FINA 6014: Doctoral Seminar in Investments

SPRING 2022

PROFESSOR: Ian Liu, Ph.D., CFA
OFFICE: BLB358F
CLASS: Wed 2:00-4:50 BLB389
OFFICE HOURS: Wed 10:00-11:30 AM (Additional hours will be available by appointment)
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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 investment and research, and to discover topics in your own original investment research. When you find a passion and an interesting topic to fill the gap of 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, across securities and through time.

Teaching Style and Philosophy

Before each lecture, I will pose some challenging and interesting questions for the relevant topic. You are encouraged to brainstorm and propose your own solutions, or your own approach to the solution. You are NOT encouraged to simply memorize or recycle solutions of other researchers. Then we will learn from 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 researcher on investment if you don’t invest yourself. You need to have a feeling and passion of the market, which leads to curiosity, and curiosity is the natural starting point of research.
Course Description

We learn investment research from studying classic papers and recent researches in this field. Reading list will be assigned. Students are required to read the papers before we discuss each topic. Students need to write a review for the paper assigned for each topic (they are highlighted in your reading list. One review per topic is required) and present them in class. Professor will ask questions and invite discussions during lecturing. The participation in the classroom is important for the grade.

The paper review is due before we discuss the related topic each class. First part of the review is a 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 with current issues and events in investment. So, the second part is how you can “borrow” the ideas and methodologies from the paper to address these issues. The review should be about 1-2 pages, single space. Every student is expected to present four reviews in class. The presentation is about 20 to 30 minutes. Active discussions and participations are required for everyone.

Each student will also present a literature review of an assigned topic.

Exams usually are essay questions related with topics and papers we discussed. It tests your understanding of basic concepts and ideas in investment research.

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

Suggested book:


Grading:

- Paper review and presentations: 15% (10% for written review and 5% for presentations)
- Class participation: 5%
- Literature Review: 5%
- 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 ACCOMODATION

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.

COVID RELATED POLICY AND INFORMATION

UNT Return to Learn website
https://vpaa.unt.edu/return

UNT COVID guidelines website
https://healthalerts.unt.edu/covid-guidelines

Please use this website for isolation, quarantine and masking guidance if you have a confirmed positive COVID-19 test result or have been exposed to someone with COVID-19.

Please use the COVID-19 Positive Reporting form on this website to self-report a positive COVID test result and e-mail COVID@unt.edu for other questions or to report COVID exposure/symptoms.
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) 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 or email 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.
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**Literature Review Topics**

1. Equity premium puzzle
2. Small size premium puzzle
3. Momentum
4. Analysts’ forecast
5. Profitability and stock returns
Reading List by topics (Tentative)

1. Overview


History of Finance: American Finance Association website

2. Equity premium


3. Cross-sectional stock returns


4. Value premium puzzle and value investing


Fama-French Data Library

Interview:  Fama: Why Small and Value Stocks Outperform

5. Efficient Market Hypothesis and Behavioral Finance


6. Momentum


7. Other Anomalies


8. Earnings and Analysts’ Forecasts


Porta,, Rafael La, 1996, “ Expectations and the Cross-Section of Stock Returns,” the Journal of Finance . 51, 1716-1742


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


10. Profitability and stock return

