Course Overview:
In this course students use empirical methods and financial datasets to improve their understanding of markets and to test various hypotheses central to financial economics. Students can expect to examine hypotheses regarding market efficiency, asset pricing, market microstructure, and corporate finance. Students will use SAS to analyze CRSP and Compustat data (and other data) as available through WRDS. The course has four parts:
   Part I: SAS programming and WRDS
   Part II: Market Efficiency Tests
   Part III: Asset Pricing Model Tests
   Part IV: Corporate Finance.

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Assistance:
Please send routine questions by email. You may attach SAS code to an email for help. I’ll also meet with students by appointment.

There are two TAs for this course.
   He Yan: yhoo@udel.edu
   Jinqi Zhang: jinqi@udel.edu
They will answer your basic questions regarding SAS. They will hold offices hours in the Exelon trading lab. The specific hours will vary each week depending on the need and their schedule.

Materials:
2. A flash drive with at least 16 gb of memory.
3. Other material will be posted on Sakai.

Grades:
Course grades are based on 7-10 empirical exercises (30% total), two research papers (25% each), and one final exam (20%).

The empirical exercises are designed and assigned to assure that each student is keeping pace with SAS and with some basic properties of the data. The exercises are to be done individually. Late submissions are not accepted.

The research papers are typically 10-20 pages of text plus supporting tables. Each paper will motivate the experiment, describe the data and empirical methods, and interpret the empirical evidence. Your papers may be co-authored, with no more than 2 authors per paper. 

The grade of each paper is based on the quality of the empirical analysis and the quality of the writing. I don’t specifically weight these two dimensions, but a poor job in one can lead to a non-passing grade on a particular paper. If a paper is poorly done, I will allow the author(s) to “revise-and-resubmit” the paper within one week. If the paper improves substantially I’ll change the grade on the paper to a B-. Each student will only get one opportunity for a “revise-and-resubmit” during the semester. Late papers are not accepted.