

## **FIN 750: Seminar in Empirical Investment (Spring 2019)**

**Monday & Wednesday, 8:30am-11 am, Room TBD**

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### **Course Overview and Objectives**

FIN 750 is a doctoral course focusing on recent empirical investments research. This course aims to provide a solid background on the current investments literature and the tools to conduct empirical research related to investments.

### **Grading**

#### *Classroom Presentations and Participation (30%)*

Each class, I will assign 3 required reading papers. For each paper, I will assign a particular student to present and lead the discussion. Presentations should be professionally done in power point (or similar software) and include a brief summary of the relevant background literature, the paper's contribution to the literature, the data, the methodology, and the main findings. The presentation should be "news style" as opposed to "suspense novel" style (get to the point quickly, and then fill in the details). The presentation should end with a critique of the paper, questions, and ideas future research. The presenting student should upload his slides to Dropbox prior to class. All students (even those not presenting the paper) should come to class having read the papers in detail and prepared for discussion. Non-presenting students are expected to ask/answer question on the papers.

#### *Homework Assignments (20%)*

There are three graded homework assignments.

- The first will be a replication of Fama and French (2008). The objective of this assignment is to increase familiarity with CRSP, compustat, and classic asset pricing variables, become more comfortable with basic asset pricing regressions, and practice programming skills. (6% of final grade).
- The second will be a replication of Fama and French (2010). This project should increase familiarity with the mutual fund database, learn to conduct bootstrap simulations, and interpret different pieces of empirical evidence. (9% of final grade)
- The third will be a referee report. The objective of this assignment is to increase familiarity with the refereeing process and practice critically evaluating papers. (5% of final grade).

Additional Details on the assignments will be given later in the class.

#### *Pop quizzes (10%)*

Pop quizzes will occur throughout the semester. The purpose of the pop quizzes is to assess whether students read and understood the readings.

*Preliminary proposal (15%)*

Each student will present an original research idea related to a topic covered in class. The proposal should clearly outline the main research questions, how they will be tested, and, most importantly, how they contribute to the existing literature (i.e., the “so what” factor). The proposal should be no more than 5 pages including references.

*Final research paper draft (25%)*

The final research paper will incorporate comments from the proposal, and should look like a reasonably polished research paper.

**Critical Finance Review: Call for Replication-Extensions**

The Critical Finance Review is soliciting "replications with out-of-period extensions" for prominent financial economics papers. Given that these replication-extensions are intended merely to update the sample to 2018 with the very same techniques used in the original paper, they should be uncontroversial. For more details on the requirements, see here:

<http://cfr.ivo-welch.info/RFRE.html>

I will also accept a “replications with out-of-period extensions” for the final paper in my class provided that it 1) meets all the CFR requirements and 2) is on a topic that relates to material covered in this class.

### Save the date(s)

Below is a *very tentative* schedule to follow. *Please note that all dates are subject to change* and are dependent upon the speed at which the material is covered in class as well as unforeseeable events.

<i>Date (Class #)</i>	<i>Material Covered</i>
Wed., January 9 (1)	Asset Pricing Classics
Monday, January 14 (2)	Asset Pricing and Lots of Anomalies
Wed., January 16 (3)	Mutual Fund Performance & Persistence
Monday, January 21	No Class (MLK Day). Assignment #1 Due.
Wed, January 23 (4)	Hedge Fund Performance & Persistence
Monday, January 28 (5)	Cross-Sectional Differences in Fund Performance
Wed., January 30 (6)	Fund Flows: Determinants, Consequences, & Implications
Monday, February 4	No Class. Assignment #2 Due
Wed., February 6 (7)	Funds and Liquidity <b>[Farrell]</b>
Monday, February 11 (8)	Institutional Investor Governance & Activism
Wed., February 13 (9)	Fraud by Investment Managers & Financial Advisors <b>[Gerken]</b>
Monday, February 18 (10)	Analyst Investment Research
Wed., February 20	No Class. (Work on Proposal)
Monday, February 25 (11)	Analyst Conflicts of Interest & Moderating Forces
Wed., February 27 (12)	Analyst Impact on Financial Markets
Monday, March 4 (13)	Crowdsourced Investment Research <b>[Last Class]</b>
Friday, March 15	Referee Report Due.
Friday, March 22	Preliminary Proposals Due
Friday, April 12	Data section and preliminary tests (Write Up) Due
Friday, April 26	Final draft due

## Reading List

Articles in **Bold** are required. Each article in bold will be assigned to a student to present during the class time.

