A STUDY OF EUROPEAN FOOTBALL CLUBS AND THEIR STOCK RETURNS

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TABLE OF CONTENTS

TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF SUBMISSION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v-vii
LIST OF TABLES	viii-ix
LIST OF FIGURES	ix
ABSTRACT	

CHAPTER 1 INTRODUCTION

1.0 Introduction	1-3
1.1 Background Of Study	4
1.2 Problem Statement	5
1.3 Research Objective	6
1.4 Scope Of Study	7
1.5 Limitations of Study	8
1.6 Significance of Study	9
1.6.1 Investors	9
1.6.2 Researchers	9
1.7 Summary of Chapter	9

CHAPTER 2 LITERATURE REVIEW

2.0 Introduction	10
2.1 Generalized AutoRegressive Conditional Heteroskedasticity (GARCH)	11

2.2 Literature Review 12-14

2.3 Theoretical Framework 15

2.5 Summary of Chapter 16

CHAPTER 3 DATA AND METHODODLOGY

3.0 Introduction 17

3.1 Data Collection Method 18

3.2 Empirical Model 19

3.3 Measurements Of Variable 20

3.3.1 Stock Returns 20

3.3.2 Football Match 20

3.4 Estimation Procedure 21

3.5 Hypothesis Development 22

3.6 Software Used 23

3.7 Summary of Chapter 23

3.8 Flow of Research 24

CHAPTER 4 FINDINGS AND DISCUSSION

4.0 Introduction 25

4.1 Variable Description 25

4.2 Descriptive Analysis 25-26

4.3 Unit Root Test (Stationary Test) 26-30

4.4 Variance Inflation (VIF) Test 31-33

4.5 White Test (Breusch And Pagan Godfrey) 34

4.6 Serial Correlation LM Test 35

4.7 (GARCH) with GED Distribution

4.7.1 Serial Correlation 36-41

4.7.2 ARCH Effect 42

4.7.3 Residuals 43

ABSTRACT

Stock market and investor decisions become popular in finance researches. The effects of anomalies and psychological biases of behavioral finance on stock returns are also draw great attention. There are lots of academic studies which focus on sports matches and stock market returns. However, this study considers data from six football clubs, Manchester United and Arsenal (England), Juventus and AS Roma (Italy) and AFC Ajax (Netherlands) to test the link between their European performance (wins/draws/losses) and their stock returns. This study report (a) positive effects on Manchester United and Borussia Dortmund's stock returns, and (b) negative effects on Arsenal, AS Roma, AFC Ajax and Juventus. These findings are recommended to financial managers and investors who is dealing with football stock prices.