

Discipline: [Methods/Field]

1. Language / Sprache

English

2. Title / Titel

Empirical financial intermediation

3. Lecturer / Referent

Tobias Berg, Sascha Steffen

4. Date and Location / Zeitraum und Veranstaltungsort

6 October – 8 October 2021 (lecture, in-person)

20 October – 21 October (student presentations, online)

5. Course Description / Kursbeschreibung

5.1 Abstract and Learning Objectives / Zusammenfassung und Lernziele

The course has two key learning objectives

- Students will learn to apply state-of-the-art identification methods in empirical financial intermediation.
- Students will learn how to identify and present interesting research questions in empirical financial intermediation, they will understand how to write paper, and they will learn about the publication process.

5.2 Content / Kursinhalt

The course provides an exposure to empirical methodologies and recent papers in empirical financial intermediation. The course covers the following topics

- Empirical methodologies (such as instrumental variables, difference-in-difference estimators, regression discontinuity)
- Current topics in financial intermediation and banking
- How to publish papers and identify research questions

Students will learn to apply state-of-the-art identification methods. Current research papers will be discussed and replicated in class.

5.3 Schedule (including start and end time / Zeitplan (inkl. Start- und Endzeit)

Day 1 (1/2 day): Empirical Methods I

- Introduction: Causal identification
- Instrumental variables

Day 2 (1 day): Empirical Methods II

- Difference-in-differences
- Regression discontinuity
- Other methods: Matching, Synthetic control, Learning from selection on observables
- Replication of Huber (2018) and Berg and Streitz (2019)

Day 3 (1/2 day): Empirical methods III + identifying research topics and publishing papers

- Handling spillover effects
- How to write and publish academic papers
- Reading and identifying recent papers and their contribution

Day 4 (3/4 day): Student presentations

Day 5 (3/4 day): Student presentations

5.4 Course format / Kursformat

Lecture, presentations, exercise sessions

6. Preparation and Literature / Vorbereitung und Literaturhinweise

6.1 Prerequisites / Voraussetzungen

Knowledge of Stata, knowledge of econometrics and potential outcome frameworks, as well as basic knowledge about identification in empirical finance is a prerequisite for the course. Knowledge regarding financial intermediation / banking and accounting is useful.

6.2 Essential Reading Material / Pflichtlektüre

Students should read the following literature before the first day of the course

- Roberts, M., and T. Whited (2012). Endogeneity in Empirical Corporate Finance, Working Paper.

- Bennedsen, M., K. Nielsen, F. Perez-Gonzalez, and D. Wolfenzon (2007). Inside the Family Firm: The Role of Families in Succession Decisions and Performance, *Quarterly Journal of Economics* 122(2), 647-691.
- Berg, T. (2018). Got Rejected? Real Effects of Not Getting a Loan, *The Review of Financial Studies* 31(12), 4912–4957.
- Berg, T., M. Reisinger, and D. Streitz (2021). Spillover Effects in Empirical Corporate Finance, *Journal of Financial Economics* (forthcoming).
- Chava, S. and M. Roberts (2008). How does financing impact investment? The role of debt covenants, *Journal of Finance* 63(5), 2085-2121.
- Grosse-Rueschkamp, B., S. Steffen, and D. Streitz (2019). A Capital Structure Channel of Monetary Policy, *Journal of Financial Economics* 133(2), 357-378
- Huber, K (2018). Disentangling the effects of a banking crisis: evidence from German firms and counties, *American Economic Review* 108(3), 868-898
- Puri, M., J. Rocholl, and S. Steffen (2011). Global retail lending in the aftermath of the US financial crisis: Distinguishing between supply and demand effects. *Journal of Financial Economics* 100(3), 556-578.

6.3 Additional Reading Material / zusätzliche Lektüre

Abadie, A., A. Diamond, and J. Hainmueller (2014): Synthetic Control Methods for Comparative Case Studies: Estimating the effect of California's Tobacco Control Program, *Journal of the American Statistical Association* 105(490), 493-505

Altonji, J., Elder, T, and Taber, C. (2005). Selection on observed and unobserved variables: Assessing the effectiveness of Catholic schools. *Journal of Political Economy*, 113(1), 151-184.

Angrist, J. and J. Pischke (2008): “Mostly Harmless Econometrics: An Empiricist's Companion”, Princeton University Press

Jiang, W. (2017): Have Instrumental Variables Brought Us Closer to the Truth, *Review of Corporate Finance Studies* 6(2), 127-140

Oster, E. (2014). Unobservable selection and coefficient stability: Theory and evidence. *Journal of Business & Economic Statistics* 37(2), 187-204

6.4 To prepare / Vorarbeiten

See 6.2

7. Administration

7.1 Max. number of participants / Maximale Teilnehmerzahl

15 students

7.2 Assignments / Aufgaben

Student presentations

7.3 Exam / Prüfungsleistung

Participation in class and student presentation

7.4 Credits / Punkte

ECTS: 6

8. Arbeitszeitaufwand / Working Hours

Aufteilung der Arbeitsstunden / Working Hours <i>(z. B. Vorarbeiten / preparations: 30 h, aktive Mitarbeit / active participation: 100 h, Prüfungsvorbereitung / preparation for exam: 30 h, Prüfung / exam: 20 h ...)</i>	Stunden
Pre-Readings	75 h
Active Participation	30 h
Student presentation	75 h
SUMME	180 h
ECTS: 6	