



Applied Empirical Research Seminar in Finance

Topic: “Corporate Strategy and Firm Value”

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 the firm value implications of strategic decisions (e.g., corporate diversification, vertical integration, and investment policy). 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 Master's thesis in finance.

Organizational Matters

The seminar is intended for **all** students in the Master's program, particularly in the following profile areas:

- **Management:** Schwerpunktseminar “Financial Concepts und Methods” (5106-650)
- **Management:** Schwerpunktseminar “Investments and Institutions” (5104-640)
- **Management:** Schwerpunktseminar “Rechnungswesen” (5101-420)
- **International Business and Economics:** “Master Seminar in Finance” (5104-650)

In small groups consisting of **2 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 corporate strategy**. 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 **English**: 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 select a **preferred region** (such as North America, Western Europe, or Asia/Pacific), from which the seminar organizers will assign one country with good data coverage. Students can also indicate a **fellow student** they would prefer to work with in a group!

Additional information concerning seminar objectives, team formation, and the specifics of the CEO 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 4.

The seminar is held by Prof. Dr. Daniel Hoang. 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.,

- **The Effect of Corporate Diversification on Firm Value**
 - Examine the effect of operating businesses in different industries on firm value relative to single-industry firms
 - Analyze the existence of a “conglomerate discount/premium” in a specific country
 - Explore the factors that affect the “conglomerate discount/premium” over time and/or across countries
- **The Effect of Vertical Integration on Firm Value**
 - Replicate firm-level measures of vertical integration (a business strategy where a company expands its operations along the same supply chain)
 - Study the relationship between vertical integration and firm value
 - Compare the factors that explain the relationship between vertical integration and firm value across time/countries
- **The Effect of Investment Decisions on Firm Value**
 - Study the determinants of within-firm capital allocation
 - Replicate established firm- and segment-level measures of investment efficiency
 - Analyze the relationship between capital allocation and firm value
 - Compare the effects of capital allocation on firm value across time/countries

Introductory Literature

- Berger, P.G., Ofek, E., 1995. Diversification's Effect on Firm Value. *Journal of Financial Economics* 37, 39–65.
- Fan, J.P.H., Lang, L.H.P., 2000. The Measurement of Relatedness: An Application to Corporate Diversification. *The Journal of Business* 73, 629–660.
- Rajan, R., Servaes, H., Zingales, L., 2000. The Cost of Diversity: The Diversification Discount and Inefficient Investment. *The Journal of Finance* 55, 35–80.
- Çolak, G., Whited, T.M., 2007. Spin-offs, Divestitures, and Conglomerate Investment. *The Review of Financial Studies* 20, 557–595.

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](#). As part of your application, please merge the following documents into a single PDF file:

- 1) Up-to-date CV**
- 2) Bachelor's degree transcript of grades**
- 3) Current master's degree transcript of grades**

Only complete and timely applications can be considered.

Application schedule:

- The application deadline is **September 29, 2024 (Sunday)**.
- Applicants will be notified of their acceptance or rejection by the seminar provider no later than **October 4, 2024 (Friday)**.

Application form options:

- **One preferred region** (such as North America, Western Europe, or Asia/Pacific)
- **One fellow student** 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).

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
Oct 16, 2024 Wednesday 16:00 – 20:00 Location: HS 36	Kick-Off Meeting: <ul style="list-style-type: none">• Introduction to the literature and Seminar organization• Assignment of seminar participants to groups• Assignment of research questions and countries• Aims & objectives of seminar thesis and presentation• 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.
Oct 17, 2024 Thursday 16:00 – 20:00 Location: HS 34	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
Oct 23, 2024 Wednesday 16:00 – 20:00 Location: HS 34	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
Nov 22, 2024 Friday 08:00 – 14:00 Location: tba	Q&A and Progress Discussion Session 1: <ul style="list-style-type: none">• Dedicated and interactive feedback sessions for students• Aim: Clarify seminar topics; address questions and concerns; share progress, ideas, and challenges
Dec 19, 2024 Thursday 08:00 – 14:00 Location: tba	Q&A and Progress Discussion Session 2: <ul style="list-style-type: none">• Dedicated and interactive feedback sessions for students• Aim: Clarify seminar topics; address questions and concerns; share progress, ideas, and challenges
Jan 10, 2025 Monday 08:00 – 14:00 Location: tba	Q&A and Progress Discussion Session 3: <ul style="list-style-type: none">• Dedicated and interactive feedback sessions for students• Aim: Clarify seminar topics; address questions and concerns; share progress, ideas, and challenges
Jan 14, 2025 Thursday & Jan 15, 2025 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