Financial Econometrics
HT Week 2 Assignment

January 28, 2009

Note: Please complete and submit this assignment by **Monday 4$^{\text{th}}$ week**.

1. Exercise 4.1
2. Exercise 4.4. Note: Part (ii) should be What is $\mathrm{E}[(r_t^2 - \bar{\sigma}^2)(r_{t-1}^2 - \bar{\sigma}^2)]$ (replace $\bar{h}$ with $\bar{\sigma}^2$).