Data Preparation for 5th set of SAS assignments

1. Event Studies in SAS

This assignment is based on chapter 5 in Boehmer/Broussard/Kallunki (2002). The following Tasks prepare the data for the next assignment sheet.

i) Read in the data `edata.dat` and label the variables as in the 1st SAS assignment. Create a dummy variable named *before* taking the value 1 for all days before the corresponding event (i.e. for date<evntdate).

ii) Sort the data by firm, event date and date. Use `Proc Means` to compute the number of days before the event date for each firm and each event (name the variable `bef_sum`). Merge this variable back to the original data (use a data step) and drop the variable *before*.

iii) Compute a (negative!) counter (name it `relday`) returning the day relative to the event date (event date should be zero). Use a data step and an if statement:

```
by firm evntdate;
if first.evntdate then relday=-bef_sum-1;
relday+1;
```

iv) Split the data set into estimation (returns on 110 trading days before the event) and event periods (returns on the day before the event day and the event day (day 0) . Again use a data step and an if statement.