COURSE DESCRIPTION

1. Information about the programme

1.1 Institution of higher education	**Alexandru Ioan Cuza University of Iasi**
1.2 Faculty	**Faculty of Economics and Business Administration**
1.3 Department	**Department of Finance, Money and Public Administration**
1.4 Field of study	**Finance**
1.5 Level	**Master**
1.6 Study programme/ Qualification	**Finance and Risk Management**

2. Information about the course

2.1 Course name	**Research Methods in Finance**						
2.2 Course coordinator	**Prof. Alin Marius Andrieș, Assoc. Prof. Iulian Ihnatov**						
2.3 Seminar coordinator	**Prof. Alin Marius Andrieș, Assoc. Prof. Iulian Ihnatov**						
2.4 Year of study	**2**	**2.5** Semester	**3**	**2.6** Type of assessment	**E**	**2.7** Course status	**C**

* C – Compulsory / E - Elective

3. Total estimated time (hours alloted to teaching activities per semester)

3.1 Number of hours per week	**4**	of which: **3.2** lecture	**2**	**3.3** seminar/lab	**2**
3.4 Number of hours in the curriculum	**56**	of which: **3.5** lecture	**28**	**3.6** seminar/lab	**28**
Time distribution					hrs
Study of the textbook, coursebook, bibliography and lecture notes					**60**
Additional research in the library, online and on the field					**40**
Preparation of seminars/labs, homework, projects, portfolios and essays					**80**
Tutorials					**12**
Assessment					**2**
Other activities..................................					

3.7 Total number of self-study hours	**194**
3.8 Total number of hours per semester	**250**
3.9 Number of credits	**10**

4. Prerequisites (if applicable)

4.1 Curriculum-based	**-**
4.2 Competence-based	**-**

5. Conditions (if applicable)

5.1 For lectures	**General conduct and behavior** Students are expected to conduct themselves with consideration and respect for the needs of their fellow students and teaching staff. Conduct that unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class.

	Attendance
	Your regular and punctual attendance at lectures and seminars is expected in this course.
5.2 For seminars / labs	**General conduct and behavior** Students are expected to conduct themselves with consideration and respect for the needs of their fellow students and teaching staff. Conduct that unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class. **Attendance** Attendance is compulsory at minimum 80% of the seminars. In case of absence, the instructor should be informed in advance.

6. Specific competencies

Professional competencies	**C1.** Analysis of the theoretical and practical aspects of financial markets, models, instruments that are used in the management of risks. **C2.** Adequate use of mathematical and statistical concepts, methods and techniques in assessing risks and performing independent research in finance. **C3.** Evaluation of the main risk factors for organizations and financial systems. **C4.** Implementing effective financial management and reporting within the business environment to ensure value creation. **C5.** Ensuring effective and appropriate governance and management of risk within an organization, in the context of an overall ethical framework.
Transversal competencies	**CT1.** Application of the professional ethical norms and values in decision-making and undertaking of complex professional tasks, independently or within a team. **CT2.** Human resources planning within a group or organization, in the context of awareness of own responsibility for professional outcomes. **CT3.** Assuming the need for continuous development to create prerequisites for career progression and adapt own professional and managerial competencies to the economic dynamics.

7. Course objectives (provided by the specific competencies grid)

7.1. Main objective	This course aims to provide students with conceptual and theoretical framework in research methods and its application in empirical finance. The course tends to develop student skills in research and the ability to choose research topic using different research tools. Much emphasis is on the practical aspects. There is extensive use of leading statistical and econometric software that is employed extensively in research and practice
7.2. Specific objectives	On completion of the course, the students will be able to: ▪ Generate ideas to choose research topics; ▪ Draft research proposals; ▪ Analyze data and test hypotheses; ▪ Read and critically assess papers in the finance literature; ▪ Construct written work which is logically and professionally presented; ▪ Communicate ideas in a succinct and clear manner; ▪ Work in teams.

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8. Content

8.1	Lectures	Teaching methods	Observations (hours & readings)
1.	General Introduction Formulating and Clarifying the Research Topic	Lecturing and class participation	2 hrs: Baum; Brooks
2.	Deciding on the Research Approach and Choosing a Research Strategy	Lecturing and class participation	2 hrs: Saunders, Lewis, Thornhill
3.	Refresher on Linear Regression	Lecturing and class participation	2 hrs: Baum; Brooks; Cameron
4.	Endogeneity and causality	Lecturing and class participation	2 hrs: Baum; Brooks; Cameron
5.	Linear Panel Data Models	Lecturing and class participation	2 hrs: Baum; Brooks; Cameron
6.	Linear Panel Data Models	Lecturing and class participation	2 hrs: Baum; Brooks; Cameron
7.	Instrumental Variables	Lecturing and class participation	2 hrs: Baum; Brooks; Cameron
8.	Instrumental Variables	Lecturing and class participation	2 hrs: Baum; Brooks; Cameron
9.	Natural and Quasi-Natural Experiments	Lecturing and class participation	2 hrs: Brooks; Cameron
10.	Natural and Quasi-Natural Experiments	Lecturing and class participation	2 hrs: Brooks; Cameron
11.	Panel Data Regression	Lecturing and class participation	2 hrs: Baum; Brooks; Cameron
12.	Panel Data Regression	Lecturing and class participation	2 hrs: Baum; Brooks; Cameron
13.	Time series regression	Lecturing and class participation	2 hrs: Baum; Brooks; Cameron
14.	Time series regression	Lecturing and class participation	2 hrs: Baum; Brooks; Cameron

Bibliography
Main readings:
1. Baum, C. F., An Introduction to Modern Econometrics Using Stata, Stata Press, 2006.
2. Brooks, C., Introductory Econometrics for Finance. 3rd edition. Cambridge University Press, 2014.
3. Cameron, C., Trivedi, P., Microeconometrics using Stata, Stata Press, 2010.
4.

