THE UNIVERSITY OF HONG KONG
FACULTY OF BUSINESS AND ECONOMICS

PhD Course Syllabus

Course Code/Title: **FINA6053 Empirical Corporate Finance**

Course Description: This is an introductory doctoral corporate finance class. Students are assumed to have some previous exposure to finance (the CAPM, Capital Structure, etc.), microeconomics, and econometrics. The sections are mainly grouped by topic (e.g., Ownership Structure, M&As, Credit Market, Corporate Governance, Finance and Growth, Product Market and Finance) and empirical methodologies. The course coverage depends on the progress. The articles are taken from leading finance and economics journals including *Journal of Finance, Journal of Financial Economics, Review of Financial Studies, American Economic Review, Journal of Political Economy and Quarterly Journal of Economics*. There are approximately 35 required articles. The course will also use some cases to link the financial theory with practice and help students get familiar with the institutional details.

Course Objectives:

1. To provide students with in-depth coverage of classical and cutting-edge research topics and institutional details in financial economics;
2. To enable students to apply financial theories and establish analytical framework to solve empirical problems;
3. To familiarize students with basic and advanced methodologies in empirical research questions;
4. To equip students with basic and advanced econometric techniques.

Pre-requisite: Nil

Assessment: 100% coursework

Remarks: All PhD courses are non-credit-bearing and will be assessed on a letter grade basis.

Course Learning Outcomes (CLOs) On completion of this course, students should be able to:	Aligned PLOs* 1	2	3	4	5
1. Understand the classical and cutting-edge research topics and institutional details in financial economics	✓				
2. Identify key research issues, apply theoretical framework to develop research questions, and employ basic and advanced methodologies and techniques to solve problems	✓	✓			
3. Critically evaluate and discuss the work of peers and leading scholars in the field			✓	✓	✓

***Programme Learning Outcomes (PLOs) for Research Postgraduate Programme:**

1. Demonstrate critical understanding, at an advanced level, of up-to-date knowledge and research methodology of a particular field
2. Implement effective academic and personal strategies for carrying out research projects independently and ethically
3. Contribute original knowledge in response to issues in their specialist area
4. Communicate research findings at a diverse range of levels and through a variety of media
5. Evaluate one's own research in relation to important and latest issues in the field

COURSE DETAILS *(subject to change at instructor's discretion)*

Year/Semester: 2026-27, First Semester

Time/Venue: Wednesday 9:00 - 11:50 (TBA)

Sep 2, 9, 16, 23;
Oct 7, 21:
Nov 4, 11, 18, 25:
Dec 2, 9

Instructor:

Prof. LIN Chen
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Prof. SCHMID Thomas
Email: schmid@hku.hk
Office: KK827 (by appointment)

I. Teaching and Learning Activities

In-class and Out-of-class Activities *(e.g. lectures, class discussion, papers reading, proposal writing)*	Expected hour	% of student study effort
1. Lecture with interactive presentation	36	34%
2. Case-based study and analysis	30	28%
3. Paper reading and self-study	40	38%
Total	106	100%

II. Assessment

Assessment Components *(e.g. assignments, proposal, presentation, examination)*	Weight	CLOs to be assessed				
		1	2	3	4	5
1. Homework	50%	✓	✓			
2. Presentation	10%			✓		
3. In-class Discussion	10%	✓	✓	✓		
4. Research Proposal	30%	✓	✓	✓		
Total	100%					

Students will be assessed based on the following performance standards:

Course Grade	Performance Standard
A+, A, A-	Outstanding performance; demonstrates comprehensive understanding, critical thinking, and originality.
B+, B, B-	Good performance; shows solid understanding and application of key concepts, with some minor errors or omissions.
C+, C, C-	Satisfactory performance; basic understanding is evident, but with notable gaps or inconsistencies.
D+, D	Marginal performance; minimal understanding, with significant errors or misunderstandings.
F	Failing performance; little or no understanding of key concepts.

III. Course Content and Tentative Schedule

Tools

1) Difference in Differences
2) RDD
3) Instrumental Variables
4) Network Analysis
5) Randomized Control Trials

Potential Topics

1) Ownership and Control
2) Political Connection and Political Influence
3) Mergers and Acquisitions and Market of Corporate Control
4) Syndicated Lending
5) Banking and Financial Institutions
6) Stock Analysts and Information Asymmetry
7) Corporate Cash Holding Policy and Liquidity Management
8) Finance and Innovation
9) Culture and Finance
10) Behavioral Corporate Finance
11) Climate Finance

IV. Required/Recommended Readings

1) Ownership and Control

La Porta, R., López-de-Silanes, F., Shleifer, A., 1999. Corporate ownership around the world. Journal of Finance 54, 471–517.

