EBERHARD KARLS
UNIVERSITÄT
TÜBINGEN

Faculty of Economics
and Social Sciences

Department of Finance
Prof. Dr. Christian Koziol

B500 Master Seminar on Finance

Topics in Corporate Finance

Organization

The seminar is aimed at master students who are interested in writing their thesis in the research area of Corporate Finance. It is particularly suited for those students who participated in the course *Advanced Corporate Finance 1 – Capital Structure* in the winter term (though this is not a formal prerequisite).

Participants have to register by sending an email to **marc.crummenerl@uni-tuebingen.de** until **April 13** (end of day).

The kick-off event takes place on **Monday, April 14 at 2:30 PM in room E05 (Mohlstr)**. The attendance at the kick-off event is mandatory for all participants. At the kick-off, the topics will be shortly introduced and assigned to groups of 2-3 students (depending on the total number of participants), who will jointly work on the respective topic.

The topics will be assigned based on the following lottery procedure: Students indicate their preferences. We randomly select a student, who will be assigned to her or his first choice. The next student, who is again randomly selected, receives her or his highest preference only in case the respective group is not complete yet. In case the topic is not available any more, the student will be assigned to the second highest preference and so on.

The grading (9 ECTS) is based on the following three components:

- **Paper (40%):** Each group writes a joint paper. The paper is limited to a maximum of 15 pages for the main part in groups of 2 and to a maximum of 20 pages for the main part in groups of 3. The cover page, table of contents and the appendix do not count towards this limit. In addition, each group prepares a separate abstract summarizing the main findings in bullet points. The abstract is limited to a maximum of 2 pages. We will also provide scientific guidelines, which each paper has to satisfy.

EBERHARD KARLS UNIVERSITÄT TÜBINGEN

- **Presentation (40%):** It is expected that each group member presents a share of the joint work. Each group has a net presentation time of 20 minutes (groups of 2) or 30 minutes (groups of 3). Great importance is attached to a thorough discussion between all participants and presenters in order to shed light on the topics from different perspectives and to respond to questions. Therefore, the total time available per group is about 90 minutes.
- **Participation (20%):** The critical reflection of research is an important part of academic work. Therefore, we also reward the participation in the discussion of the other groups' work. The papers and abstracts will be made available to everyone in advance for preparation.

All three components must to be graded at least as sufficient ("*ausreichend*") to pass the seminar.

The use of the standard Microsoft Office applications is definitely sufficient for this seminar, but we highly appreciate when students familiarize themselves with advanced academic software packages like LaTeX and MATLAB.

The papers and abstracts have to be delivered to the offices of the Department of Finance by **Monday, June 16, 2014, 11 AM**. Each group should hand-in two stapled copies (no hardcover or binding required) as well as an electronic copy (including the text in pdf as well as all data and computations).

The tentative date for the final presentations is **Wednesday, July 2**, well in advance of the exam period. We have ensured that there is no match of the soccer world cup on this day.

EBERHARD KARLS
UNIVERSITÄT
TÜBINGEN

Overview of topics

1. Should corporations hedge their foreign exchange and commodity risk?
2. Why do corporations hold so much cash?
3. Why do firms pay steady dividends?
4. Why are CEOs paid so much?
5. Should managers be paid using stock options?
6. Why are IPOs underpriced?
7. Why is there a conglomerate discount?

Sources

- Mark Grinblatt and Sheridan Titmann: Financial Markets and Corporate Strategy.
- Jean Tirole: The Theory of Corporate Finance.
- Espen Eckbo: Handbook of Empirical Corporate Finance, Volume 1 & 2.
- Joshua D. Angrist and Jörn-Steffen Pischke: Mostly Harmless Econometrics