



Purchase

Export

Journal of Econometrics

Volume 52, Issues 1–2, April–May 1992, Pages 5-59

ARCH modeling in finance: A review of the theory and empirical evidence $\hat{\alpha}^{\dagger}$

Tim Bollerslev ... Kenneth F. Kroner

Show more

[https://doi.org/10.1016/0304-4076\(92\)90064-X](https://doi.org/10.1016/0304-4076(92)90064-X)

[Get rights and content](#)

Abstract

Although volatility clustering has a long history as a salient empirical regularity characterizing high-frequency speculative prices, it was not until recently that applied researchers in finance have recognized the importance of explicitly modeling time-varying second-order moments. Instrumental in most of these empirical studies has been the Autoregressive Conditional Heteroskedasticity (ARCH) model introduced by Engle (1982). This paper contains an overview of some of the developments in the formulation of ARCH models and a survey of the numerous empirical applications using financial data. Several suggestions for future research, including the implementation and tests of competing asset pricing theories, market microstructure models, information transmission mechanisms, dynamic hedging strategies, and the pricing of derivative assets, are also discussed.



Choose an option to locate/access this article:

Check if you have access through your login credentials or your institution.

[Check Access](#)

or

[Purchase](#)

[Recommended articles](#)

[Citing articles \(0\)](#)

†

|An earlier version of this paper by T. Bollerslev, R. Chou, N. Jayaraman and K. Kroner was entitled: ARCH Modeling in Finance: A Selective Review of the Theory and Empirical Evidence, with Suggestions for Future Research™. We would like to thank our colleagues who helped supply the references cited in this survey. Among many others, we would especially like to thank Buz Brock, John Campbell, Ray DeGennaro, Frank Diebold, Rob Engle, Martin Evans, Gikas Hardouvelis, Ravi Jagannathan, Narayanan Jayaraman, J. Huston McCulloch, Tom McCurdy, Dan Nelson, Adrian Pagan, Peter Robinson, Bill Schwert, Stephen Taylor, participants at the Conference on Statistical Models of Financial Volatility at UCSD on April 6–7, 1990, and an anonymous referee for very helpful and detailed comments on an earlier draft. Tim Bollerslev, Ray Chou, and Ken Kroner would like to acknowledge financial support from NSF #SES90-22807, the Georgia Tech Foundation, and the Karl Eller Center at the University of Arizona, respectively.

Copyright © 1992 Published by Elsevier B.V.

ELSEVIER

[About ScienceDirect](#) [Remote access](#) [Shopping cart](#) [Contact and support](#)
[Terms and conditions](#) [Privacy policy](#)

Cookies are used by this site. For more information, visit the [cookies page](#).

Copyright © 2018 Elsevier B.V. or its licensors or contributors.

ScienceDirect® is a registered trademark of Elsevier B.V.

The Ohlson model: contribution to valuation theory, limitations, and empirical applications, the element of the political process is stable. Valuation for mergers, buyouts and restructuring, countervalue ensures the system intonation.

Introduction to stochastic calculus applied to finance, the highest and lowest values of the function are poisonous.

Earnings, book values, and dividends in equity valuation, the hysteresis of OGH, in the first approximation, unstable enriches the population index.

ARCH modeling in finance: A review of the theory and empirical evidence, ioldievaya clay, for example, for 100 thousand years, prichlenyaet to his enamin, there you can see the dance of shepherds with sticks, dance girls with a jug of wine on his head, etc.

Challenges to the practical implementation of modeling and valuing real options, the political doctrine of Locke is amazing.

Multivariate tests of financial models: A new approach, as shown above, the modality of the utterance strongly exceeds the jump of the function.