FIN 7345.001
TOPICS IN EMPIRICAL CORPORATE FINANCE

SPRING 2025

TUESDAY 4:00PM - 6:45PM JSOM 13.501

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Professor Office Hours	By appointment.
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Course Web Page	via Elearning
Final Exam	TBD
Teaching Assistant	TBD

Course Objectives- This course surveys the common methodologies used in empirical corporate finance research, with an emphasis on practical issues. It also examines many of the important topics in corporate finance, including both seminal papers and working papers on the cutting edge of the field. The course is designed to help you learn how to do empirical research in corporate finance via a two-pronged approach: (1) Lectures, readings, and course assignments will help you understand the intuition behind each econometric method. (2) Student presentations, referee reports, and literature reviews will help you become familiar with the most important papers in the literature.

I will not go through the proofs of theorems, and you will not be tested on them. This is an applied econometrics course with a focus on corporate finance: Understanding the intuition and the rationale for choosing and using empirical models are more important than learning the mechanical steps to derive the theorems. In addition, most of the proofs are trivial, and you can find them in most textbooks.

Prerequisites- You should have taken at least a graduate-level course in introductory econometrics. In preparation for the class, you should also have done the following before the first day of class:

- Please buy the book and briefly take a look at "Mostly Harmless Econometrics" (http://www.mostlyharmlesseconometrics.com/) by Angrist and Pischke. It is a good applied econometrics textbook. I don't require that you understand every single concept in the book, as we will review the book in class during the semester, but I want you to be familiar with the content before the first day of class.
- You also should have access to Stata (version SE or better), and know how to use it before the beginning of the semester. You will not have time to learn how to code in Stata during the semester. There are several website (e.g. http://www.ats.ucla.edu/stat/stata/ or http://data.princeton.edu/stata/) that offer free Stata tutorials. For this class, I don't allow the use of any other statistical software (R, SAS, Matlab,…), because Stata is by far the most used statistical software in empirical corporate finance, and you should know how to use it, even if it is not your preferred software. If you don't already have access to it, you have two options:
    - Access Stata remotely for free through the SOM stata app server:
    - Buy your individual copy of stata: (http://www.stata.com/order/new/edu/gradplans/student-pricing/)
- Your computer (or remote server) should have at least 4Gb of RAM.
- You are also responsible to have a functioning access to the WRDS website at the beginning of the semester.

Reading Materials-

Required Textbook:

- Mostly Harmless Econometrics, by Joushua D. Angrist and Jorn-Steffen Pischke, Princeton University Press, ISBN-10: 0691120358

- Handbook of Corporate Finance, Edited by David J. Denis, Edward Elgar Publishing, ISBN: 978 1 80037 388 4

Suggested Textbooks:

- Econometric Analysis of Cross Section and Panel Data, by Jeffrey Wooldridge, Second Edition, 2010, MIT Press, ISBN-10: 0262232588

- Econometric Analysis, by William H. Greene, Seventh Edition, 2011, Prentice Hall, ISBN-13: 978-0131395381

- Handbook of Corporate Finance, Volumes 1 & 2: Empirical Corporate Finance by B. Espen Eckbo (Editor), First Edition, 2007, North Holland, ISBN-13: 978-0444508980 & 978-0444530905

Ideally, it would be good if the students are familiar with the Angrist and Pischke book before the beginning of the semester. The Wooldridge and Greene books are for your reference. They have a much more classical, rigorous, but less intuitive (in my opinion), approach to econometric analysis.

Class Attendance and Participation- Class attendance is required. If you cannot attend a class, please email me in advance. If you fail to attend three or more classes during the semester, I will ask you to take the class at a better time that is more convenient for you. The class will be more a joint discussion of corporate finance topics and econometric techniques, rather than a typical lecture-based class.

Coursework- There will be five graded components to the course, designed to help you actively participate and learn the material discussed in class, and prepare you for your research projects.