Claessens, S., Djankov, S., Lang, L. H. P., 2000. The separation of ownership and control in East Asian corporations. Journal of Financial Economics 58, 81–112.

Faccio, M., Lang, H.P., 2002. The ultimate ownership of Western European corporations. Journal of Financial Economics 65, 365–395.

Claessens, S., Djankov, S., Fan, J., Lang, L.H.P., 2002. Disentangling the incentive and entrenchment effects of large shareholdings. Journal of Finance 57, 2741–2771.

Bertrand, M., Mehta, P., Mullainathan, S., 2002. Ferreting out Tunneling: An Application to Indian Business Groups. Quarterly Journal of Economics 117, 121-148.

La Porta, R., López-de-Silanes, F., Zamarripa, G., 2003. Related lending. Quarterly Journal of Economics 118, 231–268.

Bae, G., Cheon, Y., Kang, J., 2008. Intra-Group Propping: Evidence from the Stock-Price Effects of Earnings Announcement by Korean Business Groups, Review of Financial Studies 21, 2015-2060.

Laeven, L., Levine, R., 2008. Complex ownership structures and corporate valuations. Review of Financial Studies 21, 579–604.

Masulis R., Wang C., Xie, F., 2009. Agency cost at dual-class companies. Journal of Finance 64, 1697–1727. Gompers, P., Ishii, J., Metrick, A., 2010. Extreme governance: An analysis of dual-class firms in the United States. Review of Financial Studies 23, 1051–1088.

Jiang, G., Lee, C., Yue, H., 2010. Tunneling through intercorporate loans: The China experience. Journal of Financial Economics 98, 1–20.

Lin, C., Ma, Y., Malatesta, P., Xuan, Y., 2011. Ownership structure and the cost of corporate borrowing. Journal of Financial Economics 100, 1–23.

Case: Magna International (A) (Harvard Business School Case #211-044)

2). Political Connection and Political Influence

Fisman, R., 2001. Estimating the value of political connections, The American Economic Review 91, 1095-1102.

Khwaja, A. I., Mian, A., 2005. Do lenders favor politically connected firms? Rent-seeking in an emerging financial market. Quarterly Journal of Economics 120, 1371-1411.

Dinç, S.I., 2005. Politicians and banks: political influences on government-owned banks in emerging countries. Journal of Financial Economics 77, 453-479.

Faccio, M., 2006. Politically connected firms. American Economic Review 96, 369-386. Leuz, C., Oberholzer-Gee, F., 2006. Political relationships, global financing, and corporate transparency: Evidence from Indonesia. Journal of Financial Economics 81, 411-439.

Fan, P.H.J., Wong, T.J., Zhang, T., 2007. Politically-connected CEOs, corporate governance and post-IPO performance of China’s newly partially privatized firms. Journal of Financial Economics 84, 330-357.

Fisman, R., Miguel E., 2007. Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets. Journal of Political Economy 115, 1020-1048.

Goldman, E., Rocholl, J., So, J., 2009. Do politically connected boards affect firm value? Review of Financial Studies 22, 2331-2361.

Calomiris, C.W., Fisman, R., Wang, Y., 2010. Profiting from government stakes in a command economy: Evidence from Chinese asset sales. Journal of Financial Economics 96, 399-412.

Cohen, Lauren, Joshua Coval, and Christopher J. Malloy. 2011. Do Powerful Politicians Cause Corporate Downsizing? Journal of Political Economy 119, 1015–1060.

Julio, B., Yook, Y., 2012. Political Uncertainty and Corporate Investment Cycles. Journal of Finance 67, 45-83. Houston, J., Jiang, L., Lin, C., Ma, Y., 2014. Political Connection and the Cost of Bank Loans, Journal of Accounting Research 52, 193-243.

Kostovetsky, L. (2015). Political capital and moral hazard. Journal of Financial Economics, 116(1), 144-159.

3) Mergers and Acquisitions and Market of Corporate Control

Harford, J., 1999. Corporate Cash Reserves and Acquisitions, Journal of Finance 54, 1969-97.