Articles that are not in bold are optional readings for students interested in digging deeper into the area. For each section (with the exception of Asset Pricing), I have also included recommended survey papers which provide a more extensive overview of related literature.

### Part 0: General Information Helpful for Academic Career

The articles below offer general tips for writing papers, refereeing papers, and conducting job searches. We will not have a formal discussion of any of the papers. However, when we have extra class time, I will comment on some of the articles. I'd encourage you to read all of the articles over the winter break.

Advice for Writing a Paper:

- Cochrane, J., 2005. Writing tips for PhD students. Working paper.

Advice for Refereeing a Paper:

- Berk, J., Harvey, C., and Hirshleifer, D., 2015. Preparing a Referee Report: Guidelines and Perspectives. Working Paper.
- Berk, J., Harvey, C., and Hirshleifer, D., 2017. How to Write an Effective Referee Report and Improve the Scientific Review Process. *Journal of Economic Perspectives* 31 (1), 231-244.
- Ferson and Matsusaka, 2013. Tips on Writing a Referee's Report. *Rev. Bas. Finanzas* 11 (1), 1-8.

How Noisy is the Review Process?

- Welch, I., 2014. Referee Recommendations. *Review of Financial Studies* 27(1), 2773-2804.

Tips for the Job Market:

- Butler, A., and Crack, T., 2004. The Academic Job Market in Finance: A Rookie's Guide. Working paper.
- Butler, A., and Crack, T., 2012. The Academic Job Market in Finance: An Updated Rookie's Guide. Working paper.
- Illiev, P., 2018. Finance Job Market Advice. Working Paper.

## Part 1: A Very Basic Overview of Empirical Asset Pricing

### 1. Asset Pricing Classics (Wednesday, January 9<sup>th</sup>)

- Fama, Eugene F., and Kenneth R. French, 1992, The cross-section of expected stock returns, *Journal of Finance* 47, 427-465.
- Jegadeesh, Narasimhan, and Sheridan Titman, 1993, Returns to buying winners and selling losers: Implications for stock market efficiency, *Journal of Finance* 48, 65-91.
- Fama, Eugene F., and Kenneth R. French, 2015, A five-factor asset pricing model, *Journal of Financial Economics* 116(1), 1-22.
- Fama, Eugene F., and James D. MacBeth, 1973, Risk, return, and equilibrium: Empirical tests, *Journal of Political Economy* 81, 607-636.
- Pastor, Lubos, and Robert F. Stambaugh, 2003, Liquidity risk and expected stock returns, *Journal of Political Economy* 111, 642-685.
- Fama, Eugene F., and Kenneth R. French, 1993, Common risk factors in the returns on stocks and bonds, *Journal of Financial Economics* 33, 3-56.
- Lakonishok, J., Shleifer, A., and Vishny, R. W., 1994, Contrarian investment, extrapolation, and risk, *The journal of finance*, 49(5), 1541-1578.
- Jegadeesh, Narasimhan, and Sheridan Titman, 2001, Profitability of momentum strategies: An evaluation of alternative explanations, *Journal of Finance* 56, 699-720.
- Amihud, Y., and Mendelson, H., 1986, Asset pricing and the bid-ask spread, *Journal of financial Economics*, 17(2), 223-249.
- Sadka, Ronnie, 2006, Momentum and post-earnings announcement drift anomalies: The role of liquidity risk, *Journal of Financial Economics* 80, 309-349.

