

BUSINESS F774
Seminar in Corporate Finance
Winter 2025 Course Outline

Finance and Business Economics Area
DeGroote School of Business
McMaster University

COURSE OBJECTIVE

The objective of this course is to provide an overview of major topics and recent developments in corporate finance. The course will cover classic papers and research that represent some of the most frontier developments in the field. The course will prepare students to develop potential research topics in corporate finance.

INSTRUCTOR AND CONTACT INFORMATION

Friday: 2:30pm-5:20 pm

Dr. Yan Wang

Instructor

ywang@mcmaster.ca

Office Hour: by appointment

Tel: (905) 525-9140 Ext. 23984

Administrative Assistant: Anita Blaney

Office: DSB/303

Tel: (905) 525-9140 Ext. 24630

COURSE DESCRIPTION

This course is taught primarily through lecture and in class discussion. Students are expected to read the assigned readings (e.g., journal papers) and participate in class discussion.

degroote.mcmaster.ca

We will cover 2-4 papers in each class. Students are expected to read these papers carefully and

actively contribute to class discussions. Students are expected to capture the key idea of each paper, the data and methodology (for empirical papers), and the conclusions drawn. You should think of some improvements, extensions, and related research ideas.

Students are required to write a term paper. The paper could be a solo author paper or a joint work with your supervisor. The topic of the term paper is not required to be in corporate finance. This term paper should have the potential to become a part of your dissertation.

COURSE MATERIALS AND READINGS

No Textbook required.

Most papers required to read could be downloaded from e-journal in the library website.

OPTIONAL COURSE MATERIAL AND READINGS

- Tirole, J., *The Theory of Corporate Finance*, Princeton University Press
- Copeland, T., F. Weston, and K. Shastri, 2005, *Financial theory and corporate policy*, 4th edition, Addison-Wesley, New York.
- Amaro de Matos, J., 2001, *Theoretical foundations of corporate finance*, Princeton University Press, New Jersey.
- Angrist, Joshua D. and Jorn-Steffen Pischke. 2009. *Mostly Harmless Econometrics: An Empiricist's Companion* Princeton University Press.

COURSE OVERVIEW AND ASSESSMENT

You will be evaluated on four components according to the following weights:

Components and Weights

Selected Topic Presentation	30%
Proposal (5-6 pages)	30%
Exam	30%

In-class participation	10%
Total	100%

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation [“Requests for Relief for Missed Academic Term Work”](#) and the link below;

<http://ug.degroot.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

ACADEMIC INTEGRITY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. **It is your responsibility to understand what constitutes academic dishonesty.**

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/), located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
 - improper collaboration in group work.
 - copying or using unauthorized aids in tests and examinations.
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AUTHENTICITY/PLAGIARISM DETECTION

Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their

work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software.

All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). For more details about McMaster's use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

COURSES WITH AN ON-LINE ELEMENT

Some courses may use on-line elements (e.g. email, Avenue to Learn (A2L), web pages, TopHat, MS Teams, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course.

The available information is dependent on the technology used. Continuation in a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

ONLINE PROCTORING

Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the "Code"). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for

delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students' access to these platforms.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University's [Academic Accommodation of Students with Disabilities](#) policy.

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their Faculty Office **normally within 10 working days** of the beginning of term in which they anticipate a need for accommodation or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image

may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

RESEARCH USING HUMAN SUBJECTS

All researchers conducting research that involves human participants, their records or their biological material are required to receive approval from one of McMaster's Research Ethics Boards before (a) they can recruit participants and (b) collect or access their data. Failure to comply with relevant policies is a research misconduct matter. Contact these boards for further information about your requirements and the application process.

McMaster Research Ethics Board (General board): <https://reo.mcmaster.ca/>

Hamilton Integrated Research Ethics Board (Medical board): <http://www.hireb.ca/>

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in BUSINESS774 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COURSE SCHEDULE

**Commerce F774
Winter 2025 Course Schedule**

Week	Corporate Finance Topics
1 (Week Jan. 6)	Introduction
2 (Week Jan. 13)	Methodology: Regression fundamentals
3 (Week Jan. 20)	Methodology: Panel data
4 (Week Jan. 27)	Methodology: Instrumental variable
5 (Week Feb. 3)	Methodology: Difference-in-difference estimator
6 (Week Feb. 10)	Selected Fin Topics: Governance & Monitoring
7 (Week Feb. 17)	Winter break, no class.
8 (Week Feb. 24)	Selected Fin Topics: Activism
9 (Week Mar. 3)	Selected Fin Topics: Corporate Diversification and Focus
10 (Week Mar. 10)	Selected Fin Topics: Labor Economics and Corporate Finance
11 (Week Mar. 17)	Selected Fin Topics: Capital structure*
12 (Week Mar. 24)	Selected Fin Topics: CEO compensation*
13 (Week Mar. 31)	Selected Fin Topics: Corporate Investment*