Shleifer, A., Vishny, R., 2003. Stock market driven acquisitions. Journal of Financial Economics 70, 295-311. Bertrand, M., Mullainathan, S., 2003. Enjoying the quiet life? Corporate governance and managerial preferences. Journal of Political Economy 111, 1043-1075.

Gompers, P., Iishi, J., Metrick, A., 2003. Corporate governance and equity prices. Quarterly Journal of Economics 118, 107-155.

Harford, J., 2005. What drives merger waves? Journal of Financial Economics 77, 529-560. Luo, Y., 2005, Do Insiders Learn from Outsiders? Evidence from Mergers and Acquisitions. The Journal of Finance 60, 1951–1982.

Dong, M., Hirshleifer, D., Richardson, S., Teoh, S., 2006. Does investor misvaluation drive the takeover market? Journal of Finance 61, 725-762.

Harford, J., Li, K., 2007. Decoupling CEO wealth and firm performance: The case of acquiring CEOs. Journal of Finance 62, 917-949.

Masulis, R.W., Wang, C., Xie, F., 2007. Corporate governance and acquirer returns. Journal of Finance 62, 1851-1889.

Bris, A., Cabolis, C., 2008. The value of investor protection: Firm evidence from cross-border mergers. Review of Financial Studies 21, 605-648.

Matvos, G., Ostrovsky, M., 2008. Cross-ownership, returns, and voting in mergers. Journal of Financial Economics 89, 391–403.

Bebchuk, L., Cohen, A., Ferrell, A., 2009. What matters in corporate governance? Review of Financial Studies 22, 783-827.

Malmendiera, Ulrike, Tate, Geoffrey, 2008. Who makes acquisitions? CEO overconfidence and the market's reaction Journal of Financial Economics 89, 2008, Pages 20–43.

Wang, C., Xie, F., 2009. Corporate Governance Transfer and Synergistic Gains from Mergers and Acquisitions. Review of Financial Studies 22, 829-858.

Giroud, X., Mueller, H., 2010. Does corporate governance matter in competitive industries? Journal of Financial Economics 95, 312-331.

Lin, C., Officer, M., Zou, H., 2011. Directors' and officers' legal liability insurance and acquisition outcomes. Journal of Financial Economics 102, 507-525.

Garfinkel, J., Hankins, K., 2011. The role of risk management in mergers and merger waves. Journal of Financial Economics 101, 515-532.

Erel, I., Liao, R., Weisbach, M., 2012. Determinants of cross-border mergers and acquisitions. Journal of Finance 67, 1031–1043.

Fu, F., Lin, L., Officer, M., 2013. Acquisitions driven by stock overvaluation: are they good deals? Journal of Financial Economics 109, 24-39.

Ahern, K., 2012. Bargaining Power and Industry Dependence in Mergers, Journal of Financial Economics 103, 530-550.

Ishii, Joy, and Yuhai Xuan, 2014. Acquirer-Target Social Ties and Merger Outcomes. Journal of Financial Economics 112, 344-363.

Bena, J., and K. Li, 2014, "Corporate Innovations and Mergers and Acquisitions," Journal of Finance 69, 1923- 1960.

Sheen, Albert, 2014. "The Real Product Market Impact of Mergers." Journal of Finance 69, 2651-2688. Miroslava Straska and Gregory Waller, 2014, Antitakeover Provisions and Shareholder Wealth: A Survey of the Literature. Journal of Financial and Quantitative Analysis 49, 933-956.

Ahern, K., Daminelli, D., Fracassi, C., 2015. Lost in translation? The effect of cultural values on mergers around the world. Journal of Financial Economics 117(1), 165-189.

Cases: Acquisition of Consolidated Rail Corporation (A) (HBS Case #298-006). Acquisition of Consolidated Rail Corporation (B) (HBS Case #298-095)

4) Syndicated Lending

Sufi, A., 2007. Information asymmetry and financing arrangements: evidence from syndicated loans. Journal of Finance 62, 629–668.

Graham, J., Li, S., Qiu, J., 2008. Corporate misreporting and bank loan contracting. Journal of Financial Economics 89, 44–61.

Chava, S., Roberts, M., 2008. How does Financing Impact Investment? The Role of Debt Covenants, Journal of Finance 63, 2085 – 2121.

Massimo Massa, Zahid Rehman, 2008. Information flows within financial conglomerates: Evidence from the banks–mutual funds relation, Journal of Financial Economics 2008, 288-306.

