Financial Management – S. Spyrou

The Assignment

The assignment carries a 30% towards the final mark for the module (the written exam carries a 70% weight). You are required to write a 3000 - 4000 word essay on the chosen topic and prepare a 10-15 minute (approximately) power-point presentation of the essay.

Choose a topic: by the 2nd Lecture you should email me the chosen topic and team members

Submission: by the 6th Lecture email me the word and power-point files

Presentation: during the 6th and 7th Lecture

In your essay you should prepare a short review and/or a clear description of the chosen topic, using resources available at the Lab and/or the internet (e.g., http://scholar.google.gr). For each suggested topic (see below) I provide an indicative paper that may be used as a *starting point* for your research. You must also provide a list of precise references and sources of your data. Group assignments are allowed (up to two people in a team). You may also suggest your own title; however, it should be related to the syllabus of the module.

Suggested Essay Topics

- Initial Public Offerings: the underprising effect.

Indicative paper: Christian, H., Dreher, A. (2007). Do differences in institutional and legal environments explain cross-country variations in IPO underpricing? CESifo working paper, No. 2082.

- Management Conference Calls and Information

Indicative paper: Bassemir, M., Novotny-Farkas, Z., Pachta, J. (2012). The Effect of Conference Calls on Analysts' Forecasts – German Evidence. European Accounting Review 22, (1).

- Measuring Default Risk: Credit Default Swaps

Indicative paper: Rodríguez, I.M., Dandapani, K., Lawrence, W. (2019) Measuring Sovereign Risk: Are CDS Spreads Better than Sovereign Credit Ratings? Financial Management 48 (1), 229-256

- Environmental, social and governance (ESG) practices of corporations

Indicative paper: Barth, F., Hübel, B., Scholz, H. (2022). ESG and corporate credit spreads. Journal of Risk Finance, forthcoming

- Financial Statement Information

Indicative paper: Mohanram, P., Saiy, S. Vyas, D. (2018). Fundamental analysis of banks: the use of financial statement information to screen winners from losers. Review of Accounting Studies 23, 200–233

- Credit Rating: Choose and rate a US listed firm with the S&P methodology

Use the methodology described by S&P: https://www.spglobal.com/ratings/_division-assets/pdfs/041019_howweratenonfinancialcorporateentities.pdf

- Credit Rating: The role of CRAs

Indicative paper: White, Lawrence J. and White, Lawrence J., The Credit Rating Agencies and Their Role in the Financial System (June 7, 2018). Forthcoming in E. Brousseau, ed., Oxford Handbook on Institutions, International Economic Governance, and Market Regulation, Oxford University Press, Available at SSRN: https://ssrn.com/abstract=3192475

- Hedge Fund Strategies

Indicative paper: Connor, G, Lasarte, T., (2014) "An Overview of Hedge Fund Strategies", researchgate.net

- The implications of Negative Interest Rates (NIRs)

Indicative paper: Implications of Negative Interest Rates on the Financial Systems
J Hamidovich - Available at SSRN 2898774, 2017 - papers.ssrn.com

- Determinants of Capital Structure

Indicative paper: S Ali, A Rangone, M Farooq (2022). Corporate taxation and firm-specific determinants of capital structure: Evidence from the UK and US multinational firms. Journal of Risk and Financial Management, 2022 - mdpi.com

- Capital Structure & Firm Performance

Indicative paper: Asaolu, A. (2021). Capital structure and firm performance: A comparative study of oil and gas and manufacturing sectors in the United States of America. Business and Management Studies, 2021 - academia.edu

- Dividend Policy

Indicative paper: Denis, D.J., Osobov, J. (2008). Why do firms pay dividends? International evidence on the determinants of dividend policy. Journal of Financial economics 89(1), 62-82.

- Corporate Bond Yields

Indicative paper: CW Lu, TK Chen, HH Liao (2010). Information uncertainty, information asymmetry and corporate bond yield spreads - Journal of Banking & Finance, 2010

- The impact of energy prices on exchange rates

Indicative paper: J Beckmann, RL Czudaj, V Arora (2020). The relationship between oil prices and exchange rates: Revisiting theory and evidence. Energy Economics 88.

- Economic Policy Uncertainty

Badar Nadeem Ashraf, Yinjie Shen (2019). Economic policy uncertainty and banks' loan pricing. Journal of Financial Stability 44.

- Monetary Policy

Indicative paper: Stephanos Papadamou, Costas Siriopoulos, Nikolaos A. Kyriazis. (2020). A survey of empirical findings on unconventional central bank policies Journal of Economic Studies 47(7).

- Corporate Leverage and Uncertainty

Indicative paper: Giang Thi Huong Vuong, Manh Huu Nguyen, &Wing Keung Wong (2022). CBOE volatility index (VIX) and corporate market leverage. Cogent Economics & Finance 10(1)

- What determines CDS spreads?

Koresh Galil, Offer Moshe Shapir, Dan Amiram, Uri Ben-Zion (2014). The determinants of CDS spreads. Journal of Banking & Finance 41, 271-282.

- The impact of sentiment on equity prices

Indicative paper:SI Spyrou. (2020). Valuation ratio style investing and economic sentiment: evidence from major Eurozone markets. Review of Quantitative Finance and Accounting 55, 827–856.

- Cost of Capital Determinants

Tiago Cruz Gonçalves, João Dias, Victor Barros, (2022). Sustainability Performance and the Cost of Capital. International Journal of Financial Studies10(3), 63.