I. INSTRUCTORS

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https://www.fbe.hku.hk/staff/academic/detail/tsechun-lin

II. COURSE INFORMATION

Course Descriptions
This Ph.D. course is designed to give you an overview of empirical contributions of modern corporate finance, investments, behavioral finance and prepare you to conduct independent empirical research on finance which could potentially leads to your dissertation.

Prerequisite
Students have to take the ECON6017 Financial Economics/FINA6017 Corporate Finance Theory before taking this course.

Required Materials


Course Objectives

1. Build up a clear understanding of empirical finance literature.
2. Develop solid skills in conducting empirical finance research.

Time and Venue
Thursday, 1:30 pm to 4:20 pm, KK1119
Course Intended Learning Outcomes (ILOs)

Upon the successful completion of this course, students should be able to

ILO1. Understand the basic tools and models in conducting the empirical finance research.
ILO2. Evaluate financial decisions for various market participants.
ILO3. Understand the behavioral approach of empirical analysis.
ILO4. Be aware of the recent development of literature like fintech.
ILO5. Develop skills in identifying research questions and analyzing these questions.
ILO6. Develop presentation skills and abilities to take questions.

Alignments of University Learning Aims and Faculty Overall Goals

<table>
<thead>
<tr>
<th>Faulty Goals</th>
<th>Course ILOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To conduct quality research independently in their area of specialization</td>
<td>ILO1, ILO2, ILO3, ILO5</td>
</tr>
<tr>
<td>2. To be able to teach subjects in their specialization</td>
<td>ILO6</td>
</tr>
<tr>
<td>3. To inculcate professionalism and leadership</td>
<td>ILO4, ILO5, ILO6</td>
</tr>
<tr>
<td>4. To master communication skills</td>
<td>ILO6</td>
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</tbody>
</table>

Course Teaching and Learning Activities (TLA)

<table>
<thead>
<tr>
<th>Course Teaching and Learning Activities</th>
<th>Expected contact hour</th>
<th>Study load (% of study)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TLA1. Presentation: Students will give presentations and lecture will comment on them.</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>TLA2. Homework: Students will be asked to solve problems in the assignments.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TLA3. Consultation: Instructors will hold weekly office hours to address students’ questions. Students can also discuss questions with the instructor by emails.</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>TLA4. Class participation: Students are encouraged to raise questions in class and actively participate in the class discussion.</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>130</td>
<td>100%</td>
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Assessment

The weights of the various components in determining the final grade will be:

A1. Class participation 20%
A2. Class Presentation 80%
Total 100%

Class Participation
The active class participation is anticipated for each student. Students should take an active role to learn course materials. Responding to questions, asking questions, providing answers to other students’ concerns, and clarifying the questions asked by instructor are all encouraged and expected. The frequency of contribution will be counted to evaluate the class participation. However, the core will be emphasized on the quality ideas, solid analysis, and reconciliation of literature.

Class Presentation
There will be a few presentations in this course. The presentations are the opportunities for students to truly understand the assigned materials. Students should prepare the slides and email to the lecture after presentation. Late submissions are not allowed.

Relationship among ILOs, TLAs and Assessment

<table>
<thead>
<tr>
<th>ILO</th>
<th>Teaching and Learning Activities (TLAs)</th>
<th>Assessment (A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>6</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
STANDARDS FOR ASSESSMENT

Course Grade Descriptors

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
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</table>
| Pass  | Students who can understand the idea, contribution, methodology, and results of the assigned papers in a consistent way.  
Student who can articulate and clearly present the idea, contribution, methodology, and results of the assigned papers in a coherent matter.  
Students who are actively engaged in class discussions and express their independent thinking. |
| Fail  | Students who fail to achieve most of the criteria listed above. |

III. ACADEMIC AND CLASS CONDUCT

The University Regulations on academic dishonesty will be strictly enforced. Please check the University Statement on plagiarism on the web: [http://www.hku.hk/plagiarism/](http://www.hku.hk/plagiarism/)

Academic dishonesty is behavior in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following types of cases:

- **Plagiarism** – The representation of someone else’s ideas as if they are one’s own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one’s own work. Paraphrasing of someone else’s ideas is still using someone else’s ideas, and must be acknowledged.

