

Reading List

Session 1: Introduction, Empirical Research Philosophies and Methods

A. Basic Econometrics for Panel Studies and Some Examples

Wooldridge, Jeffrey M., 2010, *Econometric Analysis of Cross-Section and Panel Data*, 2nd edition, MIT Press: Cambridge, MA. Chapters 1, 4, 10, and 15.1-15.6.

Andrade, Gregor, and Steven N. Kaplan, 1998, How costly is financial (not economic) distress? Evidence from highly leveraged transactions that became distressed, *Journal of Finance* 53, 1443-1493.

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Chhaochharia, V., Grinstein, Y., 2007, Corporate Governance and Firm Value: The Impact of the 2002 Governance Rules, *Journal of Finance* 62, 1789-1825.

Graham, 2000, How Big Are the Tax Benefits of Debt?, *Journal of Finance* 55, 1901-1941.

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Morck, R., A. Shleifer, and R. Vishny, 1988, Management ownership and market valuation: An empirical analysis, *Journal of Financial Economics* 20, 293-315.

Pulvino, Todd, 1998, Do Asset Fire Sales Exist?: An Empirical Investigation of Commercial Aircraft Transactions, *Journal of Finance* 53, 939-978

Schoar, Antoinette, 2002, Effects of Corporate Diversification on Productivity, *Journal of Finance* 57, 2379-2403.

Warner, Jerold, 1977, Bankruptcy Costs: Some Evidence, *Journal of Finance* 32, 337-348.

B. Basic Econometrics for Event Studies

Brown, Stephen J., and Jerold B. Warner, 1985, Using daily stock returns: The case of event studies, *Journal of Financial Economics* 14, 3-31.

Campbell, John Y., Andrew W. Lo and A. Craig MacKinlay, 1997, Event-Study Analysis, Chapter 4 in *The Econometrics of Financial Markets*, Princeton University Press, 149-180.

Fama, Eugene F., 1998, Market Efficiency, Long-Term Returns, and Behavioral Finance, *Journal of Financial Economics* 49, 283-306.

MacKinlay, A. Craig, 1997, Event Studies in Economics and Finance, *Journal of Economic Literature* 35(1), 13-39.

Mitchell, Mark L, and Erik Stafford, 2000, Managerial Decisions and Long-Term Stock Price Performance, *Journal of Business* 73(3), 287-329.

C. Direct Approaches Without Fancy Econometrics

Blanchard, Olivier, Florencio Lopes-de-Silanes, and Andrei Shleifer, 1994, What do Firms Do with Cash Windfalls? *Journal of Financial Economics* 36, 337-360.

Graham, John R., and Campbell R. Harvey, 2001, The Theory and Practice of Corporate Finance: Evidence from the Field, *Journal of Financial Economics* 60, 187-243.

Kaplan, Steven N. and Per Strömberg, 2003, Financial contracting theory meets the real world: An empirical analysis of venture capital contracts, *Review of Economic Studies*, 70(2), 281-315.

D. Writing Tips for Ph.D. students

Cochrane, John, 2005, Writing Tips for Ph.D. Students, Booth School of Business, University of Chicago.

Karolyi, G. Andrew, 2012, The Do's and Don'ts of Writing Papers in Finance, Cornell University.

McCloskey, Deirdre N., 1999, *Economical Writing*, Waveland Press, Illinois. 2nd edition.

Joint editorial of the editors of RFS, JFE, and JF, 2013. <http://jfe.rochester.edu/jointed13.htm>

Tips for authors from Rene Stulz. <http://jfe.rochester.edu/tips.htm>

Session 2: Capital Structure 1

Auerbach, Alan J., 1979, Wealth Maximization and the Cost of Capital, *Quarterly Journal of Economics* 93, 433-446.

Berk, Jonathan and Peter DeMarzo, 2010, Corporate Finance, Part V: Capital Structure, Chapters 14-17

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Miller, Merton H., 1977, Debt and Taxes, *Journal of Finance* 32, 261-275.

Miller, Merton H., 1988, The M-M Propositions After 30 Years, *Journal of Economic Perspectives* 2, 99-120.

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Session 3: Capital structure 2

Testing the basic theories: Taxes

Graham, John R., 2000, How Big Are the Tax Benefits of Debt?, *Journal of Finance* 55, 1901-1941.

Graham, John R., 2003, Taxes and Corporate Finance: A Review, *Review of Financial Studies* 16, 1075-1129.

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Testing the basic theories: Financial Distress

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Testing the Basic Theories: Tradeoff vs. Pecking Order

Alti, Aydogan, 2006, How Persistent is the Impact of Market Timing on Capital Structure? *Journal of Finance* 61, 1681-1710.

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Titman, Sheridan, and Roberto Wessels, 1988, The Determinants of Capital Structure Choice, *Journal of Finance* 43, 1-19.

van Binsbergen, Jules, John R. Graham, and Jie Yang, 2010, The Cost of Debt, *Journal of Finance* 65, 2089-2136.

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Financial Contracting and Capital Structure

Benmelech, Effi, 2009, Asset salability and debt maturity: Evidence from nineteenth-century American railroads, *Review of Financial Studies* 22, 1545-1584.

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Session 4: Venture capital and private equity

Barry, Christopher B., Chris J. Muscarella, John W. Peavy, III, and Michael R. Vetsuypens, 1990, The role of venture capital in the creation of public companies: Evidence from the going public process, *Journal of Financial Economics* 27, 447-71.

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Session 5: Investment Banks, IPOs, and Brokerages

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Session 6: Diversification and Internal Capital Markets

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Session 7: Risk management

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Session 8: Behavioral Corporate Finance, the value of the CEO, Networks, etc.

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Session 9: Mergers and Acquisitions

Why do mergers occur?

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