

# ADVANCED ECONOMETRIC MODELLING FOR MONETARY POLICY ANALYSIS

**COURSE CODE: ECM 9006**



## COURSE OVERVIEW

The main objective of this workshop is to apply advanced econometric modelling tools to enable policy analysis, test theories and do policy simulations.

In some time series data, especially financial data, the variance changes over time: sometimes the series exhibits high volatility, while at other times the volatility is low, so that the data exhibits clusters of volatility.

Traditional regression tools have shown their limitation in the modelling of financial time-series. Assuming that only the conditional mean could be changing with covariates while the variance remains constant over time often revealed to be an unrealistic assumption in practice. This course presents models for quantifying volatility clusters, also known as “conditional heteroskedasticity”

## WHO SHOULD ENROL?

Delegates are expected from organisations Government departments and Regulatory agencies, Central Banks, Commercial Banks, Mortgage Banks, Multinational donor agencies and other government departments and agencies.

## COURSE STRUCTURE

Delegates will attend this 1-week course between 09:00 and 17:00 daily. London, UK

Also causal effects in models (such as monetary policy) tend not to be instantaneous but dynamic. It is now generally accepted to incorporate dynamic effects in monetary policy models as these effects takes time to attain. We will examine various approaches to model dynamic effects in econometrics models of monetary policy using Nigerian data.

Delegates will get hands-on modelling practice, estimation and diagnostic testing, simulate scenarios and utilize economic and business data to assess and analyse previous policies.

## COURSE OUTLINE

- Review of a range of econometric modelling techniques
- ARCH & GARCH modeling and implications for policy decision making
- General to Specific modeling methodology
- Dynamic models
- Distinction between short-run and long-run estimates
- Dynamic modeling (DOLS) – Advanced application of Partial Adjustment Model, Autoregressive Distributed Lag Models (ARDL) and their application to policy modeling
- Discuss international case studies of application of econometric modelling to policy making and simulations
- Comparisons – results from different versions of the same model, implications of variations