### 2. Asset Pricing and Lots of Anomalies (Monday, January 14<sup>th</sup>)

- Fama, E. F., and French, K. R., 2008, Dissecting anomalies, *The Journal of Finance* 63(4), 1653-1678.
- McLean, R. David and Pontiff, Jeffrey, 2016, Does Academic Research Destroy Stock Return Predictability? *Journal of Finance* 71 (1), 1-28.
- Harvey, C., Liu, Y., and Zhu, H., 2016, ... and the Cross-Section of Expected Returns, *Review of Financial Studies* 29, 52-72.
- Fama, Eugene F., and Kenneth R. French, 2016, Dissecting Anomalies with a Five-Factor Model, *Review of Financial Studies* 29 (1), 69-103.
- Engelberg, Joseph, McLean, R. David and Pontiff, Jeffrey, 2018. Anomalies and News. *Journal of Finance* 73 (6), 1971-2001.

## Part 2: Mutual Funds and Hedge Funds

- See Elton and Gruber (2011) for a survey of the mutual fund literature.
- See Aggarwal, Mullaly, and Naik (2015) for a survey of the hedge fund literature.

### 3. Mutual Fund Performance & Persistence (Wednesday, January 16<sup>th</sup>)

- Carhart, Mark M., 1997, On persistence in mutual fund performance, *Journal of Finance* 52, 57-82.
- Daniel, K., Grinblatt, M., Titman, S., and Wermers, R., 1997, Measuring mutual fund performance with characteristic-based benchmarks, *Journal of Finance*, 1035-1058.
- Fama, Eugene F., and French, K. R., 2010, Luck versus skill in the cross-section of mutual funds, *Journal of Finance* 63, 1653-1678.
- Berk, J. B., and Green, R. C., 2004, Mutual fund flows and performance in rational markets, *The Journal of Political Economy*, 112(6), 1269-1295.
- Malkiel, B. G., 1995, Returns from Investing in Equity Mutual Funds 1971 to 1991, *Journal of Finance*, 50(2), 549-572.
- Kosowski, R., Timmermann, A., Wermers, R., and White, H., 2006, Can mutual fund “stars” really pick stocks? New evidence from a bootstrap analysis, *The Journal of finance*, 61(6), 2551-2595.
- Berk, J. B., and Van Binsbergen, J. H., 2015, Measuring skill in the mutual fund industry, *Journal of Financial Economics*.

### 4. Hedge Fund Performance & Persistence: (Wednesday, January 23<sup>rd</sup>)

- Kosowski, Robert, Narayan Y. Naik, and Melvyn Teo, 2007, Do Hedge Funds Deliver Alpha? A Bayesian and Bootstrap Analysis, *Journal of Financial Economics*, 84(1), 229-264
- Griffin, J. M., and Xu, J., 2009, How smart are the smart guys? A unique view from hedge fund stock holdings, *Review of Financial Studies*, 22(7), 2531-2570.
- Aiken, A. L., Clifford, C. P., and Ellis, J., 2013, Out of the dark: Hedge fund reporting biases and commercial databases, *Review of Financial Studies*, 26(1), 208-243 .
- Vikas Agarwal, Vyacheslav Fos, and Wei Jiang, 2013, Inferring Reporting-Related Biases in Hedge Fund Databases from Hedge Fund Equity Holdings, *Management Science*, 59(6):1271-1289.
- Dichev, I. D., and Yu, G., 2011, Higher risk, lower returns: What hedge fund investors really earn, *Journal of Financial Economics*, 100(2), 248-263.
- Asness, C., Krail, R., and Liew, J., 2001, Do hedge funds hedge? *The Journal of Portfolio Management*, 28, 6-19.
- Fung, W., & Hsieh, D. A., 2000, Performance characteristics of hedge funds and commodity funds: Natural vs. spurious biases, *Journal of Financial and Quantitative Analysis*, 35(03), 291-307.

