with in the course from several well-developed but mainly independent perspectives.

**D (Satisfactory)**

The student demonstrates satisfactory ability to discuss the content, tasks and complex issues dealt with in the course in a way that, albeit in-depth and elaborate, is decidedly one-dimensional.

**E (Sufficient)**

The student demonstrates sufficient ability to discuss the content, tasks and complex issues dealt with in the course in a way that is decidedly one-dimensional.

**Fx (Fail)**

The student's knowledge, skills and abilities display minor flaws, overall or in significant parts.

**F (Fail)**

The student's knowledge, skills and abilities display major flaws, overall or in significant parts.

**Assessment criteria**

The course's assessment criteria, which serve as support for the assessment of the course's assessment tasks, are announced at the start of the course.

**d) Final grade**

The course comprises 0–100 course points. A passing grade (A–E) in the course requires that all learning outcomes are met, 50 course points and at least 50 points from individual assessment tasks.

The scale for the final grade is tied to fixed score intervals: A: 90–100; B: 80–89; C: 70–79; D: 60–69; E: 50–59; Fx: 45–49; F: 0–44. The grades correspond to the total course points a student obtains (over a total of 100) for all the weighted assessment tasks combined as part of the continuous assessment for the course. Current rounding rules are applied (0,5–0,9 course points are rounded up to the nearest higher, full course point).

Each assessment task is awarded 0–100 points. The points from an individual assessment task are multiplied by its percentage weight, constituting its course points. The course points for all assessment tasks are summed up to a total score between 0 and 100 course points. The total score is translated into a corresponding course grade A–F.

Assessment task 1 is assessed on a 100-point scale.

Each assignment in assessment task 2 is assessed on a 100-point scale in three intervals:

- 100 points.
- 50 points.
- 0 points.

For more information on how the assessment tasks are assessed, see the study guide.

The student is responsible for completing the course's assessment tasks and obtaining a passing grade. If a

passing grade is not obtained, the student can re-sit assessment task 1, at which the result is added to the course points achieved at the course's other assessment tasks. Acquired course points are forfeited if a passing grade is not obtained at the re-sit exam.

If 45–49 course points are achieved, a grade Fx is obtained. If less than 45 course points are achieved, a grade F is obtained.

A student who after the course's two regular exams does not obtain a passing grade lose the course points obtained and is referred to re-register at a later course instance.

Re-registration implies that:

- first-time registered students have priority access to the course's group registration;
- a students can re-sit assessment task 1 to obtain a passing grade without attending the course's learning activities or other assessment tasks.

Exemption from an assessment task is granted if the student presents a written certificate (e.g. a medical certificate), whereupon the student may re-sit the assessment task at a later date decided by the head of course, and while maintaining previously acquired course points.

The application for exemption should be submitted to the director of studies immediately after, or during planned absences well before the date when the assessment task is carried out. A granted exemption expires at the end of the immediately following semester.

#### e) Failed grades

For each course instance, two examination opportunities are normally offered. If during an academic year, a course instance is missing, at least one examination instance is offered.

A student who has received the grade F on an examination twice in a row by one and the same examiner have the right to have another examiner appointed at the next examination, unless there are special reasons to the contrary. The request is made to the director of studies.

A student who has received a passing grade on an examination may not retake the examination or complete a previously not completed assessment task to achieve a higher grade. A passing grade cannot be changed to a failing grade at the student's request.

#### f) Supplementary assignments

The grade Fx is not possible to complete.

#### **Interim**

If the course is discontinued, or its contents are substantially altered, students have the right to be examined according to this syllabus once per semester for three further semesters.

#### **Limitations**

This course may not be included in a degree together with a course, taken in Sweden or elsewhere, of identical or partially similar content.

#### **Misc**

The course is included in Master's Programme in Banking and Finance 120 credits.

#### **Required reading**

Course literature is specified on the course's webpage no later than two months prior to the course commences.