5th set SAS assignments

1. Event Studies in SAS

This assignment is based on chapter 5 in Boehmer/Broussard/Kallunki (2002)

i) Read in the data `edata.dat` as in the 1st SAS assignment and create a dummy variable taking the value 1 for all days before the corresponding event.

ii) Sort the data by firm, event date and date and compute the number of days before the event date for each firm and each event (name the variable `bef_sum`).

iii) Compute a counter (name it `relday`) returning the day relative to the event date (event date should be zero). Split the data set into estimation and event periods.

iv) Estimate the market model in the estimation period.

v) Compute abnormal returns and cumulative abnormal returns in the event period with help of your estimated parameters from the market model.