Course Syllabus

offered by Department of Economics and Finance
with effect from Semester B 2016 /17

Part I   Course Overview

Course Title: **Empirical Research in Finance**

Course Code: **EF8080**

Course Duration: **1 semester**

Credit Units: **3**

Level: **R8**

Proposed Area: ☐ Arts and Humanities
(for GE courses only)   ☐ Study of Societies, Social and Business Organisations
                            ☐ Science and Technology

**Medium of
Instruction:**   **English**

**Medium of
Assessment:**   **English**

Prerequisites:
(Course Code and Title)   **Nil**

Precursors:
(Course Code and Title)   **Nil**

Equivalent Courses:
(Course Code and Title)   **Nil**

Exclusive Courses:
(Course Code and Title)   **Nil**

Part II   Course Details

1.   Abstract

This course aims to introduce students to various areas of empirical finance research and to hone their skills in evaluating and interpreting research questions, methodologies and empirical finance results. One basic skill is literature search which will be conducted through hands-on practice throughout the course. This course will tap into the best expertise of the faculty of this department. Upon completing the course, students should be able to not only evaluate and assess others' research papers but also discover and identify important academic issues to tackle, often with the help of literature search in vast e-resources. The whole training focuses on the discovery and innovative process which is the nature of academic research.

2.   Course Intended Learning Outcomes (CILOs)
(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs#	Weighting* (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	*A2*	*A3*
1.	Introduce students to various areas of empirical finance research (topics divided by 3-4 faculty members who can show their best expertise to students).	40%	√	√	√
2.	Hone their skills in evaluating and interpreting research questions, methodologies and empirical finance results, and increase their ability to discover and identify new research topics.	40%	√	√	√
3	Conduct literature search through hands-on practice.	20%	√	√	√
* If weighting is assigned to CILOs, they should add up to 100%.		100%			

Please specify the alignment of CILOs to the Gateway Education Programme Intended Learning outcomes (PILOs) in Section A of Annex.

A1:   Attitude
   Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.
A2:   Ability
   Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.
 A3:   *Accomplishments*
   Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3.   Teaching and Learning Activities (TLAs)
(TLAs designed to facilitate students' achievement of the CILOs.)

TLA	Brief Description	CILO No.			Hours/week (if applicable)
		1	2	3	
Lectures	-	√	√	√	-
Intensive In-class Discussions	-	√	√	√	-
Assignments	-	√	√	√	-

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.			Weighting*	Remarks
	1	2	3		
Continuous Assessment: <u>100</u> %					
One short project involving data processing	√	√	√	50%	
Literature review report in a specific area	√	√	√	50%	
Examination: <u>0</u>% (duration: , if applicable)					
-				0%	
* The weightings should add up to 100%.				100%	

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Adequate (C+, C, C-)	Marginal (D)	Failure (F)
1. One short project involving data processing	First-rate Criterion	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of the subject of portfolio investment; evidence of extensive knowledge base as outlined in CILOs; very strong overall ability to discover and innovate, and very strong evidence of accomplishments of discovery.	Evidence of knowing how to apply the related concepts outlined in CILOs; strong overall ability to discover and innovate, and strong evidence of accomplishments of discovery.	Some evidence of knowing how to apply the concepts outlined in CILOs; some ability to discover and innovate, and satisfactory evidence of accomplishments of discovery.	Marginal familiarity with the subject of portfolio investment; marginal ability to discover and innovate, and marginal evidence of accomplishments of discovery.	Little evidence of familiarity with the subject of portfolio; or no show and no excuse in final exam; little evidence of ability to discover and innovate, and little evidence of accomplishments of discovery.
2. Literature review report in a specific area	First-rate Criterion					

Part III   Other Information (more details can be provided separately in the teaching plan)

1.   Keyword Syllabus

Market Efficiency; Investor Sentiment; Return Anomalies; Market Microstructure; Firm Valuation; Growth Opportunities; Corporate Investment; Financial Policies; External Financing; Debt Mix Choice; Initial Public Corporate Governance; Seasoned Equity Issuance; Mergers and Acquisitions; Ownership Structure; Expropriation of Minority Shareholders; Political Connections; Asymmetric Information Problems; Agency Problems

2.   Reading List
2.1   Compulsory Readings
(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

1.	Market Microstructure Theory, MAUREEN O'HARA, Blackwell Publishers, 1st Edition, 1998. (Chapter 1—Chapter 8)
2.	Copeland, T.E., Weston, J.F., Shastri, K., Financial Theory
3.	Corporate Policy, 4th ed. (Pearson – Addison Wesley, 2005)

2.2   Additional Readings
(Additional references for students to learn to expand their knowledge about the subject.)

1.	Grossman, S., and M. Miller, 1988, Liquidity and market structure, Journal of Finance, 43, 617-633.
2.	Titman, Sheridan, and Roberto Wessels, 1988, The determinants of capital structure choice, *Journal of Finance* 43, 1-19.
3.	1. Rajan, R, 1992, Insiders and Outsiders: The Choice between Relationship and Arm's Length Debt, *Journal of Finance* 47, 1367-1400.