



Dissertation Seminar
FINANCIAL ANALYSIS OF CORPORATE EVENTS

Academic Year: **2017/2018**

Semester: **2nd**

Instructor(s): **Geraldo Cerqueiro**

Max. Number of Students: **9**

Seminar Description:

What impact had the emissions scandal on Volkswagen's market value? How did the Panama Papers' data leak affect company values around the world? How does the launch of a new iPhone affect Apple's (and Samsung's) share price? This dissertation seminar offers participants an opportunity to select particular events and to study their financial impact on a company or on a set of companies using event study methodology. An event study attempts to measure the valuation effects of a corporate event by examining the response of the stock price around the announcement of the event. Examples of events that can be analyzed are corporate scandals, merger and acquisitions, earnings announcements, and regulatory changes. Besides measuring the financial impact of the event, participants are expected to investigate where the change in value comes from. Is it due to lost sales because of reputational damage? Or to the risk of litigation?

Seminar Content:

Participants are expected to propose a particular event or set of events to analyze. Any corporate finance event is in principle eligible. A non-exhaustive list of types of events that can be analyzed is below:

- Mergers and acquisitions
- Earnings announcements
- Product announcements
- Debt or equity issues
- Corporate reorganizations
- Investment decisions
- Corporate social responsibility
- Litigation

Students need to be present in every session.



Seminar Objectives:

Writing a thesis proposal will require students to put serious effort and to work independently. On successful completion of this subject, students should have improved the following generic skills:

- Oral communication including presentation skills
- Written communication
- Problem solving
- Statistical reasoning
- Application of theory to practice
- Interpretation and analysis
- Critical thinking
- Evaluation of data and other information
- Using computer software
- Accessing data and other information from a range of sources

Bibliography / Recommended Textbook(s) / Additional Readings:

Event study methodology has been used in Finance for a long time. Consequently there are many good resources. Some recommended readings are:

[1] McWilliams, A. and Siegel, D. (1997) "Event studies in management research: Theoretical and empirical issues," *Academy of Management Journal*, 40, 3.

[2] MacKinlay, A. (1997) "Event Studies in Economics and Finance," *Journal of Economic Literature*, 35, 1.

[3] Kothari, S., and Warner, J. (2008) "Econometrics of Event Studies." In: *Handbook of Empirical Corporate Finance*, Volume 1, , Ed. B. Eckbo, 3–36. Amsterdam: Elsevier.

These articles are general reviews that refer to several applied event study methodology studies.

Biography:

Geraldo Cerqueiro is an Associate Professor at Católica – Lisbon. His main research interests are the role of the institutional and legal environments in affecting the financing and performance of small businesses. Geraldo received a Ph.D. in Finance from Tilburg University in 2009, a Ms.C. in Economics from Pompeu Fabra University in 2003, and a B.A. in Economics from UCP-FCEE in 2001. Geraldo was a visiting researcher at the Board of Governors of the Federal Reserve System, Bank of Sweden, MIT, and at the Bank of Portugal.



Contact(s) and Office Hours:

Email: geraldo.cerqueiro@ucp.pt.
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Office hours by appointment only.

Schedule:

Session 1 – Introduction (February 9, 14h00-15h30)

- Rules of the game
- Discuss possible research topics (companies and events)
- Possible databases and software

Deadline for submitting a research proposal: February 16

Session 2- Research topics (February 23, 10h00-13h00)

- Students must present their research topics (slides)
- Group discussion

Session 3 – Mock presentations (TBA)

- Students must present preliminary results on valuation effects (slides)
- Group discussion

A series of meetings will be scheduled according to students' needs. Students are encouraged to work collectively and to come to the meetings in groups.

Students have to submit the thesis in the first submission deadline. Illness or related motives are the only reasons to submit it in the late submission deadline. Students need to submit the first draft of the thesis one month before the deadline. The final draft needs to be submitted at least 10 days before the deadline, so that the student can incorporate my comments and be able to submit the thesis on time.

Deadlines:

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