



Course and Examination Fact Sheet: Spring Semester 2021

10,281: Empirical Corporate Finance

ECTS credits: 4

Overview examination/s

(binding regulations see below)

Decentral - Presentation (individual) (30%)

Examination time: term time

Decentral - examination paper written at home (individual) (10%)

Examination time: term time

Decentral - examination paper written at home (individual) (10%)

Examination time: term time

Decentral - examination paper written at home (individual) (30%)

Examination time: term time

Decentral - Active participation (20%)

Examination time: term time

Attached courses

Timetable -- Language -- Lecturer

[10,281,1.00 Empirical Corporate Finance](#) -- Englisch -- [Schmid Markus](#)

Course information

Course 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, Pearson; Wooldridge, 2016, *Introductory Econometrics*, 6th Edition, Cengage Learning Emea) and some familiarity with corporate finance at the level of a master level course is expected (e.g., Brealey, Myers, and Allen, 2019, *Principles of Corporate Finance*, 13th edition, McGraw-Hill; Berk and DeMarzo, 2019, *Corporate Finance*, 5th Edition, Pearson etc.).

Learning objectives

- Students will learn how to think critically about empirical research (questions) and interpret results carefully.
- Students will learn about corporate finance topics usually not covered in basic corporate finance courses (e.g., at the master level).
- Students will learn how to deal with endogeneity issues in empirical (corporate) finance research.
- Students will learn how to do basic estimations using various empirical approaches discussed in class and present and discuss these results.
- Students will learn to present, defend, and critically discuss empirical research.

Course content

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 a selection of influential and/or carefully done work on several topics in corporate finance. A particular emphasis is put on current research which is particularly promising for the (economic) interest it presents in corporate finance and/or its methodological approach and empirical setup. The course also aims at exposing students to current work in different fields of corporate finance and to encourage them to explore interesting research questions in corporate finance and related fields. Moreover, students will learn how to think critically about empirical research (questions).



Course structure

The course will consist of six meetings of four (academic) hours each and will take place weekly in the second half of the spring term 2021.

Each meeting will be devoted to a corporate finance topic and one or a small number of methodological topics through coverage of several research papers. Some classes will consist of two parts: In the first part, I will present a general introduction to the topic and/or methods covered, usually by covering approximately two to three papers. In the second part of the class, students will present papers on the respective topic. The list of papers covered in class (by myself and in the student presentations) will be provided in the first class. Students are expected to read all papers before the class and to actively participate in the discussion (see also "Assessment" below). As the goal of the course is to fully understand the papers, the economic idea and implications as well as the empirical setup, we will cover most papers in great detail and only few will be skimmed because of time limits.

Topics covered include capital structure, asymmetric information and corporate governance, competition and market structure, employee representation, geographic distance, and ESG / regulation.

The methods that are covered in class include instrumental variables regressions, fixed effects, difference-in-differences estimators, matching, regression discontinuity design, and robust methods for long-term performance evaluation.

Course literature

The list of research papers covered by the class will be provided in the first class.

Additional course information

Note: Given the relatively small number of students expected to attend the course, the lecture is scheduled to be held physically. If the SARS-CoV-2 pandemic situation and related regulations do not allow a physical class, the course will be held on Zoom.

Examination information

Examination sub part/s

1. Examination sub part (1/5)

Examination time and form

Decentral - Presentation (individual) (30%)

Examination time: term time

Remark

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Examination-aid rule

Practical examination

No examination-aid rule is necessary for such examination types. The rules and regulations of the University of St. Gallen apply in a subsidiary fashion.

Supplementary aids

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Examination languages

Question language: English

Answer language: English

2. Examination sub part (2/5)

Examination time and form

Decentral - examination paper written at home (individual) (10%)

Examination time: term time



Remark

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Examination-aid rule

Term papers

Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship which is a published template in StudentWeb.

The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the chosen citation standard such as APA or MLA.

For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGOREK R. et SCHINDLER B., Juristisches Arbeiten: Eine Anleitung für Studierende, newest edition respectively, or according to the recommendations of the Law School).

The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into texts in accordance with the precepts of the applicable quotation standard, while informative and bibliographical notes must be added as footnotes (recommendations and standards can be found, for example, in METZGER, C., Lern- und Arbeitsstrategien, newest edition respectively).

For any work written at the HSG, the indication of the page numbers is mandatory independent of the chosen citation standard. Where there are no page numbers in sources, precise references must be provided in a different way: titles of chapters or sections, section numbers, acts, scenes, verses, etc.

Supplementary aids

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Examination languages

Question language: English

Answer language: English

3. Examination sub part (3/5)

Examination time and form

Decentral - examination paper written at home (individual) (10%)

Examination time: term time

Remark

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Examination-aid rule

Term papers

Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship which is a published template in StudentWeb.

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section numbers, acts, scenes, verses, etc.

Supplementary aids

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Examination languages

Question language: English

Answer language: English

4. Examination sub part (4/5)

Examination time and form

Decentral - examination paper written at home (individual) (30%)

Examination time: term time

Remark

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Examination-aid rule

Term papers

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Supplementary aids

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Examination languages

Question language: English

Answer language: English

5. Examination sub part (5/5)

Examination time and form

Decentral - Active participation (20%)

Examination time: term time

Remark

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Examination-aid rule

Practical examination

No examination-aid rule is necessary for such examination types. The rules and regulations of the University of St. Gallen apply in a subsidiary fashion.



Supplementary aids

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Examination languages

Question language: English

Answer language: English

Examination content

The course grade will be made up of three parts:

- 1. Presentation of a research paper in class (papers will be assigned in the first class). (30%)
- 2. One empirical exercise and two referee reports to be prepared / written throughout the course (details will be discussed in the first class). (50%)
- 3. Participation in class (20%)

Examination relevant literature

Paper presentations: The list of papers to be presented (and assignment of papers to students) will take place in the first class.

Assignments: Empirical exercise and papers to be reviewed will be distributed in class (via Canvas and/or email) and discussed in the first class after each deadline. Participation in class: The list of papers covered by the course will be provided in the first class. Students are expected to read *all* papers before the class and to actively participate in the discussions.

Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 12 are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 28 January 2021);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 22 March 2021);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 12 (Monday, 22 March 2021);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 14 (Thursday, 8 April 2021).