

## **FINA 6014: Doctoral Seminar in Investments**

**SPRING 2026**

**PROFESSOR:** Ian Liu, Ph.D., CFA  
**OFFICE:** BLB358H  
**CLASS:** Wed 11:00-1:50 BLB065  
**OFFICE HOURS:** Mon 10:00-11AM (Additional hours will be available by appointment)  
**E-MAIL:** [Ian.Liu@UNT.edu](mailto:Ian.Liu@UNT.edu)

### **Course Objective:**

In this course, we will review, learn, criticize and debate about important developments in investment research. Through the course, I hope to help you find passion in both investment and research, and to discover original research ideas. When you find a passion and an interesting topic to fill the gap in the literature, your term paper could evolve to become the starting point of your dissertation or publications.

“Stock return” is one of the major themes of investment research. Through this course, we hope to understand, and hopefully contribute to the understanding, of the behavior of stock return (and investors), across securities and through time.

### **Teaching Style and Philosophy**

Before each lecture, I will pose some challenging and thought-provoking questions for the relevant topic. You are encouraged to brainstorm and propose your own solutions. You are NOT encouraged to simply memorize or recycle solutions from other researchers. Then we will learn from the literature how other researchers have approached the same problem. Their approaches will lend us ideas and their solutions might not be complete. Standing on their shoulders, we will add our contribution to the chain of knowledge.

I also believe it is hard to be a good investment researcher if you don't invest yourself. You need to have a feeling and appetite for the market, which leads to curiosity, and curiosity is the natural starting point of research.

## Course Description

We learn investment research by studying classic papers and recent research in this field. A Reading list will be assigned. Students are required to read the papers before we discuss each topic. Students need to write **an enhanced referee report** for the paper assigned for each topic (they are **bold** in your reading list. **One** written report **per topic** is required). The Professor will ask questions and invite discussions during lectures. Classroom participation in the classroom is important for the grade.

The enhanced referee report is due before we discuss the related topic in each class. First part of the report is a standard referee report. It should include a summary of the paper, the merits and flaws of the paper and your comments. However, “reading and understanding a paper” is just half of game. More important, you should be able to relate the paper to current issues and events in investment. The second part is how you can “borrow” the ideas and methodologies from the paper to address these issues. The report should be about 1-2 pages, single spaced. Every student is expected to present five reports in class (the paper to present will be assigned.) The presentation is about 20 minutes. Active discussions and participations are required for everyone.

Each student will also present two comprehensive literature review of two assigned topics. The literature review presentation is about 45 minutes. A literature review is a comprehensive study of important works in the area, presented in an organized approach (organized by issues/thoughts, not just by time). Please use Chan and Lakonishok (2004) “Value and Growth Investing: Review and Update” as an example. The literature review must NOT be limited to the reading list. It is supposed to cover the whole body of work in that field.

Exams usually are essay questions related to topics and papers we discussed. They test your understanding of basic concepts and ideas in investment research.

The term paper is a formal research proposal, and hopefully will lead to your dissertation or other publications. The term paper is essential for this course.

Academic reading, and the hobby of reading, are the foundation of research. You should form the habit of reading at least 2 current journal papers and 2 classic journal papers each week, if not each day. You should also read the *WSJ* every day and pay attention to the financial market constantly.

### Suggested book:

Copeland, T.A., J.F. Weston, and Shastri, *Financial Theory and Corporate Policy*, Fourth edition, Pearson Addison-Wesley Publishing Company, 2005.

## Grading:

- Enhanced referee report and presentations: 10% (5% for written report and 5% for presentations)
- Class participation: 5%
- Comprehensive Literature Review: 10%
- Term Paper: 45%
- Midterm: 15%
- Final: 15%

## Scale

- A = 90 – 100
- B = 80 – 89.9
- C = 70 – 79.9
- D = 60 – 69.9
- F = 0 – 59.9

I will try to adhere to the above grading scale but **I reserve the right to deviate from it**. I don't negotiate grades. You earn them.

## DROPPING THE COURSE

Students wishing to drop a class should visit the Registrar's website for assistance:

<https://registrar.unt.edu/registration/dropping-class>

There are different procedures depending on whether the class is dropped before or after the census date for the term.

