

Dissertation Seminar

Empirical corporate finance

Academic Year: **2017/2018**

Semester: **1st**

Instructor(s): **Diana Bonfim**

Max. Number of Students: **8**

Seminar Description:

The theoretical and empirical literature on corporate finance is wide and ever-growing. Classical capital structure decisions continue to be revisited and new questions are emerging permanently. In this workshop we will review the recent literature on empirical corporate finance, focusing on the new challenges faced by researchers in this domain. Furthermore, commonly used research methodologies will be discussed. The main goal is to help students develop an individual thesis project which addresses one specific topic in empirical corporate finance.

Seminar Content:

Dissertation topics

The first sessions of the workshop will be dedicated to the discussion of recent developments in the literature on empirical corporate finance, with an emphasis on capital structure decisions. Based on these discussions, students are expected to choose one topic for their dissertation. There are two main options:

- i) Students may choose to revisit previous results obtained in this literature, replicating a well-known paper in this field. Some readings will be recommended to guide students in this choice. In this replication, students can choose to use a new dataset or focus on a different period, for instance;
- ii) Students are also encouraged to analyze one of the open research questions in the literature, based on the discussions held in the first sessions.

Structure of the workshop

The workshop will initially focus on the presentation of some of the currently most relevant research questions in corporate finance, as well as on the description of the main methodological tools used to address them. As students' work progresses, the workshop will focus on guiding students' work towards the completion of their master thesis. Students will be asked to present ongoing work and to comment the work presented by other students. Students need to be present in every session. To successfully complete the master thesis, students are expected to be highly dedicated to the project throughout the course. There are deadlines for each session which are non-negotiable (materials should be submitted by e-mail at least 72 hours before each session).

Seminar Objectives:

The dissertation should be written in English and should have the following structure:

- Introduction: brief discussion of the research question, objectives and contributions of the thesis;
- Literature review: previous theoretical and empirical findings on the issue analyzed;
- Analysis and main results;
- Main conclusions.

Students will need to prove that they have all the necessary credits to complete their study plans before the deadline for dissertation submission. Students need to be present in every session.

Bibliography / Recommended Textbook(s) / Additional Readings:

Graham and Leary (2011), A Review of Empirical Capital Structure Research and Directions for the Future, Annual Review of Financial Economics, Vol. 3, 309 -345.

Potentially relevant additional readings may be recommended to each student, depending on the topic chosen.

A classic textbook on corporate finance is also recommended.

Biography:

Diana Bonfim is a senior economist in the Economics and Research Department of Banco de Portugal, where she works since 2001. Diana holds a Degree in Economics from ISCTE, a Research M.A. in Economics from Universidade Nova de Lisboa and a Ph.D in Economics from University of Groningen, Netherlands. In Banco de Portugal, Diana has been involved in financial stability, monetary and macroeconomic assessments, as well as on discussions concerning the implementation of macroprudential policy at the EU level and on the transmission of monetary

policy through banks. Her research interests comprise empirical banking, empirical corporate finance and applied microeconometrics and she has published in Journal of Banking and Finance, International Journal of Central Banking and in Empirical Economics.

Contact(s) and Office Hours:

E-mail: dianabonfim@gmail.com
Office hours by appointment only.

Schedule:

Session 1 (Wednesday, 13th September, 12h30-14h)

- Introduction to the main goals of the dissertation workshop.
- Discussion of students' interests and objectives.
- Overview of some relevant research questions in corporate finance.

Session 2 (Wednesday, 27th September, 12h30-14h)

- Recent developments in the empirical corporate finance literature.

Session 3 (Wednesday, 4th October, 12h30-14h)

Deadline: One page report with brief outline of the thesis, including chosen firm/topic (and presentation in class).

- Review of potentially relevant methodological tools in empirical corporate finance.
- Presentation of possible sources of data.

Session 4 (Wednesday, 25th October, 12h30-14h)

Deadline: First draft of the literature review (and presentation in class).

- Guidelines on how to address research questions.

Session 5 (Wednesday, 15th November, 12h30-14h)

Deadline: Discussion of methodology and preliminary data analysis (two pages report and presentation in class).

Session 6 (individual meetings) (Wednesday, 29th November, 12h30-14h)

Deadline: First complete draft.

Session 7 (Wednesday, 6th December, 12h30-14h)

Deadline: Revised draft.

- Presentation and peer discussion.

Deadlines:

The full list of dates and deadlines can be consulted [here](#).