

Discipline: Finance

1 Language

English

2 Title

Empirical Corporate Finance

3 Lecturer

Markus Schmid, University of St. Gallen

Christoph Schneider, University of Münster

4 Date and Location

August 11 – August 14 , 2023

University of Münster

School of Business and Economics

Universitätsstr. 14- 16

48143 Münster

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
- ESG and Regulation

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 11 – 12, Christoph Schneider

Part 2: August 13 – 14, 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, 2017, *Econometric Analysis*, 8th Edition; Wooldridge, 2015, *Introductory Econometrics*, 6th Edition) and some familiarity with corporate finance at the level of a master level course is expected (e.g., Brealey, Myers, Allen, and Edmans, 2022, *Principles of Corporate Finance*, 14th edition; Berk and DeMarzo, 2019, *Corporate Finance*, 5th 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) corresponds to a scope of 6 LP/ECTS.

7.4 Possible changes to course in response to coronavirus situation

Note that part of the course or the entire course may switch to an online class in case the coronavirus situation does not allow physical classes or if travel restrictions apply.

8 Working Hours

Activities	Hours
<i>Course preparation (read provided material, prerequisite textbooks, etc.)</i>	72
<i>Active participation in the course</i>	24
<i>Follow-up work on course days (read up on topics of the day to deepen understanding)</i>	16
<i>Preparation for exam</i>	44
<i>Exam</i>	24
SUMME	180 h