Sufi, A., Roberts, M., 2009. Control Rights and Capital Structure: An Empirical Investigation. Journal of Finance 64, 1657-1695.

C. Demiroglu, James, C., 2010. The Information Content of Bank Loan Covenants. Review of Financial Studies, 23, 3700-3737.

Ivashina, Victoria, and Zheng Sun, 2011. Institutional Demand Pressure and the Cost of Corporate Loans. Journal of Financial Economics 99, 500–522.

Ivashina, Victoria, and Zheng Sun.2011. Institutional Stock Trading on Loan Market Information. Journal of Financial Economics 100, 284–303.

Bharath, S., Dahiya, S., Saunders, A., Srinivasan, A., 2011. Lending relationships and loan contract terms. Review of Financial Studies 24, 1141-1203.

Lin, C., Y. Ma, P. Malatesta and Y.Xuan, Corporate Ownership Structure and Bank Loan Syndicate Structure. Journal of Financial Economics 104, 2012, 1-22.

Murfin, J., 2012. The supply-side determinants of loan contract strictness. Journal of Finance 67, 1565-1601. Sufi, A., Nini, G., Smith, D., 2012. Control Rights, Corporate Governance, and Firm Value, Review of Financial Studies, 2012, 25: 1713-1761

Case: Chase's Strategy for Syndicating the Hong Kong Disneyland Loan (A) (Harvard Business School Case # 201-072)

5) Banking and Financial Institutions

Qian, J., PE Strahan, Z Yang, 2015. The impact of incentives and communication costs on information production and use: Evidence from bank lending, The Journal of Finance 70, 1457-1493

Gilje, E., E Loutskina, PE Strahan, 2016. Exporting liquidity: Branch banking and financial integration. The Journal of Finance 71 (3), 1159-1184

Loutskina, Elena and PE Strahan, 2015, Financial Integration, Housing and Economic Volatility, Journal of Financial Economics 115(1), 25-41.

Benmelech, Efraim and Nittai Bergman, 2009. "Collateral Pricing", Journal of Financial Economics, 91(3) 339- 360.

Benmelech, Efraim and Nittai Bergman, 2008. "Liquidation Values and the Credibility of Financial Contract Renegotiation: Evidence from U.S. Airlines," Quarterly Journal of Economics, 123(4): 1635-1677.

Chaney, Thomas, David Sraer, and David Thesmar, 2012, The collateral channel: How real estate shocks affect corporate investment, American Economic Review 102, 2381-2409.

VIG, V., 2013. Access to Collateral and Corporate Debt Structure: Evidence from a Natural Experiment. Journal of Finance 68, 881-928.

Hertzberg, A., Liberti, J., & Paravisini, D., 2010. Information and incentives inside the firm: Evidence from loan officer rotation. The Journal of Finance, 65(3), 795-828.

Paravisini, D., R. Fisman, V. Vig, 2017, Cultural Proximity and Loan Outcomes, American Economic Review, 107(2), 457-492.

6) Stock Analysts and Information Asymmetry

Hong, H., and Kacperczyk, M., 2010. Competition and bias. The Quarterly Journal of Economics 125, 1683-1725. Kelly, B., and Ljungqvist, A., 2012. Testing asymmetric-information asset pricing models. Review of Financial Studies 25, 1366-1413.

Irani, R.M., and Oesch, D., 2013. Monitoring and corporate disclosure: Evidence from a natural experiment. Journal of Financial Economics 109, 398-418.

Derrien, F., and Kecskes, A., 2013. The real effects of financial shocks: Evidence from exogenous changes in analyst coverage. The Journal of Finance 68, 1407-1440.

Balakrishnan, K., Billings, B., Kelly, B., and Ljungqvist, A, 2014. Shaping Liquidity: On the Causal Effects of Voluntary Disclosure. Journal of Finance 69, 2237-3378.

Chen, T., Harford, J., Lin, C., 2015. Do Analysts Matter for Governance: Evidence from Natural Experiments. Journal of Financial Economics 115, 383-410.

7) Corporate Cash Holding Policy and Liquidity Management

Opler, Tim, Lee Pinkowitz, René Stulz, and Rohan Williamson, 1999, The determinants and implications of corporate cash holdings, Journal of Financial Economics 52, 3–46.

Harford, J., 1999. Corporate cash reserves and acquisitions. The Journal of Finance 54, 1969-1997. Faulkender, M., Wang, R., 2006. Corporate financial policy and the value of cash. The Journal of Finance 61, 1957-1990.