## DISABILITY ACCOMMODATION

UNT makes reasonable academic accommodation for students with disabilities. Students seeking accommodation must first register with the Office of Disability Accommodation (ODA) to verify their eligibility. If a disability is verified, the ODA will provide a student with an accommodation letter to be delivered to faculty to begin a private discussion regarding one's specific course needs. Students may request accommodations at any time, however, ODA notices of accommodation should be provided as early as possible in the semester to avoid any delay in implementation. Note that students must obtain a new letter of accommodation for every semester and must meet with each faculty member prior to implementation in each class. For additional information see the ODA website (<https://disability.unt.edu/>).

## **ACADEMIC DISHONESTY**

The G. Brint Ryan College of Business takes academic honesty seriously. Ethics and integrity are important business values, essential to building trust and adhering to both professional and legal standards. Academic dishonesty destroys trust, damages the reputation and the value of the degree and is unacceptable.

According to UNT Policy 06.003, Student Academic Integrity, academic dishonesty occurs when students engage in behaviors including, but not limited to cheating, fabrication, facilitating academic dishonesty, forgery, plagiarism, and sabotage. A finding of academic dishonesty may result in a range of academic penalties or sanctions from admonition (a warning) to expulsion from the University.

Some of the most common examples of academic integrity violations include plagiarism or cheating, such as unauthorized assistance on examinations, homework, research papers or case analyses. Your work must be entirely your own. When working on assignments, you should not discuss your work with others unless approved by the course instructor. Group assignments should only be discussed with members assigned to your group, and all group members may be held accountable in some way for known academic integrity violations in a group assignment.

Another example of academic dishonesty relates to improper attribution. When preparing your assignments, you must cite all outside sources in the manner requested by your instructor. Copying or using material from any source prepared by or previously submitted by others, at UNT or other institutions, or downloaded from the Internet, is plagiarism. Unless directed otherwise in an assignment, large scale “cutting and pasting” from other sources, even if properly footnoted, is not appropriate. You should synthesize this material in your own words and provide a footnote.

Your instructor will specify what materials, if any, may be used on the tests and exams.

Using materials other than those permitted, talking with other individuals during the exam, individuals exchanging information about an exam when one has taken the exam and the other has not, or copying or using material from another individual’s exam is academic dishonesty and will result in a meeting to discuss academic integrity violations and potentially issue sanctions mentioned above, and may result in ineligibility for academic scholarships. The use of online assistance, such as sites commonly used for finding homework solutions, group chat, cell phones, smart watches, and similar tools during exams is not allowed for any reason unless specifically permitted. No portion of an exam may be copied or photographed without permission.

Students are expected to conduct themselves in a manner consistent with the University's status as an institution of higher education. A student is responsible for responding to a request to discuss suspected academic dishonesty when issued by an instructor or other University official. If a student fails to respond after a proper attempt at notification has been made, the University may take appropriate academic actions in the absence of the student’s participation.

## **STUDENT PERCEPTIONS OF TEACHING (SPOT)**

Student feedback is important and an essential part of participation in this course. The student evaluation of instruction is a requirement for all organized classes at UNT. The SPOT survey will be made available during **weeks 13 and 14** of the long semesters to provide students with an opportunity to evaluate how this course is taught. Students will receive an email from "UNT SPOT Course Evaluations via *IASystem* Notification" ([no-reply@iasystem.org](mailto:no-reply@iasystem.org)) with the survey link. Please look for the email in your UNT email inbox. Simply click on the link and complete your survey. Once you complete the survey you will receive a confirmation email that the survey has been submitted. For additional information, please visit the spot website at [www.spot.unt.edu](http://www.spot.unt.edu) or email [spot@unt.edu](mailto:spot@unt.edu).

