

# FNCE 926: Empirical Methods in Corporate Finance

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This course will teach students how to perform empirical research in corporate finance, broadly defined. To do so successfully, one must understand all aspects of the research and publication process. Therefore, the course will explore several research-related aspects of faculty life, all of which will culminate in different deliverables. The emphasis will be on learning-by-doing.

- **Writing:** Your primary job will be to write publishable articles. Writing well makes this process immensely easier if referees and editors can understand what you are doing without a great deal of effort. Writing well will also improve your research because to clearly convey your message to a diverse audience, you must have a strong grasp of what you are doing and why.
  - *Deliverable:* You will write a first draft of a publishable paper. The draft can be quite rough and incomplete, but it should be clear progress towards something publishable in a top journal.
- **Empirical methods and looking forward:** Corporate finance applies a variety of different empirical methods in practice. I will discuss these techniques, and more recent ones such web scrapping, natural language processing, and machine learning, by teaching you Python and the relevant ecosystem (e.g., Pandas, Numpy, Beautiful Soup, etc.).

Python is a highly extensible language that is capable of handling virtually all your needs as an applied researcher. This extensibility comes at a cost of a somewhat steeper learning curve but one that I believe will be worth climbing at the start of your career.

- *Deliverable:* Your paper will require the extraction, transformation, and analysis of “new” data using Python. “New” means that some aspect of your analysis should use data that has not already been mined by the profession. It is fine to use

more common datasets (e.g., CRSP, Compustat, Dealscan, etc.) but in conjunction with more novel data to provide new evidence on the question you are addressing.

- **Presenting and participating:** Your ability to present your research well will play a significant role in your career. Your participation at conferences and seminars is also important. Asking “good questions” is a signal of one’s engagement and value to the profession and your department.
  - *Deliverable:* You will present your paper to the class and you will question presenters.
- **Referee Reports:** You will learn how to write (and not to write) a referee report. Writing constructive and succinct referee reports it is important for several reasons. First, I believe in serving the profession that will serve you, and refereeing is an important aspect of your service. Second, writing helpful referee reports will cast you in a good light with editors who not only handle your papers but may also write your promotion letters. Finally, it will teach you how to think critically, a skill that will bear fruit when turned inward towards your own work.
  - *Deliverable:* You will write one referee report. You will also read and critique those of your peers from the perspective of both an author and editor.
- **Discussions:** You will learn how to prepare and present a constructive discussion. Good discussions are important for reasons similar to writing good referee reports with the added pressure of presenting well.
  - *Deliverable:* You will discuss a paper in front of the class. You will also watch and critique discussions by your peers.