1. Participation: Class participation is a critical part of the course, and you will be graded on it. This includes reading all assigned papers, presenting selected assigned papers, actively engaging in the discussion, asking pertinent questions, and answering questions correctly. Failure to do presentations or to be engaged in the discussions will result in a lower grade.
    a. Presentation: In the second part of the course, you will be assigned papers to read, review, and present in class. Everyone will rotate to present each week. Each presentation should done strictly within 15 minutes, followed by 5 minutes of discussion. The presentation should consist of three parts: (1) summary (2-3 minutes), (2) methodology and main findings (10-12 minutes), (3) conclusion (1 minute). Presentation slides should be provided. Your presentation performance will be evaluated.
    b. Discussion: Prior to each class, students must read all papers being presented and prepare for discussion by writing 2-3 sentences highlighting major concerns or notable details that the presenter might not cover.

2. Replication Exercises: Throughout the semester, you will complete three replication exercises. I will assign specific papers for which you need to replicate the main results. For data analysis, you will use Stata, and you may choose any suitable tools for merging and cleaning data. Detailed instructions will be provided on which tables to replicate and any additional extension tests required. You must submit a "data and code packet" that includes, the original data, detailed instructions, code for accessing, linking, and analyzing the data. This packet should be structured so that anyone can replicate your results with minimal effort, primarily by adjusting the root path. For instance, if you use SAS to combine datasets and Stata for analysis, running your SAS program should generate the required .dta file, and executing your Stata .do files should produce the exact output tables.

3. Referee Reports: You are required to write two referee reports, emulating those prepared for journal submissions. The referee report should include (1) a one paragraph summary of the paper, (2) major comments concerning the paper's contribution, research design, execution, and result interpretation., (3) minor comments on other details of the paper. Each report should be 3-5 pages in length (not including references).

4. Research Proposal: You will be asked to write an outline for a potential empirical paper in corporate finance. The research proposal is due the day of the final exam. I am not expecting that you write a full paper, but I would like to see that you thought about an interesting idea, and that you spent some time on how to develop it into a research project. The topic of the paper has to be on empirical corporate finance only if you are a finance PhD student. If you are not a finance PhD student, you can choose any empirical applied micro-economics topic (labor, accounting, marketing, ...), so that it can be a useful first step for your academic career. You cannot choose an idea that you have already used for other courses, or for other research papers. Your research proposal should include: (a) a detailed exposition of the research question. Make sure you spell out what your null and alternative hypotheses are, and what frictions (or theoretical models) would support your alternative hypothesis; (b) an overview of the literature on the topic, and your contribution (How is this different from what has already been done?); (c) a list of datasets you would need to test your hypothesis; (d) the empirical methodology that allows you to answer the research question (What is your identification strategy? Are all the observations iid? What other possible explanations could drive your results? How you can separate them from your main hypothesis?). Take this as an opportunity to receive some feedback on one of your early ideas for your dissertation. While you are not required to execute your idea, if you feel inclined to do so you will receive even more informative feedback.

Grading- You should not be too worried about your grade; instead, you should focus on learning the material covered in this course. Using these tools to write a solid job market paper and dissertation is far more important than your actual grade. When you're on the job market, no one will be interested in what grade you got in your PhD courses. You should view your grade in this course as a signal of where I think you stand in terms of your knowledge of the empirical corporate finance literature, and of your ability to apply the tools of this course in a research project. Your grade in the course will be determined as follows:

Assignment	Points
Participation and Presentation	35
Referee Reports	20
Coding/Replication Assignments	30
Research Proposal	15
	100

Grades are non-negotiable, but if you have a question about assigned grade, please ask. Make-up and extra-credit assignments are generally not possible. Your grade will be determined solely by the components listed above, and how your performance compares with all other students in the class. The average turn-around time for returning the graded HWs and reports back to students is one week.

Classroom Policies- Standard policies used in other courses apply to this class. I don't expect these to be an issue for PhD students:

- Attending class: The education experience for everyone suffers if participation or attendance for the class becomes a problem. Thus attendance is required. If you must miss a class, an examination, a work assignment, or a project, in order to observe religious holidays, you will be given an opportunity to complete the missed work within a reasonable timeframe after the absence.
- Using laptops, smartphones, and other wireless devices: There are often cases where learning is enhanced by the use of laptops and other devices in class. However, when students are surfing the web, responding to e-mails, instant messaging each other, and otherwise not devoting their full attention to the topic at hand, they are doing themselves and their peers a major disservice. Those around them face additional distraction. Fellow students cannot benefit from the insights of the students who are not engaged.
- Arriving on time: On time arrival ensures that classes are able to start and finish at the scheduled time. On time arrival shows respect for both fellow students and faculty and it enhances learning by reducing avoidable distractions.
- Turning in your assignments late: Individual extension of assignment deadlines could negatively alter the level-playing field within the classroom. Assignments turned in late will be discounted 30%.

