

IE 522 – Statistical Methods in Finance

Professor	Liming Feng (fenglm@illinois.edu)
Office	Transportation Building Room 216A
Office hours	Wednesdays 4:00-5:00pm or by appointment
Course site	http://compass2g.illinois.edu
Prerequisites	Introductory probability and statistics
Teaching assistant	Runqi Hu (runqihu2@illinois.edu), Office hours: Wednesdays 11:00-12:00

Course description

This course covers probability theory and statistical tools that are fundamental for financial modeling, analyzing financial data and further studies in financial engineering. The course consists of four parts mainly: probability theory, statistical inference, time series analysis and regression.

Course materials

- Lecture notes: available on <http://compass2g.illinois.edu>
- References (e: available electronically from <http://www.library.illinois.edu>)
 - A Probability Path, 2014, Resnick e
 - Statistics and Data Analysis for Financial Engineering, 2015, David Ruppert e
 - Econometrics, 2000, Fumio Hayashi
 - Books on R e

Policies

- Homework 35%, Exam I 30% (Thursday 10/13/2016), Exam II 35% (Tuesday 12/6/2016)
- Homeworks are due at the beginning of the class on Thursdays. **Half or all of the points will be taken off from late homeworks.** If you cannot submit on the due date, submit earlier
- All homework assignments must be finished individually. Those who violate will be penalized. You should never share your work with others. For UIUC student code of conduct, see http://studentcode.illinois.edu/article1_part4_1-402.html
- Requests for correction of possible grading errors must be submitted to the professor within one week after the work is returned. **No corrections possible afterwards**
- Exams are open notes; makeup exams are possible only under emergencies (official proof and approval of the instructor are required **prior to the exam**)
- Please attend class on time and check your email regularly for announcements. Please make sure your email address in the system is correct and your account is not over quota

Schedule (tentative)

Monday	Tuesday Lecture (2:00-3:20)	Wednesday Office Hours (Hu 11:00-12:00, Feng 4:00-5:00)	Thursday Lecture (2:00-3:20)	Friday
	L1 Aug 23		L2 Aug 25	
	L3 Aug 30		L4 (HW1) Sept 1	
	L5 Sept 6		L6 Sept 8	
	L7 Sept 13		L8 (HW2) Sept 15	
	L9 Sept 20		L10 Sept 22	
	L11 Sept 27		L12 (HW3) Sept 29	
	L13 Oct 4		L14 Oct 6	
	L15 Oct 11		L15 (HW4, Exam 1) Oct 13	
	L16 Oct 18		L17 Oct 20	
	L18 Oct 25		L19 (HW5) Oct 27	
	L20 Nov 1		L21 Nov 3	
	L22 Nov 8		L23 (HW6) Nov 10	
	L24 Nov 15		L25 Nov 17	
Thanksgiving Break				
	L26 Nov 29		L27 (HW7) Dec 1	
	Exam 2 Dec 6			

MSFE class schedule

IE 522 TR 2:00-3:20pm
 IE 523 MW 2:00-3:20pm
 Fin 500 MW 9:30-10:50am
 Fin 501 TR 4:00-5:20pm