BFIN 3034: Corporate Finance Seminar 3
Spring 2014

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Times and Places: 4:00-6:00pm, M and W, 270 Mervis Hall, 3/17-4/14

Course Description
This course is part of a sequence of courses in corporate finance. The objective of this course is to provide you with exposure to an area of research that encompasses elements of both industrial organization (IO) and corporate finance. Most of the papers that we will discuss generally examine the interaction between a firm’s real decisions (historically the purview of IO) and a firm’s financial decisions (historically the purview of financial economists). A few topics of related interest will round out the course.

Each two-hour session will cover two or three papers. You should be prepared to discuss each paper in detail, including (but not limited to) the paper’s motivation, critical assumptions, methodology, and primary findings. You should also be prepared to evaluate how each paper relates to other important papers in the literature and how each paper fits with the other papers discussed in the class. Finally, you should be prepared to discuss possible extensions of the papers.

Course Grades and Due Dates
Course grades will be determined by the quality of: presentations of papers and contributions to class discussion (20%), a referee report (20%), completion and presentation of the term papers carried over from corporate seminars 1 & 2 (25%), and an original research proposal in the general area of finance and industrial organization (35%).

The referee reports are due on April 12th at 7:00am EDT. The paper you will review is identified at the end of the reading list.

All proposals are due on April 21st at 7:00am EDT. In the proposal, you should clearly state and motivate the hypotheses to be tested, review the related literature, clearly articulate the contribution the proposal would make to the literature, and carefully outline the sample construction and structure of the empirical tests. If you decide to pursue theoretical work in your proposal, then you should present the structure of the model and begin to develop the implications of your model. The goal is to submit proposals that, if executed, would result in working papers suitable for eventual submission to top journals in finance.

Term papers are due on April 25th at 5:00pm EDT. Papers will be presented and discussed in a conference-style format on April 29th beginning at 1:00pm in 114 Mervis Hall. Presenters will be allocated approximately 20 minutes and discussants will be allocated ten minutes. Discussant assignments will be determined nearer the due date for the papers. Papers will be distributed to the finance faculty and PhD students and the presentations will be open to all who would like to participate.

The papers that we will cover are listed below.
Meeting 1:


Meeting 2:


Meeting 3:


Meeting 4:


Meeting 5:


Meeting 6:


**Meeting 7:**


**Meeting 8:**


**Meeting 9:**


**Paper to review:**

Gerard Hoberg and S. Katie Moon, 2014, Offshore activities and global consumption risk, University of Maryland working paper.