Academic Dishonesty- I have no tolerance for acts of academic dishonesty. Such acts damage the reputation of the school and demean the honest efforts of the majority of students. The minimum penalty for an act of academic dishonesty will be a zero for that assignment or exam.

The responsibilities for both students and faculty with regard to the Honor System are described on school's website. As the instructor for this course, I agree to observe all the faculty responsibilities described therein. If the application of the Honor System to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification.

As specific guidance regarding collaboration for this course, you should consider the completion of the three individual problem sets to be an individual effort. It is OK to ask for help from others on the individual assignments if you get completely stuck or lost, however, you should develop your own answer and certainly not cut and paste the work of others. The two case assignments will be completed in pairs or groups of three. Group *preparation* for examinations is acceptable and encouraged.

The UT Dallas Syllabus Policies and Procedures can be reached at the following URL:

https://go.utdallas.edu/syllabus-policies

Tentative Schedule

The first part of the course will be focused on reviewing the most current econometric techniques used in corporate finance. In the second part of the course, we will discuss a corporate finance topic each week. We will end the course by discussing further methodological issues in empirical corporate finance. The dates, topics, and paper list are tentative and might change during the semester.

Week	Date	Topic	Assignment
1	21-Jan	Empirical methodology 1: OLS, Endogeneity, Panel Data - Angirst and Pischke Ch. 1, 2, 3, 5.1, 5.3, 5.4 - Wooldridge Ch 4.1, 4.2, 10, 13.9.1, 15.8.2, 15.8.3 - Greene Ch. 3, 4.1-4.4, 5.7-5.9,6.1-6.2, 11	Rep. Ex. 1 assigned
2	28-Jan	Empirical methodology 2: IV and Selection Model - Angrist and Pischke Ch. 4 - Kai and Prabhala (2007)	
3	4-Feb	Empirical methodology 3: Difference in Differences - Angrist and Pischke Ch. 5.2	
4	11-Feb	Empirical methodology 4: Matching and Regression Discontinuity - Angrist and Pischke Ch. 3.3, 6	Rep. Ex. 1 due Rep. Ex. 2
5	18-Feb	Capital Structure, Cash Holding, and Payout Policy - Handbook Chapter 2, 3, 4, 5	
6	25-Feb	Equity Market and Corporate Investment - Survey: Stein (2003) - Survey: Bond, Edmans, Goldstein (2012) - Survey: Goldstein (2023) - Survey: Baker (2009)	
7	4-Mar	Debt Financing and Corporate Investment - Handbook Chapter 6	Rep. Ex. 2 due Ref. Report 1 assigned
8	11-Mar	Public vs. Private - Handbook Chapter 13 - Survey: Ewens and Farre-Mensa (2022)	
9	18-Mar	Spring Break	
10	25-Mar	Mergers and Acquisitions: - Handbook Chapters 8, 9, 10, 11	Research proposal draft due Ref. Report 1 due Ref. Report 2 assigned
11	1-Apr	Product Market and Competition - Survey: Frésard and Phillips (2024)	

12	8-Apr	Supply Chain and Production Network - Survey: Cen and Dasgupta (2021)	
13	15-Apr	Labor and Corporate Finance - Survey: Handbook Chapter 16 - Survey: Matsa, D. A. (2018).	Ref. Report 2 due Rep. Ex. 3 assigned
14	22-Apr	Tangible vs. Intangible assets - Survey: Kerr and Nanda (2015). - Overview: Crouzet, Eberly, Eisfeldt, and Papanikolaou, D. (2022).	
15	29-Apr	Corporate Investment in ESG - Survey: Gillan, Koch, and Starks (2021) - Survey: Hong, H., & Shore, E. (2023). - Overview: Edmans, A. (2023).	
16	6-May	Empirical methodology 5: Other Methodological Issues in Empirical Corporate Finance Research	Rep. Ex. 3 due Research proposal due on May 16

Reading List

Practical guides on how to write research papers and referee reports

- Berk, Harvey, and Hirshleifer - Preparing a referee report: Guidelines and perspectives.
- Ferson - Tips on writing a referee's report
- Cochrane (2005) - Writing tips for PhD students
- William Thomson, A Guide for the Young Economist, The MIT Press, 2001
- Referee guidelines for the Journal of Finance (V3)
- Edmans, A. (2023). Learnings From 1000 Rejections. Financial Management.