- Agarwal, V., and Naik, N. Y., 2004, Risks and portfolio decisions involving hedge funds, *Review of Financial studies*, 17(1), 63-98.
- Jagannathan, R., Malakhov, A., and Novikov, D., 2010, Do hot hands exist among hedge fund managers? An empirical evaluation, *The Journal of Finance*, 65(1), 217-255.
- Agarwal, V., and Naik, N. Y., 2000, Multi-period performance persistence analysis of hedge funds, *Journal of financial and quantitative analysis*, 35(03), 327-342.
- Baquero, G., Ter Horst, J., and Verbeek, M., 2005, Survival, look-ahead bias, and persistence in hedge fund performance, *Journal of Financial and Quantitative Analysis*, 40(03), 493-517.

5. Cross Sectional Differences in Fund Performance (Monday, January 28<sup>th</sup>)

A) *Mutual Funds:*

- **Amihud, Yakov, and Goyenko, Ruslan, 2013, Mutual Fund's  $R^2$  as Predictor of Performance. *Review of Financial Studies*, 667-694.**
- Kacperczyk, M., Sialm, C., and Zheng, L., 2008, Unobserved actions of mutual funds, *Review of Financial Studies*, 21(6), 2379-2416.
- Chevalier, J., Ellison, G., 1999. Are some mutual fund managers better than others? Cross-sectional patterns in behavior and performance, *Journal of Finance* 54, 875-899
- Kacperczyk, M., Sialm, C., and Zheng, L., 2005, On the industry concentration of actively managed equity mutual funds, *The Journal of Finance*, 60(4), 1983-2011.
- Chen, J., Hong, H., Huang, M., and Kubik, J. D., 2004, Does fund size erode mutual fund performance? The role of liquidity and organization, *American Economic Review*, 94(5), 1276-1302.
- Cremers, K. M., and Petajisto, A., 2009, How active is your fund manager? A new measure that predicts performance, *Review of Financial Studies*, 22(9), 3329-3365.
- Jordan, Bradford D. and Riley, Timothy B., 2015, Volatility and Mutual Fund Manager Skill, *Journal of Financial Economics*, Forthcoming.
- Pástor, L., Stambaugh, R. F., and Taylor, L. A., 2015, Scale and skill in active management, *Journal of Financial Economics*, 116(1), 23-45.
- Pastor, Lubos, Stambaugh, Robert F. and Taylor, Lucian A., 2015, Do Funds Make More When They Trade More? Working Paper.

B) *Hedge Funds:*

- **Agarwal, V., Daniel, N. D., and Naik, N. Y., 2009, Role of managerial incentives and discretion in hedge fund performance, *The Journal of Finance*, 64(5), 2221-2256.**
- **Titman, S., and Tiu, C., 2011, Do the best hedge funds hedge? *Review of Financial Studies*, 24(1), 123-168.**
- Fung, W., Hsieh, D. A., Naik, N. Y., and Ramadorai, T., 2008, Hedge funds: Performance, risk, and capital formation, *The Journal of Finance*, 63(4), 1777-1803.
- Jame, R., 2018, Liquidity Provision and the Cross-Section of Hedge Fund Returns, *Management Science* 64, 3288-3312
- Sun, Z., Wang, A., and Zheng, L., 2012, The road less traveled: Strategy distinctiveness

and hedge fund performance, *Review of Financial Studies*, 25(1), 96-143.

- Gao, G., Gao, P., and Song, Z., 2018. Do Hedge Funds Exploit Rare-Disaster Concerns? *Review of Financial Studies* 31(7), 2650-2692.
- Yu, L., and Teo, M., 2018. Do Alpha Males Deliver Alpha? Testosterone and Hedge Funds. Working Paper.

6. *Funds Flows: Determinants, Consequences, and Implications (Wednesday, January 30<sup>th</sup>)*

