This is an introductory doctoral corporate finance class. For this introductory course, I am assuming that you have some previous exposure to finance (the CAPM, etc.), microeconomics, and statistics. Most if not all students will have taken Fin 7446 (Financial Theory-I) in Autumn 2016, taught by Farid AitSahlia. During Autumn 2017, I will be offering an advanced doctoral corporate finance class (Fin 7808) that requires game theory and econometrics.

The articles marked with an r are required, and those with an asterisk are recommended. There will be a midterm exam, a final exam, and weekly homework assignments during the semester. Most articles can be downloaded. The midterm will be on Monday, February 27.

I. Capital Structure

A. Exogenous Operating Decisions


* 5. Graham, John R., "How Big Are the Tax Benefits of Debt?" Journal of Finance (October 2000), Vol. 55, No. 5, pp. 1901-1941. [This uses Tobit regression in Table VI.]


B. Primarily Endogenous Operating Decisions


C. Behavioral Approaches


D. Empirical Evidence


II. Signaling Models


III. Corporate Governance


* 7. Claessens, Stijn, Simeon Djankov, and Larry H.P. Lang, "Separation of
Ownership from Control of East Asian Firms," Journal of Financial

* 8. Bhagat, Sanjai and Bernard Black, "The Uncertain Relationship Between
Board Composition and Firm Performance," in The Power and Influence of
Pension and Mutual Funds (ed. R. Smith), 1998.


* 10. LaPorta, Rafael, Florencio Lopez-de-Silanes, Andrei Shleifer, and
Robert Vishny, "Investor Protection and Corporate Governance," Journal of

* 11. Kaplan, Steven N., and Joshua Rauh, "Wall Street and Main Street: What
Contributes to the Rise in the Highest Incomes?" Review of Financial

* 12. Djankov, Simeon, Rafael La Porta, Florencio Lopez-de-Silanes, and
Andrei Shleifer, "The Law and Economics of Self-dealing," Journal of

* 13. Adams, Renee, Benjamin E. Hermalin, and Michael S. Weisbach, "Boards
of Directors and their Role in Corporate Governance: A Conceptual
Framework and Survey," Journal of Economic Literature (March 2010)

23, No. 3, pp. 939-961.

* 15. Claessens, Stijn, Simeon Djankov, Joseph P.H. Fan, and Larry H.P.
Lang, "Disentangling the Incentive and Entrenchment Effects of Large
2741-2771.

* 16. Lin, Chen, Yue Ma, Paul Malatesta, and Yuhai Xuan, "Ownership
Structure and the Cost of Corporate Borrowing," Journal of Financial

* 17. Leuz, C., D. Nanda, and P.D. Wysocki, "Earnings Management and
Investor Protection: An International Comparison," Journal of

IV. Payout Policy

* 1. La Porta, Rafael, Florencio Lopez-de-Silanes, Andrei Shleifer, and
Robert W. Vishny, "Agency Problems and Dividend Policies Around the

* 2. Lang, Larry H.P., Mara Faccio, and Leslie Young, "Dividends and
Expropriation," American Economic Review (March 2001) Vol. 91, No. 1,
pp. 54-78.

* 3. Denis, D. J., and I. Osobov, "Why Do Firms Pay Dividends?
International Evidence on the Determinants of Dividend Policy,"
V. Initial Public Offerings and Analysts

A. Short-run Underpricing


B. The Role of Analysts


4. Cliff, Michael, and David Denis, "Do IPO Firms Purchase Analyst Coverage with Underpricing?" Journal of Finance (December 2004) Vol. 59, No. 6, 2871-2901. [Logit analysis is used in Tables VI and IX.]


C. Quantity Rather than Price


V. Supply and Demand in Finance


VI. Securities Offerings and Long-run Performance Measurement


VII. Covariances in Corporate Finance


