

Course ID **Doctoral Seminar on Empirical Research in Finance.**

1. **Course details**

Semesters:	2 (Winter and Summer)
Credit rating:	1 ECTS / 15 TU
Pre-requisite(s):	None
Lecturer(s):	Jos van Bommel
Administrator:	Roswitha Glorieux
Tutor(s):	
Seminar times and rooms:	1.5 hours, once a month during 8 months
Tutorial times and rooms:	TBD
Communications	It is important that students should regularly read their University e-mails, as important information will normally be communicated this way.
Mode of assessment:	Class participation and thesis development
Examination Periods:	
Course WebPage:	Moodle.uni.lu

2. Aims and objectives

Aims:

A good PhD thesis consists of three research papers that are potentially publishable in a peer refereed journal. This seminar will train and coach students to write such papers. In the first class we will read and analyze 'typical' published articles on different topics in Empirical Finance (e.g. Asset Pricing, Corporate Finance, Market Microstructure, etc.), using different techniques (e.g. event studies, regression analysis, panel data analysis, Bootstrapping, non-parametric tests, etc.). Apart from the contents, we will study the form, writing style and organization of such articles. In the second class we will referee non-published articles, in a similar way as a real referee would do. We will also include one or two seminars on data collection, both from existing (new!) sources available at the University of Luxembourg (e.g. the WRDS database), and from new sources (i.e. hand-collecting data, possibly from experiments, or surveys). The eventual goal of the course is to develop one (or two!) thesis chapters. During the course students will present their research, receive feedback from each other, the lecturer and other specialists at the University.

Learning Objectives

On completion of this course unit successful students will:

- Be able to write rigorous research paper in empirical finance,
- Be familiar with the different kinds of empirical research in finance
- Understand the importance of a good abstract, introduction, hypothesis development, literature review, data description, figure and table editing, result presentation, robustness checks, discussion, and conclusions.
- Be familiar with the different kinds of databases used by researchers.
- Have a solid first version a dissertation chapter

3. Plan of semester

The schedule of the semester is *every second Monday*, but we will in principle schedule one 1.5 hour session per month, at a pre-determined periodicity, from 9h00 till 10:30, over an eight month period, so as to give students ample time to prepare for the different sessions. Dates tbd

4. Course details (by topics)

- 1: Different kinds of Empirical Research in Finance
- 2: Structure and key elements of an academic article (abstract, introduction, hypothesis development, literature review, data description, presentation of results, robustness checks, discussion, conclusions, references, appendix)
- 3: Tables, graphs and figures
- 4: How/where to obtain data
- 5: Analyzing data (e.g. by replicating existing studies with new data)
- 6: The editorial process and refereeing articles.

5. Reference list/ Bibliography

- Asquith, P., Mullins, Jr. (1983) "The impact of initiating dividend payments on shareholders' wealth", *Journal of Business*, 77-96.
- Barclay, Michael J, and Warner, Jerold (1993) "Stealth trading and volatility: which trades move prices?", *Journal of Financial Economics*, 34, 281-305.
- Brown, Stephen J., and Warner, Jerold B. (1980) "Measuring security price performance", *Journal of Financial Economics*, 8, 205-258.

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- DeBondt, Werner F.M., Thaler, Richard H. (1985) "Does the stock market overreact?", *Journal of Finance*, 40, 793-805.
- Fama, Eugene, French, Kenneth (1992) "The cross-section of expected stock returns", *Journal of Finance*, 46, 427 - 466.
- Fama, Eugene E., MacBeth, James D. (1973) "Risk, return and equilibrium: empirical tests", *Journal of Political Economy*, 71, 607-636.
- Goyenko, Ruslan, Holden, Craig W., and Trzcinka, Charles A. (2009), "Do liquidity measures measure liquidity", *Journal of Financial Economics*, 92, 153-181.
- Hopper Wruck, Karen (1994) "Financial policy, internal control, and performance: Sealed Air Corporation's leveraged special dividend", *Journal of Finance*, 49, 36, 157-192.
- Jensen, Michael C.. and Murphy, Kevin J. (1990) "Performance pay and top-management incentives" *Journal of Political Economy*, 98, 225-264.
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- Roell, Ailsa (1996) "The decision to go public: An overview", *European Economic Review*, 40, 1071-1081.
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- Stoll, Hans R. (1989) "Inferring the components of the bid-ask spread: Theory and empirical tests", *Journal of Finance*, 44, 115-134.
- Theissen, Erik (2002), Price discovery in screen and floor trading systems, *Journal of Empirical Finance*, 9, 455-474.
- van Bommel, Jos, and Vermaelen, Theo, (2003), Post IPO capital expenditures and market feedback, *Journal of Banking and Finance*, 27, 275-305.
- van Bommel, Jos, "Measuring price discovery: The variance ratio, the R2, and the weighted price contribution", *Finance Research Letters*, 8, 112-119.

6. Further information about assessment

Examination(s)	1	
Weighting:	50%	50%
Date:	Class participation, assignments, presentations and discussions	Term paper (thesis chapter)
Length:		(20-40 pages)
Structure:	Pass/Fail	Pass/Fail