A) Mutual Funds

- **Barber, Brad M., Huang, Xing, Odean, Terrance, 2016, Which Risk Factors Matter to Investors? Evidence from Mutual Fund Flows, *Review of Financial Studies* 29, 2600-2642**
- **Clifford, Fulkerson, Jame, and Jordan, 2019, Salience and Mutual Fund Investor Demand for Idiosyncratic Volatility, working paper.**
- Chevallier, J., and Ellison, G., 1997, Risk taking by mutual funds as response to incentives, *The Journal of Political Economy*, 105(6), 1167-1200.
- Zheng, Lu, 1999, Is Money Smart? - An Investigation of Mutual Fund Investor's Fund Selection Ability, *The Journal of Finance*, 54(3), 901-933.
- Sirri, E. R., and Tufano, P., 1998, Costly search and mutual fund flows, *Journal of finance*, 1589-1622.
- Spiegel, M., and Zhang, H., 2013, Mutual fund risk and market share-adjusted fund flows, *Journal of Financial Economics*, 108(2), 506-528.
- Coval, J., and Stafford, E., 2007, Asset fire sales (and purchases) in equity markets, *Journal of Financial Economics*, 86(2), 479-512.
- Frazzini, A., and Lamont, O. A., 2008, Dumb money: Mutual fund flows and the cross-section of stock returns, *Journal of Financial Economics*, 88(2), 299-322.
- Lou, D., 2012, A flow-based explanation for return predictability. *Review of Financial Studies* 25, 3457-3489
- Evans, R., and Y. Sun, 2018, Models or Stars: The Role of Asset Pricing Models and Heuristics in Investor Risk Adjustment. Working Paper.
- Ben-David, I., Li, J., Rossi, A., and Song, Y., 2018. What Do Mutual Fund Investors Really Care About? Working paper.

B) Hedge Funds:

- **Agarwal, V., Green, T.C., and Ren, H., 2018. Alpha or beta in the eye of the beholder: What drives hedge fund flows? *Journal of Financial Economics* 127 (3), 417-434.**
- Lim, J., Sensoy, B., and Weisbach, M., 2016. Indirect incentives of hedge funds managers. *Journal of Financial Economics* 71, 871-918.
- Jorion, P., and Schwarz, C., 2016. Who are the smartest investors in the room? Evidence from US Hedge Funds Solicitation. Working Paper.
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7. Funds and Liquidity (Wednesday, Feb 6<sup>th</sup>)

Guest: Mike Farrell

A) Mutual Funds:

- Farrell, M., 2018. **Read Between the Filings: Daily Mutual Fund Holdings and Liquidity Provision.** Working paper.
- Agarwal, V., and Zhao, H., 2018. **Interfund lending in mutual fund families: Role of internal capital markets.** *Review of Financial Studies*, forthcoming.
- Edelen, R. 1999. Investor flows and the assessed performance of open-end mutual funds. *Journal of Financial Economics* 53: 439–66.
- Goldstein, I., H. Jiang, and D. T. Ng. 2017. Investor flows and fragility in corporate bond funds. *Journal of Financial Economics* 126: 592–613.
- Coval, J., and E. Stafford. 2007. Asset fire sales (and purchases) in equity markets. *Journal of Financial Economics* 86: 479–512.

B) Hedge Funds:

- Aiken, A. L., Clifford, C. P., and Ellis, J. A., 2015, **Hedge funds and discretionary liquidity restrictions**, *Journal of Financial Economics*, 116(1), 197-218.
- Aragon, G. O., 2007, Share restrictions and asset pricing: Evidence from the hedge fund industry, *Journal of Financial Economics*, 83(1), 33-58.
- Sadka, R., 2010, Liquidity risk and the cross-section of hedge-fund returns, *Journal of Financial Economics*, 98(1), 54-71.
- Teo, M., 2011, The liquidity risk of liquid hedge funds, *Journal of Financial Economics*, 100(1), 24-44.
- Jylhä, P., Rinne, K., and Suominen, M., 2014, Do Hedge Funds Supply or Demand Liquidity? *Review of Finance*, 18(4), 1259-1298.
- Aiken A. L., Clifford C. P., Ellis J. A., and Huang Q., 2015, Funding Risk, Patient Capital, and the Dynamics of Hedge Fund Lockups, Working Paper.
- Agarwal, V., Aragon, G. O., and Shi, Z., 2015, Funding liquidity risk of funds of hedge funds: Evidence from their holdings, CFR Working Paper.
- Jame, R., 2018, Liquidity Provision and the Cross-Section of Hedge Fund Returns, *Management Science* 64, 3288-3312