Foley, C Fritz, Jay C Hartzell, Sheridan Titman, and Garry Twite, 2007, Why do firms hold so much cash? A tax-based explanation, Journal of Financial Economics 86, 579–607.

Dittmar, A., Mahrt-Smith, J., 2007. Corporate governance and the value of cash holdings. Journal of Financial Economics 83, 599-634.

Harford, J., Mansi, S.A., Maxwell, W. F., 2008. Corporate governance and firm cash holdings in the US. Journal of Financial Economics 87, 535-555.

Bates, T. W., Kahle, K. M., Stulz, R.M., 2009. Why do U.S. Firms hold so much more cash than they used to? The Journal of Finance 64, 1985-2021.

Duchin, R., 2010. Cash holdings and corporate diversification. The Journal of Finance 65, 955-992.

Harford, J., Klasa, S., Maxwell, W. F., 2014. Refinancing risk and cash holdings. The Journal of Finance 69, 975- 1012.

8) Finance and Innovation

Balsmeier B, Fleming L, Manso G, 2017. Independent boards and innovation. Journal of Financial Economics 123: 536-557.

Bradley, Daniel, Incheol Kim, and Xuan Tian, 2016. Do unions affect innovation? Management Science Brown J, Martinsson G, Petersen B, 2013. Law, stock markets, and innovation. Journal of Finance 68: 1517-1549.

Brav, Alon, Wei Jiang, Song Ma, and Xuan Tian, 2018. How does hedge fund activism reshape corporate innovation? Journal of Financial Economics, 130(2), 237-264.

Cornaggia J, Mao Y, Tian X, Wolfe B, 2015. Does banking competition affect innovation? Journal of Financial Economics 115: 189-209.

Ederer, Florian, and Gustavo Manso, 2013. Is pay for performance detrimental to innovation? Management Science 59, 1496-1513

Kogan, Leonid, Dimitris Papanikolaou, Amit Seru, and Noah Stoffman, 2017. Technological innovation, resource allocation, and growth. The Quarterly Journal of Economics, 132(2), 665-712

Manso, Gustavo, 2011. Motivating innovation. The Journal of Finance 66, 1823-1860

Seru, Amit, 2014. Firm boundaries matter: Evidence from conglomerates and R&D activity. Journal of Financial Economics 111, 381-405

Amore M, Schneider C, Žaldokas A, 2013. Credit supply and corporate innovation. Journal of Financial Economics 109:835-855.

Mukherjee A, Singh M, Žaldokas A, 2017. Do corporate taxes hinder innovation? Journal of Financial Economics 124:195-221.

9) Culture and Finance

Guiso, Luigi, Paola Sapienza, and Luigi Zingales, 2004, The role of social capital in financial development, American Economic Review 94, 526–556.

Guiso, Luigi, Paola Sapienza, and Luigi Zingales, 2006, Does culture affect economic outcomes?, Journal of Economic Perspectives 20, 23–48.

Chui, Andy C. W., Sheridan Titman, and K. C. John Wei, 2010, Individualism and momentum around the world, The Journal of Finance 65, 361-392.

Nguyen, D. D., Hagendorff, J., & Eshraghi, A. (2018). Does a CEO’s Cultural Heritage Affect Performance under Competitive Pressure?. The Review of Financial Studies, 31(1), 97-141.

Guiso, Luigi, Paola Sapienza, and Luigi Zingales, 2015, The value of corporate culture, Journal of Financial Economics 117, 60-76.

Lamar Pierce, Jason A. Snyder, 2018, The Historical Slave Trade and Firm Access to Finance in Africa, The Review of Financial Studies, 31(1), 142-174.

Michalopoulos, Stelios, and Elias Papaioannou, 2014, National institutions and subnational development in Africa, The Quarterly Journal of Economics 129, 151-213.

Nunn, Nathan, 2008, The long-term effects of Africa’s slave trades, The Quarterly Journal of Economics 123, 139-176.

10) Behavioral Corporate Finance

Levine, R., & Rubinstein, Y. (2017). Smart and illicit: who becomes an entrepreneur and do they earn more?. The Quarterly Journal of Economics, 132(2), 963-1018.

Chen, Keith, 2013, The effect of language on economic behavior: Evidence from savings rates, health behaviors, and retirement assets, American Economic Review 103, 690–731.