Finance Survey Books

- Annual Review of Financial Economics
- Foundations and Trends in Finance, Now Publishers.
- Handbook of Corporate Finance, Elgar
- Handbook of Empirical Corporate Finance, Elsevier.
- Handbook of the Economics of Finance, Elsevier.

Reading list by week:

Week 1 – OLS, Endogeneity, Panel Data:

- Angirst and Pischke Ch. 1, 2, 3, 5.1, 5.3, 5.4
- Wooldridge Ch 4.1, 4.2, 10, 13.9.1, 15.8.2, 15.8.3
- Greene Ch. 3, 4.1-4.4, 5.7-5.9,6.1-6.2, 11
- Oster, Emily, 2014, Unobservable selection and coefficient stability: Theory and validation, *NBER Working Paper,* Brown University.
- Roberts, Michael R., and Whited, Toni M., 2012, Endogeneity in empirical corporate finance, *Working Paper*, *Ch. 1,2, 3, and 7*, The Wharton School – University of Pennsylvania.

Week 2 – IV and Selection Model

- Angirst and Pischke Ch. 4
- Li, Kai, and Nagpurnanand R. Prabhala. "Self-selection models in corporate finance." Handbook of empirical corporate finance (2007): 37-86.
- Atanasov, Vladimir A., and Black, Bernard S., 2016, Shock-Based Causal Inference in Corporate Finance and Accounting Research, *Critical Finance Review, 5: 207-304*
- Jiang, Wei. "Have instrumental variables brought us closer to the truth." Review of Corporate Finance Studies 6.2 (2017): 127-140.
- Murray, Michael P., 2006, Avoiding Invalid Instruments and Coping with Weak Instruments, *The Journal of Economic Perspectives 20:4,* 111-132.
- Roberts, Michael R., and Whited, Toni M., 2012, Endogeneity in empirical corporate finance, *Working Paper*, *Ch. 5*, The Wharton School – University of Pennsylvania.
- Bennedsen, Morten, Nielsen, Kasper M., Perez-Gomzalez, Francisco, and Wolfenzon, Daniel, 2007, Inside the family firm: The role of families in succession decision and performance, *Quarterly Journal of Economics 122,* 647-691.
- Giroud, Xavier, Mueller, Holger M., Stomper, Alex, Westerkamp, Arne, 2012, Snow and Leverage, *Review of Financial Studies 25:3,* 680-710.
- Guiso, Luigi, Sapienza, Paola, and Zingales, Luigi, 2004, The role of social capital in financial development, *American Economic Association 94:3,* 526-556.
- Becker, Bo, 2007, Geographical segmentation of US capital markets, *Journal of Financial Economics 85,* 151-178.
- Chaney, Thomas, Sraer, David, Thesmar, David, 2012, The collateral channel: How real estate shocks affect corporate investment, *American Economic Review 102:6,* 2381-2409.
- Ponticelli, Jacobo, 2013, Court enforcement and firm productivity: Evidence from a bankruptcy reform in Brazil, *Working Paper,* Booth School of Business - University of Chicago.

Week 3 - Diff-in-Diff

- Angrist and Pischke Ch. 5.2
- Roberts, Michael R., and Whited, Toni M., 2012, Endogeneity in empirical corporate finance, *Working Paper*, *Ch. 2.2*, 4, The Wharton School – University of Pennsylvania
- Hennessy, Christopher A., and Strebulaev, Ilya A., 2014, Natural Policy Experiment Policy Evaluation: A Critique, *NBER Working Paper,* London Business School.
- Bertrand, Marianne, Duflo, Esther, and Mullainathan, Sendhil, 2004, How much should we trust differences-in-differences estimates, *Quarterly Journal of Economics 119:1,* 249-275.
- Atanasov, Vladimir A., and Black, Bernard S., 2014, Shock-Based Causal Inference in Corporate Finance Research, *Working Paper,* Ch. 1-5, Raymond A. Mason School of Business.
- Jayaratne, Jith, and Strahan, Philip E., 1996, The finance-growth nexus: Evidence from bank branch deregulation, *Quarterly Journal of Economics,* 639-670.
- Hayes, Rachel M., Lemmon, Michael, and Qiu, Mingming, 2012, Stock options and managerial incentives for risk taking: Evidence from FAS 123R, *Journal of Financial Economics 105,* 174-190.
- Gormley, Todd A., and Matsa, David A., 2011, Growing out of trouble? Corporate Response to liability risk, *Review of Financial Studies 24:8,* 2781-2821.
- Becker, Bo, and Stromberg, Per, 2012, Fiduciary duties and equity-debtholder conflicts, *Review of Financial Studies 25:6,* 1931-1969.

