

Discipline: Finance

1 Language

English

2 Title

Empirical Corporate Finance

3 Lecturer

Markus Schmid, University of St. Gallen

Christoph Schneider, Tilburg University

4 Date and Location

August 29 – September 1 , 2019

Evangelischer Diakonieverein Berlin-Zehlendorf e. V.
14163 Berlin

5 Course Description

5.1 Abstract and Learning Objectives

The course is intended as an introduction to research in empirical corporate finance and covers both corporate finance topics as well as methods with a strong emphasis on endogeneity and identification. The general objective of the course is to present some of the most influential work in corporate finance. We will put a particular emphasis on current research, which uses state-of-the-art empirical methods. This course will provide students with a toolbox and working knowledge of cross-sectional and panel data empirical methods for use in corporate finance research. The course also aims to encourage students to explore interesting research questions in corporate finance. Finally, students will learn how to think about empirical research (questions) critically.

5.2 Contents

Corporate finance topics

- Capital Structure
- Corporate Governance
- Corporate Transactions / Mergers & Acquisitions
- Earnings management and reporting quality

Methodological topics

- Causality and Linear Regression
- Panel Data and Fixed Effects
- Instrumental Variables
- Natural experiments / Diff-in-Diff
- Regression Discontinuity Design

5.3 Schedule

Part 1: August 29 – 30, Christoph Schneider

Part 2: August 31 – September 1, Markus Schmid

6 Preparation and Literature

6.1 Prerequisites

There are no formal prerequisites for the course. However, material covered by an advanced master level or first-year doctoral level econometrics course (e.g., Greene, 2011, *Econometric Analysis*, 7th Edition; Wooldridge, 2013, *Introductory Econometrics*, 5th Edition) and some familiarity with corporate finance at the level of a master level course is expected (e.g., Brealey, Myers, and Allen, 2016, *Principles of Corporate Finance*, 12th edition; Berk and DeMarzo, 2013, *Corporate Finance*, 3rd Edition, etc.).

6.2 Reading Material

A reading list, subdivided into essential readings and additional readings, will be provided about a month before the course start to all participants.

6.3 To prepare

Read the papers indicated on the reading list as mandatory course readings *before* the class.

7 Administration

7.1 Max. number of participants

20

7.2 Exam

Take-home exam, approximately one week after the end of the course, details and exact date will be discussed in class.

7.3 Credits

The course (including the exam) is eligible for 6 ECTS.

8 Working Hours

Working Hours	Stunden
<i>Kursteilnahme</i>	24
<i>Assignment / Take-Home Exam</i>	36
<i>Kursvorbereitung (Lektüre der Paper in der Reading List)</i>	80
<i>Nachbereitung des Kurses / Vorbereitung auf Assignment (insbesondere Lektüre der Slides)</i>	40
SUMME	180 h
ECTS: 6	