## **EAGLE CONNECT ACCOUNT**

All students should activate and regularly check their EagleConnect (e-mail) account. EagleConnect is used for official communication from the University to students. Many important announcements for the University and College are sent to students via EagleConnect. For information about EagleConnect, including how to activate an account and how to have EagleConnect forwarded to another e-mail address, visit <https://eagleconnect.unt.edu/>

## **EMERGENCY EVACUATION PROCEDURES FOR BUSINESS LEADERSHIP BUILDING:**

- **Severe Weather** In the event of severe weather, all building occupants should immediately seek shelter in the designated shelter-in-place area in the building. If unable to safely move to the designated shelter-in-place area, seek shelter in a windowless interior room or hallway on the lowest floor of the building. All building occupants should take shelter in rooms 055, 070, 090, and the restrooms on the basement level or in rooms 170, 155, and restrooms 122, 182 or 183 on the first floor.
- **Bomb Threat/Fire** In the event of a bomb threat or fire in the building, all building occupants should immediately evacuate the building using the nearest exit. Once outside, proceed to the designated assembly area. If unable to safely move to the designated assembly area, contact one or more members of your department or unit to let them know you are safe and inform them of your whereabouts. Persons with mobility impairments who are unable to safely exit the building should move to a designated area of refuge and await assistance from emergency responders. All building occupants should immediately evacuate the building and proceed to the south side of Crumley Hall in the grassy area, west of parking lot 24.

### Schedules (Tentative)

Week	Date	Content
1	1/14	<b>Overview, major topics in investing</b>
2	1/21	<b>Equity premium</b>
3	1/28	<b>Cross-sectional stock returns</b>
4	2/4	<b>Value premium puzzle and value investing</b>
5	2/11	<b>Value premium puzzle and value investing</b>
6	2/18	<b>Efficient Market Hypothesis and Behavioral Finance</b>
7	2/25	<b>Efficient Market Hypothesis and Behavioral Finance</b>
8	3/4	<b>Momentum</b>
9	3/11	<b>Spring break, No class</b>
10	3/18	<b>Midterm</b>
11	3/25	<b>Other Anomalies, <i>Term Paper Progress Report</i></b>
12	4/1	<b>Earnings and Analysts' Forecasts</b>
13	4/8	<b>Dividends, Repurchase, Capital structure and Implications for Investors</b>
14	4/15	<b>Profitability and stock return</b>
15	4/22	<b>A Random walk in Research</b> <i>Term Paper Due</i>
16	4/29	<b>Term Paper Presentation</b>
17	5/6	<b>Final Exam</b>

### Literature Review Topics

1. Equity premium puzzle
2. Value premium puzzle
3. Small size premium puzzle
4. Momentum
5. Analysts' forecast
6. Profitability and stock returns
7. Short sell
8. Student proposed topic

## **Mini Empirical study Projects:**

### **Investigation of Calendar Month Effects on Stock Market Returns**

#### **Abstract**

The phenomena of the January and December effects are well-documented within financial literature, suggesting a seasonal pattern in stock market returns linked to specific calendar months. However, the impact of other months, particularly those coinciding with quarterly earnings reports (April, July, and October) and variations in weather (warmer vs. colder months), on stock returns remains underexplored. Does the pattern of our planet orbiting the sun have anything to do with investors behavior and stock return? This study aims to empirically analyze the relationship between stock market returns and the calendar month, while also examining how these effects may vary among different types of firms.

#### **Objectives**

Objective 1: Empirical Analysis of Overall Stock Returns and Calendar Months: Conduct a comprehensive study to explore the overall relationship between stock market returns and calendar months, considering potential anomalies and their implications on investment strategies.

Objective 2: Subsample Analysis by Firm Characteristics: Investigate how the calendar month effects differ among various types of firms, categorizing them by size (e.g., Big vs. Small) and investment style (e.g., Growth vs. Value). This analysis aims to uncover whether certain firm attributes influence the magnitude or direction of seasonal patterns in stock returns.

Objective 1 is required. Objective 2 is optional

#### **Methodology**

Data Collection: CRSP should be sufficient for objective 1. You need financial data from COMPUSTAT and other database for objective 2

#### **Empirical Study Design:**

Step 1: simple comparable analysis presented in table and figures, illustrating the overall relationship between stock return and calendar month

Step 2: Utilize statistical models to evaluate the relationship between stock returns and calendar months. This will include regression analyses to test the significance of monthly effects.