- **Unauthorized Collaboration on Out-of-Class Projects** – The representation of work as solely one’s own when in fact it is the result of a joint effort.

- **Cheating on Exams** – The covert gathering of information from other students, the use of unauthorized notes, unauthorized aids, etc.

- **Unauthorized Advance Access to an Exam** – The representation of materials prepared at leisure, as a result of unauthorized advance access (however obtained), as if it were prepared under the rigors of the exam setting. This misrepresentation is dishonest in itself even if there are not compounding factors, such as unauthorized uses of books or notes.

Where a candidate for a degree or other award uses the work of another person or persons without due acknowledgement:

1. The relevant Board of Examiners may impose a penalty in relation to the seriousness of the offence;
2. The relevant Board of Examiners may report the candidate to the Senate, where there is *prima facie* evidence of an intention to deceive and where sanctions beyond those in (1) might be invoked.

*If you are caught in an act of academic dishonesty or misconduct, you will receive an ‘F’ grade for the subject. If your term project submitted has been discovered to be an exact copy of someone else’s work, all students involved will be subject to the penalty for the act of plagiarizing or copying.*
## IV. COURSE SCHEDULE

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sep 6</td>
<td>Introduction</td>
</tr>
<tr>
<td>2</td>
<td>Sep 13</td>
<td>Regression Discontinuity</td>
</tr>
<tr>
<td>3</td>
<td>Sep 27</td>
<td>Asset Pricing Anomalies</td>
</tr>
<tr>
<td>4</td>
<td>Oct 4</td>
<td>Culture</td>
</tr>
<tr>
<td>5</td>
<td>Oct 11</td>
<td>The Externality of Market Participation</td>
</tr>
<tr>
<td>6</td>
<td>Oct 25</td>
<td>Investor Attention</td>
</tr>
<tr>
<td>7</td>
<td>Oct 30</td>
<td>Reference Point, and Asset Pricing Anomalies</td>
</tr>
<tr>
<td>8</td>
<td>Nov 1</td>
<td>FinTech I</td>
</tr>
<tr>
<td>9</td>
<td>Nov 8</td>
<td>FinTech II</td>
</tr>
<tr>
<td>10</td>
<td>Nov 15</td>
<td>Textual Analysis I</td>
</tr>
<tr>
<td>11</td>
<td>Nov 22</td>
<td>Textual Analysis II</td>
</tr>
<tr>
<td>12</td>
<td>Nov 29</td>
<td>Discussion on your thesis proposal and ongoing projects</td>
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</tbody>
</table>

The above course schedule is extremely tentative, and subject to change. Any variations will be announced in the class.
V. TEMPORARY READING LIST

Methodology

1. Introduction

2. Regression Discontinuity Presenter:

3. Asset Pricing Anomalies and Trading Strategies Presenter:

Behavioral Finance

4. Culture Presenter:

5. The Externality of Market Participation Presenter:

6. Investor Attention Presenter:

7. Reference Point, and Asset Pricing Anomalies Presenter:

New Development in Finance

8. FinTech I: Consumer Loan and Robo-Advising Presenter:
   - “Fintech, Regulatory Arbitrage, and the Rise of Shadow Banks,” *Journal of*

- “The Promises and Pitfalls of Robo-Advising”

9. FinTech II: Crowdfunding and Small Business Loan **Presenter:**
- “TechFin in China: Credit Market Completion and its Growth Effect”

10. Textual Analysis I: Readability and Similarity **Presenter:**
- “Lazy Prices” (*Journal of Finance, R&R*)

11. Textual Analysis II: LDA Topic Analysis **Presenter:**
- “Innovation in Mature Firms: A Text-Based Analysis”

12. **Discussions on your thesis proposal and ongoing projects.**