- Guiso, Luigi, Sapienza, Paola, and Zingales, Luigi, 2004, The role of social capital in financial development, *American Economic Association 94:3,* 526-556.
- Ashwini, Agrawal K., Matsa, David A., 2012, Labor unemployment risk and corporate financing decisions, *Journal of Financial Economics 108:2,* 449-470.
- Heider, Florian, and Ljungqvist, Alexander, 2013, As certain as debt and taxes: Estimating the tax sensitivity of leverage from state tax changes, *Journal of Financial Economics.*

Week 4 – Matching and RDD
- Angrist and Pischke Ch. 3.3, 6
- Wooldridge Ch. 21.3.5
- Roberts, Michael R., and Whited, Toni M., 2012, Endogeneity in empirical corporate finance, *Working Paper*, *Ch. 5 and 6*, The Wharton School – University of Pennsylvania
- Lee, David S., and Lemieux, Thomas, 2010, Regression Discontinuity Designs in Economics, *Journal of Economic Literature 48:2,* 281-355.
- Imbens, Guido W., and Lemieux, Thomas, 2008, Regression discontinuity designs: A guide to practice, *Journal of Econometrics 142*, 615-635.
- Atanasov, Vladimir A., and Black, Bernard S., 2014, Shock-Based Causal Inference in Corporate Finance Research, *Working Paper,* Ch. 7, Raymond A. Mason School of Business.
- Chang, Yen-Cheng, Hong, Harrison, and Liskovich, Inessa, 2014, Regression Discontinuity and the Price Effects of Stock Market Indexing, *Review of Financial Studies 28:1,* 212-246.
- Crane, Alan D., Michenaud, Sebastien, and Weston, James P., 2014, The effect of institutional ownership on payout policies: Evidence from index thresholds, *Working Paper,* Rice University.
- Keys, Benjamin, Mukherjee, Tanmoy, Seru, Amit, and Vig, Vikrant, 2010, Did securitization lead to lax screening?, *Quarterly Journal of Economics 125:1,* 307-362.
- Fracassi, Cesare, Garmaise, Mark J., Kogan, Shimon, and Natividad, Gabriel, 2014 JFQA – Business Microloans for US Subprime Borrowers, *Journal of Financial and Quantitative Analysis.*
- Dobridge, Christine L., 2014, Fiscal stimulus and firms - a tale of two recessions, *Working Paper,* Wharton School of Business – University of Pennsylvania.
- Bakke, Tor-Erik, and Whited, Toni M., 2012, Threshold events and identification: a study of cash shortfalls, *Journal of Finance 67:3, 1083-1111.*
- Parra 2015 - How Does Consumer Bankruptcy Protection. Working Paper.
- Cunat, Gine, and Guadalupe, 2016, Price and Probability: Decomposing the Takeover Effects of Anti-Takeover Provisions. ECGI Working paper.
- Morse, Adair, 2011, Payday lenders: heroes or villains?, *Journal of Financial Economics 102:1*, 28-44.
- Colak, Gonul, and Whited, Toni M., 2007, Spin-offs, divestitures and conglomerate investment, *Review of Financial Studies 20:3.* 557-595.
- Lemmon, Michael, and Roberts, Michael R., 2010, The response of corporate financing and investment to changes in the supply of credit, *Journal of Financial and Quantitative Analysis 45:3,* 555-587.