Nguyen, D. D., Hagendorff, J., & Eshraghi, A. (2018). Does a CEO’s Cultural Heritage Affect Performance under Competitive Pressure?. The Review of Financial Studies, 31(1), 97-141.

Cronqvist, H., Previtero, A., Siegel, S., & White, R. E. (2015). The fetal origins hypothesis in finance: Prenatal environment, the gender gap, and investor behavior. The Review of Financial Studies, 29(3), 739-786.

Dal Bó, E., Finan, F., Folke, O., Persson, T., & Rickne, J. (2017). Who Becomes a Politician?. The Quarterly Journal of Economics, 132(4), 1877-1914.

Dittmar, Amy, and Ran Duchin, 2016, Looking in the rearview mirror: The effect of managers' professional experience on corporate financial policy, Review of Financial Studies 29, 565–602.

11) Climate Finance

Barrot, Jean-Noël, and Julien Sauvagnat, 2016, Input specificity and the propagation of idiosyncratic shocks in production networks, The Quarterly Journal of Economics 131, 1543-1592.

Bassi, Anna, Riccardo Colacito, and Paolo Fulghieri, 2013, O sole mio: An experimental analysis of weather and risk attitudes in financial decisions, The Review of Financial Studies 26, 1824-1852.

Bernile, Gennaro, Vineet Bhagwat, and P. Raghavendra Rau, 2017, What doesn't kill you will only make you more risk-loving: Early-life disasters and CEO behavior, The Journal of Finance 72, 167-206.

Bushee, Brian J., and Henry L. Friedman, 2016, Disclosure standards and the sensitivity of returns to mood, The Review of Financial Studies 29, 787-822.

Chris Kirby, and Barbara Ostdiek, 2006, Information, trading, and volatility: Evidence from weather-sensitive markets, The Journal of Finance 61, 2899-2930.

Cortés, Kristle, Ran Duchin, and Denis Sosyura, 2016, Clouded judgment: The role of sentiment in credit origination, Journal of Financial Economics 121, 392-413.

Fleming, Jeff, Busse, Meghan R., Devin G. Pope, Jaren C. Pope, and Jorge Silva-Risso, 2015, The psychological effect of weather on car purchases, The Quarterly Journal of Economics 130, 371-414.

Giroud, Xavier, Holger M. Mueller, Alex Stomper, and Arne Westerkamp, 2012, Snow and leverage, The Review of Financial Studies 25, 680-710.

Goetzmann, William N., Dasol Kim, Alok Kumar, and Qin Wang, 2015, Weather-induced mood, institutional investors, and stock returns, The Review of Financial Studies 28, 73-111.

Hirshleifer, David, and Tyler Shumway, 2003, Good day sunshine: Stock returns and the weather, The Journal of Finance 58, 1009-1032.

Hong, Harrison, Frank Weikai Li, and Jiangmin Xu, 2019, Climate risks and market efficiency. Journal of Econometrics, 208(1), 265-281.

Olivier Dessaint, Adrien Matray, 2017, Do managers overreact to salient risks? Journal of Financial Economics, 126(1), 97-121.

Miguel, Edward , Shanker Satyanath, and Ernest Sergenti, 2004, Economic shocks and civil conflict: An instrumental variables approach, Journal of Political Economy 112, 725-753.

Morse, Adair, 2011, Payday lenders: Heroes or villains?, Journal of Financial Economics 102, 28-44.

Novy-Marx, Robert, 2014, Predicting anomaly performance with politics, the weather, global warming, sunspots, and the stars, Journal of Financial Economics 112, 137-146.

PeRez-GonzaLez, Francisco, and Hayong Yun, 2013, Risk management and firm value: Evidence from weather derivatives, The Journal of Finance 68, 2143-2176.

Purnanandam, Amiyatosh, and Daniel Weagley, 2016, Can markets discipline government agencies? Evidence from the weather derivatives market, The Journal of Finance 71, 303-334.

12) Energy Finance

Arezki, Rabah, Valerie A. Ramey, and Liugang Sheng, 2017, News shocks in open economies: Evidence from giant oil discoveries, The Quarterly Journal of Economics 132, 103-155.

Beshears, John, 2013, The performance of corporate alliances: Evidence from oil and gas drilling in the gulf of Mexico, Journal of Financial Economics 110, 324-346.

Chiang, I. Hsuan Ethan, W. Keener Hughen, and Jacob S. Sagi, 2015, Estimating oil risk factors using information from equity and derivatives markets, The Journal of Finance 70, 769-804.