Additional readings:
5. Gujarati, D. N., Porter, D. C. Basic Econometrics. 5th edition. McGraw Hill. 2009
6. Saunders, M, Lewis, PH., Thornhill, A., Research Methods for Business Students, Pearson: Harlow, 2009.
7. Stock, J. H., Watson, M. W. Introduction to Econometrics, Third Edition, Pearson, 2011.
8. Wooldridge, J. M., Introductory Econometrics: A Modern Approach. 3rd edition, Thomson South Western, 2006.

Other readings such as cases, simulations, journal papers, press articles will be provided periodically throughout the course via FEAA eLearning platform, e-mail or handed-in in class.

8.2	Seminars / Labs	Teaching methods	Observations (hours & readings)
1.	Review of statistics	Small group discussion, Simulation, Random calling	2 hrs: Baum; Brooks; Cameron
2.	Intro to Stata and data handling	Small group discussion, Simulation, Random calling	2 hrs: Baum; Brooks; Cameron
3.	Intro to Stata and data handling	Small group discussion, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
4.	Intro to Stata and data handling	Small group discussion, Simulation, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
5.	Intro to Stata and data handling	Small group discussion, Simulation, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
6.	Linear Regression	Small group discussion, Simulation, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
7.	Linear Regression	Small group discussion, Simulation, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
8.	Endogeneity and causality	Small group discussion, Simulation, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
9.	Linear Panel Data Models	Small group discussion, Simulation, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
10.	Linear Panel Data Models	Small group discussion, Simulation, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
11.	Instrumental Variables	Small group discussion, Simulation, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
12.	Natural and Quasi-Natural Experiments	Small group discussion, Simulation, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
13.	Did-in-Dif	Small group discussion, Simulation, Problem sets in groups	2 hrs: Baum; Brooks; Cameron
14.	Event study	Small group discussion, Simulation, Problem sets in groups	2 hrs: Brooks

Bibliography
Main readings:
1. Baum, C. F., An Introduction to Modern Econometrics Using Stata, Stata Press, 2006.
2. Brooks, C., Introductory Econometrics for Finance. 3rd edition. Cambridge University Press, 2014.
3. Cameron, C., Trivedi, P., Microeconometrics using Stata, Stata Press, 2010.
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9. Corroboration of the course content with the expectations of community representatives, professional associations and representative employers from the programme's related field

This course provides students with the core knowledge, skills, and abilities that are generally accepted and applied by finance and investments professionals throughout the world. Topics are selected in accordance to the requirements of Charted Financial Analyst (CFA) and Professional Risk Manager (PRM) world-leading certifications for finance and risk management, to offer the adequate preparation for CFA and PRM exams.

The course content is correlated to that of similar courses taught at renowned universities (e.g Microeconometrics for Finance – Swiss Institute of banking and Finance, University of St. Gallen; Research Methods in Finance - Australian School of Business, UNSW Sydney) and is continuously updated based on the feedback of students and alumni.

Moreover, this course is recommended for students wishing to write their Master thesis in empirical finance (i.e. corporate finance, banking, household finance, development finance, etc) as well as for students wishing to pursue their academic career further through a PhD.

10. Assessment

Type of activity	10.1 Assessment criteria	10.2 Assessment methods	10.3 Weight in final grade (%)
10.4 Lectures	In the assessment of the study and the corresponding process, six criteria will be used: ▪ Quality of research question and justification of the research problem; ▪ Quality of literature overview; ▪ Appropriateness of Research method; ▪ Data collection and reporting; ▪ Analysis and interpretation; and ▪ Quality of writing	**Final exam**	40%
	Clarity of speech and ideas and quality of argument, introduction and conclusion in the	**Presentation of the research study**	20%

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	presentation of the study		
10.5 Seminars/ Labs	Giving comments to fellow students, active attitude during class, etc.	**Active Participation**	10%
	Accuracy of solutions	**Individual assignments**	30%

10.6 Minimum performance standard

A minimum passing grade of 5, computed as $P = 0{,}40 \times QS + 0{,}20 \times OP + 0{,}10 \times QP + 0{,}30 \times IA$, where P – final grade, QS – Final exam, OP – Quality of presentation, QP – Quality of participation; and IA – Individual assignments.

Date 15.09.2023	Course Coordinator Prof. Alin Marius ANDRIEȘ	Seminar Coordinator Prof. Alin Marius ANDRIEȘ
	Assoc. Prof. Iulian IHNATOV	Assoc. Prof. Iulian IHNATOV
Date of approval 26.09.2023	Head of Department Prof. Ovidiu STOICA	

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