

Module Description

General information:

Module number:	WI901004
Title (dt.):	Empirical Corporate Finance
Title (en.):	Empirical Corporate Finance
Module level:	Master
Abbreviation:	
Subtitle:	
Duration:	One semester
Occurrence - summer/winter:	Winter
Occurrence - regular/irregular:	Regular
Language:	German/ English
Credits:	4

Workload:

Contact hours:	30
Self-study hours:	90
Total hours:	120

Achievement and assessment methods:

Description of achievement and assessment methods:	The module examination is based on a written exam. By answering questions in text form, students have to show their understanding of current issues in empirical corporate finance (e.g., how to test for market efficiency and market anomalies, calculating market risk premia). By performing calculations and elaborating on theoretical considerations, students have to demonstrate their ability to practically work with the methods presented in the course. Students are allowed two two-sided DIN A4 pages of handwritten notes.
Type of assessment:	Written
Duration of assessment (min):	90
Assessment retake:	End of semester/ next year

Description:

(Recommended) prerequisites

Sound understanding of basic financial theory (present value, risk, capital asset pricing model) and corporate finance (options, real options, valuation, capital structures). Successful completion of the lectures 'Investment and Financial Management' (WI000219/WI000214) as well as 'Corporate Finance (WI000091) or equivalent is highly recommended.

Content:

The course will give a basic understanding of common research methods and an overview of some of the main topics in empirical corporate finance. The selected topics include:

- market risk premium
- capital market efficiency
- event studies
- Initial public offerings
- liquidity

Research methods include:

- Regression analysis
- Event studies
- Implied cost of capital / historical equity premium estimation
- Tests for market efficiency

Intended learning outcomes:	After successful completion of the module, students can explain basic issues in empirical corporate finance. They will be able to evaluate and apply the most common concepts, techniques and research methods used in empirical corporate finance. For example, they are able to perform event studies, detect market anomalies and calculate market risk premia using the most important methodologies put forward in the literature (e.g., historical equity premia, implied cost of capital, etc.).
Teaching and learning methods:	Lectures including discussions of the latest developments as well as "empirical puzzles" based on seminal research papers; research methods debated in the course will be put into practice by means of integrated exercises; small group size in both lectures and tutorials (about 20-30 students) allowing for intensive student support and interaction as well as discussion throughout the course.
Media:	Presentation slides, white board
Reading list:	<ul style="list-style-type: none"> - Stock, J.H. / Watson, M.W. (2006), Introduction to Econometrics, 2. Auflage, Boston et al. - Brooks, C. (2008), Introductory Econometrics for Finance, 2. Auflage, Cambridge - Eckbo, B. E. (Editor) (2007), Handbook of Corporate Finance. Empirical Corporate Finance, Vol. 1 + Vol. 2, Amsterdam et al. - Constantinides, G.M. / Harris, M. / Stulz, R.M. (Editors) (2003), Handbook of the Economics of Finance, Volume 1A .Corporate Finance + Volume 1B. Financial Markets And Asset Pricing, Amsterdam et al. - Further recommended readings are given in the lecture

Responsible for module:	
First name:	Christoph, Prof. Dr.
Name:	Kaserer
Email:	christoph.kaserer@tum.de

Lecturer:	
1. Lecturer:	
First name:	Christoph, Prof. Dr.
Name:	Kaserer
Email:	christoph.kaserer@tum.de

Courses:	
1. Course:	
Type:	Lecture
Name:	Empirical Corporate Finance
Weekly hours per semester:	2

(Recommended) audience:	
1. Program:	
Name:	MSc Finance & Information Management (FIM)