



Applied Empirical Research Seminar in Finance

Topic: “Corporate Financial Policy”

Seminar Overview

This seminar is designed to provide **practical and hands-on experience in empirical research in finance**. Students will have the opportunity to perform their own empirical analyses. Working in **small groups**, each group will collectively analyze a real-world dataset, aiming to gather data-driven insights into firms’ financial policies (e.g., financing decisions, investment decisions, or corporate liquidity management,). For this purpose, students will be introduced to the use of statistical software (STATA) for empirical research. Additionally, access to widely-used international company and executive databases will be provided through the [Datenlabor Hohenheim \(DALAHO\)](#).

Prior experience in empirical research is **not** required!

Participants will gain valuable practical skills through hands-on experience in this seminar. These practical skills include the ability to efficiently manage, clean, describe, and analyze real-world data. The acquired skills will not only boost their opportunities in both industry and academia but also lay a strong foundation for an empirical bachelor's thesis in finance.

Organizational Matters

The seminar is intended for **all** students in the Bachelor’s program (3rd or higher semester), particularly in the following profile areas.

- **Finance:** Profilsseminar “Finance” (5105-311)
- **Rechnungswesen und Steuern:** Freier Wahlbereich
- **Empirische Wirtschaftsforschung:** Freier Wahlbereich

In small groups consisting of **2-3 students**, participants in the seminar will collaborate to investigate a set of research questions (see page 2) and replicate analyses from previous empirical studies. Each group will focus on analyzing a sample of firms in a **specific country** and **one specific financial policy**. Thereby, each team will undertake the following tasks:

- Develop a **well-documented STATA code** for their empirical analysis
- Write a **group seminar thesis** (12-15 pages of text; in addition, empirical analyses),
- Deliver a **group presentation** during a two-day block seminar.

The “**official**” seminar language is **German**: Presentations are required to be conducted in **English**, while the seminar thesis may be composed in either **German** or **English**. The seminar will take place in-person and via Microsoft Teams (details below and to be announced).

Students can also indicate **up to two fellow students** they would prefer to work with in a group!

Additional information concerning seminar objectives, team formation, and the specifics of the empirical analyses will be provided in the **Kick-Off Meeting**. Furthermore, all seminar participants will attend a **Scientific Writing Class** and an **Introduction to Empirical Research in Corporate Finance** class as outlined in the schedule on page 3.

The seminar is held by Prof. Dr. Daniel Hoang and Dr. Andreas Benz. If you have any organizational questions, please contact Dr. Andreas Benz (andreas.benz@uni-hohenheim.de).

Research Questions

Among the potential research questions that groups will analyze **for different countries** and **time periods** are, e.g.,

- **Financing choices and capital structure**
 - Are determinants of capital structure found in the US transferable to other countries (e.g., firm characteristics, industry conditions)?
 - What are capital structure determinants in different countries?
 - Analysis of leverage variation across firms/industries over time
 - ...
- **Corporate liquidity management**
 - Are determinants of corporate cash holdings found in the US transferable to other countries (e.g., firm characteristics, industry conditions)?
 - What are cash holding determinants in different countries?
 - Analysis of cash holding variation across firms/industries over time
 - ...
- **Corporate investment decisions**
 - Are determinants of corporate investment found in the US transferable to other countries (e.g., firm characteristics, industry conditions)?
 - What are corporate investment determinants in different countries?
 - Analysis of corporate investment variation across firms/industries over time
 - ...

Introductory Literature

- Parsons, C., and Titman, S., 2009. Empirical Capital Structure: A Review. *Foundations and Trends in Finance* 3, 1–93.

- Graham, J.R., und M.T. Leary., 2011. A Review of Empirical Capital Structure Research and Directions for the Future. Annual Review of Financial Economics 3, 309–45.
- Rajan, R.G., and Zingales, L., 1995. What Do We Know about Capital Structure? Some Evidence from International Data. The Journal of Finance 50, 1421–60.
- Almeida, H., Campello, M., Cunha, I., Weisbach, M.S., 2014. Corporate Liquidity Management: A Conceptual Framework and Survey. Annual Review of Financial Economics

Preliminary Schedule

The schedule provided below is tentative and subject to change based on room availability. The final schedule will be announced in the Kick-Off Meeting.

Date	Description
Apr 4, 2024 Thursday 16:00 – 19:00 Location: HS 36	Kick-Off Meeting: <ul style="list-style-type: none"> • Introduction to the literature • Assignment of seminar participants to groups • Assignment of research questions and countries • Aims & objectives of seminar thesis and presentation • Seminar organization • Access to seminar materials: Seminar participants are required to install STATA and access executive databases from DALAHO, all of which are available free of charge.
Apr 10, 2024 Wednesday 16:00 – 19:00 Location: HS 10	Introduction to Empirical Research in Corporate Finance: <ul style="list-style-type: none"> • Introduction on how to organize, clean, and prepare data for empirical analysis • Overview of the key STATA commands • Practical tips, suggestions, and recommendations
Apr 11, 2024 Thursday 16:00 – 19:00 Location: HS 5	Scientific Writing Class: <ul style="list-style-type: none"> • Introduction to research and scientific writing • Aims & objectives of seminar thesis and presentation • Practical guidance and recommendations Provision of Work Package 1
Jul 4, 2024 Thursday & Jul 5, 2024 Friday Location: tba	Block Seminar (2 days): <ul style="list-style-type: none"> • Submission of group thesis, presentation slides, and the group's (documented) STATA code • Group presentation • Discussion

Grading

The final grade will be a weighted average of

- Group thesis (40%)
- Documented STATA code (20%)
- Group presentation (30%)
- Active participation (10%)

Application Process

To submit your application for the seminar, please complete the application form under the following [link](#).

Note: *In the summer term 2024*, the Chair of Corporate Finance is offering two Bachelor seminars. It is not recommended that you attend the two seminars simultaneously. To secure a seminar spot in either of the two seminars, the application form provides an option to mark your preferences. Please indicate your interest accordingly.

As part of your application, please merge the following documents into a single PDF file: **(1) Your up-to-date CV, (2) Your current bachelor's degree transcript of grades.**

Only complete and timely applications can be considered.

Application schedule:

- The application deadline is **March 4, 2024 (Monday)**.
- Applicants will be notified of their acceptance or rejection by the seminar provider no later than **March 11, 2024 (Monday)**.

Application form options:

- **Topic preference:**
 - (1) Financing choices and capital structure
 - (2) Corporate liquidity management
 - (3) Corporate investment decisions)
- **Up to two fellow students** you would prefer to work with in a group.
- The assignment of seminar topics will be announced during the kick-off.
- Please keep in mind that not all individual preferences can be guaranteed.

If you have questions about the application process, please contact Dr. Andreas Benz (andreas.benz@uni-hohenheim.de).