

# **Syllabus Empirical Banking and Finance**

**Summer term 2022**

Instructor: Dr. Konrad Adler

This is a course in applied econometrics. We will discuss and apply frequently used econometric techniques. The applications are chosen from the banking and finance literature.

The econometric techniques will be introduced in the lectures. There will be no proofs, instead we will study when and how to apply a given technique in practice. We will start by reviewing regression basics: OLS, how to interpret regression coefficients and how to use and interpret interaction terms in regressions. Then we will discuss when regression coefficients have a causal interpretation. From there we will discuss: Instrumental Variables, Fixed Effects, Difference-in-Difference and, if time allows, Regression Discontinuity Design.

We will also study empirical papers applying a given technique. Some papers will be discussed during the lectures, others will be presented by the students.

In the tutorials the students apply the econometric techniques using actual data.