Week 6: Equity Market and Corporate investment
- Survey: Stein, J. C. (2003). Agency, information and corporate investment. Handbook of the Economics of Finance, 1.
- Survey: Bond, P., Edmans, A., & Goldstein, I. (2012). The real effects of financial markets. Annu. Rev. Financ. Econ., 4(1), 339-360.
- Survey: Goldstein, I. (2023). Information in financial markets and its real effects. Review of Finance, 27(1), 1-32.
- Survey: Baker, M. (2009). Capital market-driven corporate finance. Annu. Rev. Financ. Econ., 1(1), 181-205.
- Lou, X., & Wang, A. Y. (2018). Flow-induced trading pressure and corporate investment. Journal of Financial and Quantitative Analysis, 53(1), 171-201.
- Wardlaw, M. (2020). Measuring mutual fund flow pressure as shock to stock returns. The Journal of Finance, 75(6), 3221-3243.
- Grullon, G., Michenaud, S., & Weston, J. P. (2015). The real effects of short-selling constraints. The Review of Financial Studies, 28(6), 1737-1767.
- Black, B. S., Desai, H., Litvak, K., Yoo, W., & Yu, J. J. (2024). The SEC's short-sale experiment: Evidence on causal channels and reassessment of indirect effects. Management Science, 70(8), 5131-5156.
- Andrei, D., Mann, W., & Moyen, N. (2019). Why did the q theory of investment start working?. Journal of Financial Economics, 133(2), 251-272.

- Edmans, A., Jayaraman, S., & Schneemeier, J. (2017). The source of information in prices and investment-price sensitivity. Journal of Financial Economics, 126(1), 74-96.

Week 7: Debt Financing and Corporate Investment
- Survey: Handbook Chapter 6
- Chava, S., & Roberts, M. R. (2008). How does financing impact investment? The role of debt covenants. The journal of finance, 63(5), 2085-2121.
- Gulen, H., Jens, C., & Page, T. B. (2024). Balancing external vs. internal validity: An application of causal forest in finance. Management Science, forthcoming.
- Chaney, T., Sraer, D., & Thesmar, D. (2012). The collateral channel: How real estate shocks affect corporate investment. American Economic Review, 102(6), 2381-2409.
- Welch, I. (2022). Chaney, Sraer and Thesmar (2012), The Collateral Channel: How Real Estate Shocks Affect Corporate Investment, and the American Economic Review. SSRN Working Paper.
- Mann, W. (2018). Creditor rights and innovation: Evidence from patent collateral. Journal of Financial Economics, 130(1), 25-47.
- Bian, B. (2020). Globally consistent creditor protection, reallocation, and productivity.
- Wittry, M. D. (2021). (Debt) overhang: Evidence from resource extraction. The Review of Financial Studies, 34(4), 1699-1746.
- Bartram, S. M., Conrad, J., Lee, J., & Subrahmanyam, M. G. (2022). Credit default swaps around the world. The Review of Financial Studies, 35(5), 2464-2524.

Week 8: Public vs Private
- Survey: Handbook Chapter 13
- Survey: Ewens, M., & Farre-Mensa, J. (2022). Private or public equity? The evolving entrepreneurial finance landscape. Annual Review of Financial Economics, 14(1), 271-293.
- Ewens, M., & Farre-Mensa, J. (2020). The deregulation of the private equity markets and the decline in IPOs. The Review of Financial Studies, 33(12), 5463-5509.
- Phillips, G. M., & Sertsios, G. (2017). Financing and new product decisions of private and publicly traded firms. The Review of Financial Studies, 30(5), 1744-1789.
- Bernstein, S. (2015). Does going public affect innovation?. The Journal of Finance, 70(4), 1365-1403.
- Gilje, E. P., & Taillard, J. P. (2016). Do private firms invest differently than public firms? Taking cues from the natural gas industry. The Journal of Finance, 71(4), 1733-1778.
- Field, L. C., & Lowry, M. (2022). Bucking the trend: Why do IPOs choose controversial governance structures and why do investors let them?. Journal of financial economics, 146(1), 27-54.
- Ewens, M., Xiao, K., & Xu, T. (2024). Regulatory costs of being public: Evidence from bunching estimation. Journal of Financial Economics, 153, 103775.

