Abstract and Outline

Applying financial econometrics and statistics in risk management research

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Abstract

The purposes of this lecture are (1) to give a brief review of financial analysis, planning, and forecasting; (2) to demonstrate the importance of financial econometrics and statistics in risk management research; (3) to discuss credit analysis, distress analysis, and bond rating forecasting; (4) to show that the evolution of alternative methods have been used to perform credit rating forecasting; and (5) to present how the joint determination of capital structure and stock returns can be performed in terms of LISREL model. Overall, this lecture will theoretically and empirically show how financial econometrics and statistics can be used to perform financial analysis, planning, and forecasting.
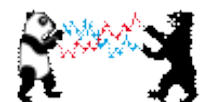
Outline

A. Introduction

B. Financial analysis, planning, and forecasting

   B1. Overview

   B2. Classification of risk management

       (i) Credit risk

       (ii) Market risk

       (iii) Operation risk

   B3. Accounting, economics, and marketing information

   B4. Financial econometrics

   B5. Financial statistics

C. Credit Analysis, distress analysis, and bond rating forecasting
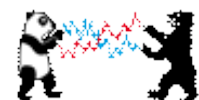
   C1. Overview

   C2. Z-score

   C3. The determination of problem banks

   C4. Bond rating forecasting

   D. Logistic regression and credit rating forecasting

       D1. Introduction

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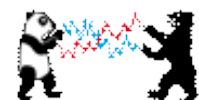
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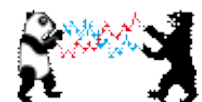
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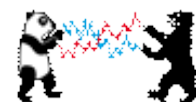
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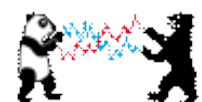
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