Step 3: Subsample Analysis: Segment the data based on firm characteristics (size, investment style) to identify differential impacts of calendar effects.

Step 1 is required, 2 and 3 are optional

## **Discussion**

**Theoretical Framework:** Integrate existing theories on investor sentiment, behavioral finance, and market efficiency to frame the analysis. Discuss how anomalies related to calendar months might challenge or align with these theories.

**Hypothesis Development:** Formulate hypotheses based on the theoretical framework and preliminary data observation. Hypotheses should address expected findings related to the overall calendar month effect and its variations among different types of firms.

**Results Summary:** Present findings from both the general and subsample analyses. Include tables, graphs, and statistical summaries to illustrate the patterns identified and their potential implications for investors and market strategists.

**Code Presentation:** Provide the SAS, Stata or Python code used for data analysis, ensuring it is well-commented in every step to explain the processes and methodologies applied.

## **Conclusion**

Summarize the key findings and their relevance to both academic understanding and practical investment strategies. Discuss limitations of the current study and propose directions for future research to further explore calendar effects on stock market returns.

## **Timeline**

Finish the project and present on April 22<sup>nd</sup>.

## Reading List by topics (Tentative)

### 1. Overview

Merton Miller, 2000, The History of Finance: An Eyewitness Account, *Journal of Applied Corporate Finance* 13 (2), 8-14.

Fama, E.F., 2014. Two pillars of asset pricing. *American Economic Review*, 104(6), pp.1467-1485.

History of Finance: American Finance Association website

### 2. Equity premium

Fama, Eugene F. and French, Kenneth R., 2002, The Equity Premium, *Journal of Finance* 57, 637-659

Siegel, Jeremy J., and Richard H. Thaler, Anomalies: The Equity Premium Puzzle, *The Journal of Economic Perspectives*, Vol. 11, No. 1 (Winter, 1997), pp. 191-200.

Siegel, Jeremy J., 1999, The shrinking equity premium, *Journal of Portfolio Management* 26, 10-17.

Siegel, Jeremy J., 1992, The Equity Premium: Stock and Bond Returns Since 2002, *Financial Analysts Journal*, 48, 28-38.

Siegel, Jeremy J., 1998, *Stocks for the Long Run*, New York: McGraw-Hill

### 3. Cross-sectional stock returns

Fama, Eugene F. and French, Kenneth R., 1992, The Cross-Section of Expected Stock Returns, *Journal of Finance*, 47 (June 1992), 427-465.

Banz, Rolf W., 1981, The relationship between return and market value of common stocks, *Journal of Financial Economics*, 3-20.

### 4. Value premium puzzle and value investing

Chan, Louis K. C. and Josef Lakonishok, 2004, Value and Growth Investing: Review and Update, *Financial Analysts Journal*, Vol. 60, No. 1, 71-86

Fama, Eugene F. and French, Kenneth R., 2007, "The Anatomy of Value and Growth Stock Returns," *Financial Analysts Journal* 63, 44-54.

Lakonishok, Josef, Andrei Shleifer, Robert W. Vishny, 1994, "Contrarian Investment, Extrapolation, and Risk", *The Journal of Finance*, Vol. 49, No. 5, 1541-1578

Piotroski, J. (2000). "Value Investing: The Use of Historical Financial Statement Information to Separate Winners from Losers." *Journal of Accounting Research*, 38

Mohanram, P. 2005, "Separating Winners from Losers Among Low Book-to-Market Stocks Using Financial Statement Analysis." *Review of Accounting Studies*, 10, 133-170.

Basu, Sanjoy. 1977, Investment Performance of Common Stocks in Relation to Their Price-Earnings Ratios: A Test of the Efficient Market Hypothesis, *Journal of Finance*, vol. 32, no. 3 (June):663-682

John M. Griffin and Michael L. Lemmon, 2002, "Book-to-Market Equity, Distress Risk, and Stock Returns," *The Journal of Finance*, Vol. 57, No. 5, 2317-2336

Fama-French Data Library

Interview: Fama: [Why Small and Value Stocks Outperform](#)

## **5. Efficient Market Hypothesis and Behavioral Finance**

Fama, E. F. , 1970, "Efficient Capital Markets: A Review of Empirical Work," *Journal of Finance* 25: 383–417.

