



Course and Examination Fact Sheet: Spring Semester 2022

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 and indications of the learning and teaching design



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 2022.

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, natural experiments and 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 as "live" classes 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

Written work must be written without outside help according to the known citation standards, and a declaration of authorship must be attached, which is available as a template on the StudentWeb.

Documentation (quotations, bibliography, etc.) must be carried out universally and consistently according to the requirements of the chosen/specified citation standard such as e.g. APA or MLA.

The legal standard is recommended for legal work (cf. by way of example: FORSTMOSER, P., OGOREK R., SCHINDLER B., Juristisches Arbeiten: Eine Anleitung für Studierende (the latest edition in each case), or according to the recommendations of the Law School).

The reference sources of information (paraphrases, quotations, etc.) that has been taken over literally or in the sense of the original text must be integrated into the text in accordance with the requirements of the citation standard used. Informative and bibliographical notes must be included as footnotes (recommendations and standards e.g. in METZGER, C., Lern- und Arbeitsstrategien (latest edition)).

For all written work at the University of St.Gallen, the indication of page numbers is mandatory, regardless of the standard chosen. Where page numbers are missing in sources, the precise designation must be made differently: chapter or section title, section number, article, 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

Written work must be written without outside help according to the known citation standards, and a declaration of authorship must be attached, which is available as a template on the StudentWeb.

Documentation (quotations, bibliography, etc.) must be carried out universally and consistently according to the requirements of the chosen/specified citation standard such as e.g. APA or MLA.

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chosen. Where page numbers are missing in sources, the precise designation must be made differently: chapter or section title, section number, article, 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

Written work must be written without outside help according to the known citation standards, and a declaration of authorship must be attached, which is available as a template on the StudentWeb.

Documentation (quotations, bibliography, etc.) must be carried out universally and consistently according to the requirements of the chosen/specified citation standard such as e.g. APA or MLA.

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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

Active classroom participation



In the "Active classroom participation" examination form, regular participation in class is assessed.

The assessment criteria can be as follows:

- Requests to speak enrich the discussion (productive) / requests to speak disturb the discussion (counterproductive);
- Requests to speak are correct/requests to speak are incorrect;
- Requests to speak are frequent/average/rare;
- No requests to speak, but students follow the lesson/no requests to speak and students do not noticeably follow the lessons.

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, 27 January 2022);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 21 March 2022);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 12 (Monday, 21 March 2022);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 15 (Monday, 11 April 2022).