Bayesian Methods in Finance provides a detailed overview of the theory of Bayesian methods and explains their real-world applications to financial modeling. While the principles and concepts explained throughout the book can be used in financial modeling and decision making in general, the authors focus on portfolio management and market risk management—since these are the areas in finance where Bayesian methods have had the greatest penetration to date.

My Personal Review:
I recommend interested readers to review the table of contents (see Search inside this book), and draw their attention to Chapters 7, 9, 13 and 14. I believe that this material would be good to know for a wide audience of finance researchers.

The introductory Chapters 1-5 can be complemented by a good book on Bayesian models and computation - check out Lius Monte Carlo strategies.. on the latter, and a lot more - while the portfolio selection problem, including Black-Litterman, is examined at greater length in Meuccis excellent Risk and asset allocation; here, Rachev provides a solid, concise introduction.

I would have liked a broader model repertoire - outside of the chapters on volatility modeling, you only see the linear regression - but the book is pretty remarkable as it is.

For More 5 Star Customer Reviews and Lowest Price:
Bayesian Methods in Finance (Frank J. Fabozzi Series) by Frank J. Fabozzi - 5 Star Customer Reviews and Lowest Price!