**Fama, E. F., 1991, "Efficient Markets: II," *Journal of Finance*, 46 ,1575-1617.**

**Campbell, John Y., and Robert J. Shiller, 1998, Valuation ratios and the long-run stock market outlook, *Journal of Portfolio Management* 24, 11–26.**

**Fama, E., 1998, Market efficiency, long-term returns, and behavioral finance, *Journal of Financial Economics* 49, 283-306.**

**De Bondt, W.F. and Thaler, R., 1985. "Does the stock market overreact?." *The Journal of finance*, 40, pp.793-805.**

Barberis, N., Shleifer, A., Vishny, R., 1998. "A model of investor sentiment," *Journal of Financial Economics* 49, pp. 307-343.

Daniel, K., Hirshleifer, D., Subrahmanyam, A., 1998. "Investor Psychology and Security Market Under- and Overreactions," *Journal of Finance*, 53, pp. 2039-2085.

## **6. Momentum**

**Jegadeesh, Narasimhan and Sheridan Titman , 1993, "Returns to Buying Winners and Selling Losers: Implications for Stock Market Efficiency", *The Journal of Finance*, Vol. 48, No. 1 ,65-91**

**Asness, C. S. ,1997. The interaction of value and momentum strategies. *Financial Analysts Journal*, 29-36.**

Chan, L. K., Jegadeesh, N., & Lakonishok, J. ,1996, Momentum strategies. *The Journal of Finance*, 51(5), 1681-1713.

Carhart , Mark M., 1997, "On Persistence in Mutual Fund Performance", *Journal of Finance*, 52, 57-82.

Hong, Harrison, and Jeremy C. Stein. "A unified theory of underreaction, momentum trading, and overreaction in asset markets." *The Journal of finance*, 54, no. 6 (1999): 2143-2184.

## **7. Other Anomalies**

**Chen, Honghui and Vijay Singal, 2003, A December Effect with Tax-Gain Selling? *Financial Analysts Journal*, 59, 78-90**

Boehmer, E., Jones, C. M., Wu, J., & Zhang, X. (2020). What do short sellers know?. *Review of Finance*, 24(6), 1203-1235.

## **8. Earnings and Analysts' Forecasts**

**Fama, Eugene F. and French, Kneth R., 2000, Forecasting Profitability and Earnings, *Journal of Business*, 72 (April)**

**Fama, E. F., & French, K. R. ,1995, Size and book to market factors in earnings and returns, *The Journal of Finance*, 50(1), 131-155.**

Porta,, Rafael La, 1996, " Expectations and the Cross-Section of Stock Returns," *the Journal of finance* . 51, 1716-1742

Doukas, J. A., Kim, C. F., & Pantzalis, C. (2002). A Test of the Errors-in-Expectations Explanation of the Value/Glamour Stock Returns Performance: Evidence from Analysts' Forecasts. *The Journal of Finance*, 57(5), 2143-2165.

Chan, L. K., Karceski, J., & Lakonishok, J. (2003). The level and persistence of growth rates. *The Journal of Finance*, 58(2), 643-684.

## **9. Dividends, Repurchase, Capital structure and Implications for Investors**

**Fama, Eugene F. and French, Kneth R., 2001, Disappearing dividends: Changing firm characteristics or lower propensity to pay? *Journal of Financial Economics* 60, 3-43.**

Modigliani, F. and M. Miller (1958) "The Cost of Capital, Corporation Finance and the Theory of Investment," *American Economic Review*, June 1958, 261-297.

## **10. Profitability and stock return**

**Novy-Marx, Robert, 2013, The Other Side of Value: The Gross Profitability Premium, *Journal of Financial Economics*, 108, 1-28.**

Fama, Eugene F., and Kenneth R. French, 2006, Profitability, investment and average returns, *Journal of Financial Economics* 82, 491-520.

Fama, Eugene F. and Kenneth R. French, 2015, A Five-Factor Asset Pricing Model, *Journal of Financial Economics*, 116, 1-22.