

Syllabus
Course description

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| Course title | “Applied Microeconomics and Finance”- Module II Empirical Finance |
| Course code | 29056 |
| Scientific sector | SECS-P/11 |
| Degree | PhD in Economics and Finance |
| Semester and academic year | 2 nd semester 2021/2022 |
| Year | 1 st |
| Credits | 2 |
| Modular | 3 |

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| Total lecturing hours | 14 |
| Total office hours | Not foreseen |
| Total exercise hours | Not foreseen |
| Attendance | Required |
| Prerequisites | No formal prerequisites, but a basic knowledge of finance theory and econometrics is desirable. |
| Course page | |
| Specific educational objectives | This aim of this course is to prepare Ph.D. students to do research in empirical finance. |

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| Lecturer | Per Linus Siming |
| Scientific sector of the lecturer | SECS-P/11 |
| Teaching language | English |
| Office hours | On request |
| Lecturing assistant | None |
| List of topics covered | The cornerstones of applied research in finance (Topics: Introduction to the empirical finance literature; A review of important empirical techniques.); Governance and capital structure (Topics: Evergreen questions relating to executive compensation and capital structure; Measuring causal impact with difference in difference estimators and instrument variables); Culture and finance (Topics: Epidemiological approach); Banking and green financing (Topics: Forming empirical strategies from conflicting theories; Natural experiments and exogenous shocks; Matching); Additional empirical considerations |
| Teaching format | Frontal lectures including Ph.D. student presentations. |
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| Learning outcomes | We will discuss empirical research within the sub-fields of financial intermediation, banking, corporate finance, and |
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corporate governance. The course is organized around published papers with an emphasis on econometric methods. We will not be focusing too much on the theory behind different empirical methods but instead our focus will be on applications. Appropriate methods will be linked to given research questions for several major current topic areas in finance: Green finance, culture and finance, politics and finance, etc. Throughout the course we will spend time talking about how to come up with (good) empirical ideas. Since contemporary empirical work in finance builds upon the underlying economics of a given situation, we will discuss how to think creatively about identification, endogeneity, and instruments. We will also discuss how to dissect and critique academic research. This is a small research-oriented course, so it is crucial that all participants read the papers in advance and jointly participate in class discussions. If you find yourself particularly interested in one or more of the fields, and you want to develop it into your dissertation field, just ask the professor who can provide you with many more reading references.

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| Assessment | Based on two assignments, one presentation and one take-home exam. |
| Assessment language | English |
| Evaluation criteria and criteria for awarding marks | The assignments, the presentation and the take-home exam will be awarded marks based on how well the argumentation made by the Ph.D. student links to the course concepts. |

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| Required readings | <p>Adams, R., 2017. "The ABCs of empirical corporate (governance) research", <i>Corporate Governance: An International Review</i> 25, 461-464.</p> <p>Bedendo M., E. Garcia-Appendini, and L. Siming, 2020, "Cultural preferences and firm financing choices", <i>Journal of Financial and Quantitative Analysis</i>, 55:3, 897-930.</p> <p>Chhaochharia V. and Y. Grinstein, 2009, "CEO Compensation and Board Structure," <i>Journal of Finance</i> 62, 1789-1825.</p> <p>Cumming, D. 2021 "What does it take? Tips on research and publishing at the 25th anniversary of the <i>Journal of Corporate Finance</i>", <i>Journal of Corporate Finance</i>, 66, 101861.</p> <p>Fatica, S., R. Panzica, and M., Rancan, 2021, "The pricing of green bonds: Are financial institutions special?" <i>Journal of Financial Stability</i> 54, 100873.</p> <p>Flammer, C., 2021, "Corporate green bonds," <i>Journal of Financial Economics</i>, 142:2, 499-516.</p> |
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| | <p>Giroud, X., H.M. Mueller, A. Stomper and A. Westerkamp, 2012, "Snow and Leverage", <i>Review of Financial Studies</i>, 25:3, 680-710.</p> <p>Guthrie, K., J. Sokolowsky and K-M Wan, 2012, "CEO Compensation and Board Structure Revisited", <i>Journal of Finance</i> 67, 1149-1168.</p> <p>Karolyi, G. A., 2016, "The gravity of culture for finance", <i>Journal of Corporate Finance</i>, 41, 610-625.</p> <p>Roberts, M.R., and T. M. Whited, 2013, "Endogeneity in empirical corporate finance," in G. M. Constantinides, M. Harris and R. M. Stulz, ed.: <i>Handbook of the Economics of Finance</i>, North Holland: Elsevier.</p> <p>Siming, L., 2018, "Government involvement in the corporate governance of banks," <i>Review of Economics and Statistics</i>, 100:3, 477-488.</p> |
| Supplementary readings | <p>Wooldridge, J.M., 2002, <i>Econometric Analysis of Cross Section and Panel Data</i>, MIT Press.</p> |