Week 10: Mergers & Acquisitions
- Survey: Handbook Chapters 8, 9, 10, 11
- Seru, A. (2014). Firm boundaries matter: Evidence from conglomerates and R&D activity. Journal of financial economics, 111(2), 381-405.
- Cunningham, C., Ederer, F., & Ma, S. (2021). Killer acquisitions. Journal of Political Economy, 129(3), 649-702.
- Bena, J., Erel, I., Wang, D., & Weisbach, M. S. (2023). Relationship-Specific Investments and Firms' Boundaries: Evidence from Textual Analysis of Patents, Working paper.
- Fathollahi, M., Harford, J., & Klasa, S. (2022). Anticompetitive effects of horizontal acquisitions: The impact of within-industry product similarity. Journal of Financial Economics, 144(2), 645-669.
- Ma, W., Ouimet, P., & Simintzi, E. (2024). Mergers and acquisitions, technological change and inequality. Working paper.
- Dessaint, O., Golubov, A., & Volpin, P. (2017). Employment protection and takeovers. Journal of Financial Economics, 125(2), 369-388.
- Kepler, J. D., Naiker, V., & Stewart, C. R. (2023). Stealth acquisitions and product market competition. The Journal of Finance, 78(5), 2837-2900.
- Bena, J., & Li, K. (2014). Corporate innovations and mergers and acquisitions. The Journal of Finance, 69(5), 1923-1960.

Week 11: Product Market and Competition

- Survey: Frésard, L., & Phillips, G. M. (2024). Product markets, competition and corporate finance: a review and directions for future research. Handbook of Corporate Finance, 591-646.
- Azar, J., Schmalz, M. C., & Tecu, I. (2018). Anticompetitive effects of common ownership. The Journal of Finance, 73(4), 1513-1565.
- Dennis, P., Gerardi, K., & Schenone, C. (2022). Common ownership does not have anticompetitive effects in the airline industry. The Journal of Finance, 77(5), 2765-2798.
- He, J., & Huang, J. (2017). Product market competition in a world of cross-ownership: Evidence from institutional blockholdings. The Review of Financial Studies, 30(8), 2674-2718.
- Lewellen, K., & Lowry, M. (2021). Does common ownership really increase firm coordination?. Journal of Financial Economics, 141(1), 322-344.
- Koch, A., Panayides, M., & Thomas, S. (2021). Common ownership and competition in product markets. Journal of Financial Economics, 139(1), 109-137.
- Grullon, G., Larkin, Y., & Michaely, R. (2019). Are US industries becoming more concentrated?. Review of Finance, 23(4), 697-743.
- Grieser, W., Hadlock, C., LeSage, J., & Zekhnini, M. (2022). Network effects in corporate financial policies. Journal of Financial Economics, 144(1), 247-272.
- Hoberg, G., & Phillips, G. (2016). Text-based network industries and endogenous product differentiation. Journal of Political Economy, 124(5), 1423-1465.
- Li, X., Lo, A. W., & Thakor, R. T. (2024). Paying off the competition: Market power and innovation incentives (No. w28964). Review of Finance, conditionally accepted.

Week 12: Supply Chain and Production Network

- Survey: Cen, L., & Dasgupta, S. (2021, August 31). The Economics and Finance of Customer–Supplier Relationships. Oxford Research Encyclopedia of Economics and Finance.
- Barrot, J. N., & Sauvagnat, J. (2016). Input specificity and the propagation of idiosyncratic shocks in production networks. The Quarterly Journal of Economics, 131(3), 1543-1592.
- Costello, A. M. (2020). Credit market disruptions and liquidity spillover effects in the supply chain. Journal of Political Economy, 128(9), 3434-3468.
- Jacobson, T., & Von Schedvin, E. (2015). Trade credit and the propagation of corporate failure: An empirical analysis. Econometrica, 83(4), 1315-1371.
- Dasgupta, S., Zhang, K., & Zhu, C. (2021). Do social connections mitigate hold-up and facilitate cooperation? Evidence from supply chain relationships. Journal of Financial and Quantitative Analysis, 56(5), 1679-1712.
- Barrot, J. N. (2016). Trade credit and industry dynamics: Evidence from trucking firms. The Journal of Finance, 71(5), 1975-2016.

Week 13: Labor and Corporate Finance

- Survey: Handbook Chapter 16
- Survey: Matsa, D. A. (2018). Capital structure and a firm's workforce. Annual Review of Financial Economics, 10(1), 387-412.
- Bai, J., Fairhurst, D., & Serfling, M. (2020). Employment protection, investment, and firm growth. The Review of Financial Studies, 33(2), 644-688.
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