Driesprong, Gerben, Ben Jacobsen, and Benjamin Maat, 2008, Striking oil: Another puzzle?, Journal of Financial Economics 89, 307-327.

Gilje, Erik P., Elena Loutskina, and Philip E. Strahan, 2016, Exporting liquidity: Branch banking and financial integration, The Journal of Finance 71, 1159-1184.

Gilje, Erik P., and Jerome P. Taillard, 2016, Do private firms invest differently than public firms? Taking cues from the natural gas industry, The Journal of Finance 71, 1733-1778.

Haushalter, G. David, 2000, Financing policy, basis risk, and corporate hedging: Evidence from oil and gas producers, The Journal of Finance 55, 107-152.

Jin, Yanbo, and Philippe Jorion, 2006, Firm value and hedging: Evidence from U.S. Oil and gas producers, The Journal of Finance 61, 893-919.

Kellogg, Ryan, 2014, The effect of uncertainty on investment: Evidence from Texas oil drilling, American Economic Review 104, 1698-1734.

Kogan, Leonid, Dmitry Livdan, and Amir Yaron, 2009, Oil futures prices in a production economy with investment constraints, The Journal of Finance 64, 1345-1375.

Reinartz, Sebastian J., and Thomas Schmid, 2016, Production flexibility, product markets, and capital structure decisions, The Review of Financial Studies 29, 1501-1548.

13) Networks

Giroud, Xavier, and Holger Mueller, 2015, Capital and Labor Reallocation within Firms, The Journal of Finance 70, 1767-1804.

Bernstein, Shai, Emanuele Colonnelli, Xavier Giroud, Benjamin Iverson, 2019, Bankruptcy Spillovers, Journal of Financial Economics, 133(3), 608-633.

Giroud, Xavier, and Joshua Rauh, 2017, State taxation and the reallocation of business activity: Evidence from establishment-level data, Journal of Political Economy, 127(3), 1262-1316.

Giroud, Xavier, 2013, Proximity and investment: Evidence from plant-Level data, Quarterly Journal of Economics 128, 861-915.

Giroud, Xavier, and Holger Mueller, 2017, Firm Leverage, consumer demand, and employment losses during the great recession, Quarterly Journal of Economics 132, 271-316.

14) Experiment

Bursztyn, Leonardo, Bruno Ferman, Stefano Fiorin, Martin Kanz, and Gautam Rao, 2017, Status goods: Experimental evidence from platinum credit cards, Quarterly Journal of Economics 133, 1561-1595.

Bloom, Nicholas, James Liang, John Roberts, and Zhichun Jenny Ying, 2015, Does working from home work? Evidence from a Chinese experiment, Quarterly Journal of Economics 130, 165-218.

Chen, Daniel L., Tobias J. Moskowitz, and Kelly Shue, 2016, Decision making under the gambler's fallacy: Evidence from asylum judges, loan officers, and baseball umpires, Quarterly Journal of Economics 131, 1181-1242

Cole, Shawn, Martin Kanz, Leora Klapper, 2015, Incentivizing calculated risk-taking: Evidence from an experiment with commercial bank loan officers, The Journal of Finance 70, 537-575.

V. Course Policy

The University Regulations on academic dishonesty will be strictly enforced! Academic dishonesty is behaviour in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following types of cases:

a. Plagiarism - The representation of someone else's ideas as if they are their own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one's own work. Paraphrasing of someone else's ideas is still using someone else's ideas, and must be acknowledged. Please check the University Statement on plagiarism on the web: http://www.hku.hk/plagiarism/

b. Unauthorized Collaboration on Out-of-Class Projects - The representation of work as solely one's own when in fact it is the result of a joint effort.

c. Cheating on In-Class Exams - The covert gathering of information from other students, the use of unauthorized notes, unauthorized aids, etc.

d. Unauthorized Advance Access to an Exam - The representation of materials prepared at leisure, as a result of unauthorized advance access (however obtained), as if it were prepared under the rigors of the exam setting. This misrepresentation is dishonest in itself even if there are not compounding factors, such as unauthorized uses of books or notes.

You are expected to do your own work whenever you are supposed to. Incident(s) of academic dishonesty will NOT be tolerated. Cheating or plagiarism of any kind would result in an automatic FAIL grade for the course plus strict enforcement of all Faculty and/or University regulations regarding such behaviour.