

Empirical Corporate Finance (ECF)

Instructions for Group Work

Masters in Finance (Elective Course Unit)

2019/2020, 1st Semester

DEADLINE: 09/01/2020 23:59, through Aquila

FORMAT RECOMMENDATIONS FOR THE REPORT: Times New Roman, size 11, multiple spacing 1.5x, margins 2.5, maximum words of 2,500 words (not including Tables and Figures in Appendix)

DESCRIPTION:

This work comprises the collection of data, the data management in STATA, and the empirical analysis. The topic for the assignment is: **payout policy**.

It is required that the group formulates a research question (RQ) based on the topic above in order to test it empirically. Recommended steps are as follows:

- 1) Collecting data from the financial bases;
- 2) Managing the data in STATA to be used in step 3;
- 3) Create a *do-file* that analyses the data (data and post-estimation diagnostics, regressions);
- 4) Write a small report with the STATA outputs (both on data diagnostics, regressions, and post-estimation diagnostics) and analyze regressions results.

It is required to hand in through Aquila:

- *DTA-file* (containing the raw database)
- *Do-file 1* (data management)
- *Do-file 2* (empirical analysis) (it could be a single do-file if you prefer)
- *Report*, including: i) definition of the RQ, ii) description of the data and diagnostic tests, iii) analysis of regression outputs, iv) Tables and Figures to support the analysis (in Appendix)

Students must organize themselves into groups of 2 to 3 students.