

This bachelor thesis deals with modelling volatility in finance. The aim of the thesis is to introduce the models that can be used to this purpose. We focus on the GARCH and EGARCH models. For both models, we present their definition and investigate stationarity, the existence of unconditional moments and the correlation structure. We also present the GED distribution that is used in volatility modelling. In the practical part of the thesis, we show process simulations for different choices of parameters, investigate the accuracy of the parameter estimates, and finally perform an application of the GARCH and EGARCH models to the logarithmic returns of the Apple stocks.