GMBA Thesis Workshop

Keng-Yu Ho

Department of Finance
National Taiwan University

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Research in Finance

- **Corporate Finance**
  - Corporate financing decisions: IPO, SEO, bond issuance, bank loan.
  - Corporate investment decisions: M&A, R&D activity, capital expenditure.

- **Asset Pricing**
  - Modeling equity returns, e.g., CAPM, factor models.
  - Modeling bond returns.
  - Modeling derivative prices.

- **Investment**
  - Market microstructure.
  - Trading strategies.
  - Investment performance evaluation, e.g., mutual fund.
• **Empirical Corporate Finance**
  • The determinants of corporate activities.
  • The effect of corporate activities on firm value.
  • The market reaction to corporate activities: event study.

• **Quantitative, Not Qualitative**
  • Use large datasets: NTU CoM maintains major databases worldwide.
  • Apply econometrics approaches: mainly regression analysis.

• **Data Sources in NTU CoM**
  • TEJ: finance and economics data in Taiwan.
  • WRDS: CRSP, Compustat (U.S. stock and financial statement data).
  • Bloomberg.
  • SDC Platinum: corporate events.
  • Datastream: global finance and economics data.
Managerial Traits and Corporate Finance

- **Overconfidence**
  - Overinvest for cash-rich firms and underinvest for cash-poor firms.
  - Involve in more M&As but harm firm value.
  - Better innovator.

- **Age**
  - More risk averse.
  - Involve in less long-term investments.
  - Lower incentive of pursuing M&A.

- **Gender**
  - Female directors provide better monitoring.

- **Early Life Experience**
  - Great depression: conservative.
  - Military: risk taking.
  - Fatal Disaster: risk taking if without extremely negative consequence and conservative if witness extreme downside of the disasters.