8. Institutional Investor Governance & Activism (Monday, Feb 11<sup>th</sup>)

A) Mutual Funds:

- Appel, Ian, Gormley, Todd A. and Keim, Donald B., 2015. **Passive Investors, Not Passive Owners**, *Journal of Financial Economics*.
- McCahery, J., Sautner, Z., and Starks, L., 2016. **Behind the Scenes: The Corporate Governance Preferences of Institutional Investors**, *Journal of Finance* 71, 2905-2932.
- Dimmock, Stephen G., Gerken, William Christopher, Ivkovich, Zoran and Weisbenner, Scott J., 2015, Capital Gains Lock-In and Governance Choices, Working Paper.
- Fich, Eliezer M., Harford, Jarrad, and Tran, Anh L., 2015, Motivated Monitors: The

Importance of Institutional Investors' Portfolio Weights, *Journal of Financial Economics*, Forthcoming.

- Hartzell, J. C., and Starks, L. T., 2003, Institutional Investors and Executive Compensation, *The Journal of Finance*, 58(6), 2351–2374.

B) Hedge Funds:

- **Clifford, C. P., 2008, Value creation or destruction? Hedge funds as shareholder activists, *Journal of Corporate Finance*, 14(4), 323-336.**
- Brav, A., Jiang, W., Partnoy, F., and Thomas, R., 2008, Hedge fund activism, corporate governance, and firm performance, *The Journal of Finance*, 63(4), 1729-1775.
- Klein, A., and Zur, E., 2011, The impact of hedge fund activism on the target firm's existing bondholders, *Review of Financial Studies*, hhr016.
- Aslan, Hadiye and Kumar, Praveen, 2015, The Product Market Effects of Hedge Fund Activism, *Journal of Financial Economics*, Forthcoming.
- Jiang, Wei\_Kim, Hyunseob\_Brav, Alon, 2010, Hedge Fund Activism: A Review, *Foundations and Trends in Finance*, Vol. 4, No. 3, pp. 1-66,
- Brav, Alon, Jiang, Wei, and Kim, Hyunseob, 2013, The Real Effects of Hedge Fund Activism: Productivity, Asset Allocation, and Labor Outcomes, Working Paper.

9. *Fraud by Investment Managers and Financial Advisors (Wednesday, Feb 13th)*

*Guest: Will Gerken*

- **Dimmock, S. G., and Gerken, W. C., 2012, Predicting fraud by investment managers, *Journal of Financial Economics*, 105(1), 153-173.**
- **Dimmock, Stephen G., Gerken, William Christopher and Graham, Nathaniel P., 2018. Is Fraud Contagious? Career Networks and Fraud by Financial Advisors, *Journal of Finance* (73), 1417-1450.**
- **Dimmock, Stephen G., Gerken, William Christopher and Van Alfen, T., 2018. Real-estate shocks and financial advisor misconduct, Working Paper.**
- Brown, S., Goetzmann, W., Liang, B., and Schwarz, C., 2008, Mandatory disclosure and operational risk: Evidence from hedge fund registration, *The Journal of Finance*, 63(6), 2785-2815.
- Dimmock, Stephen G., Gerken, William Christopher, 2015, Regulatory Oversight and Return Misreporting by Hedge Funds, *Review of Finance*, Forthcoming.
- Bollen, N. P., and Pool, V. K., 2012, suspicious patterns in hedge fund returns and the risk of fraud, *Review of Financial Studies*, 25(9), 2673-2702.
- Clifford, Christopher P., Ellis, Jesse A. and Gerken, William Christopher, Hedge Fund Boards and the Market for Independent Directors, *Journal of Financial and Quantitative Analysis*, forthcoming.
- Egan, M., Matvos, G., and Seru, A., 2018. The Market for Financial Adviser Misconduct, *Journal of Political Economy*, forthcoming.

### Part 3: Analysts & Investment Research

Two Summary Papers:

- *Ramnath, S., Rock, S., & Shane, P. B., 2008, A review of research related to financial analysts' forecasts and stock recommendations.*
- *Bradshaw, M. T. (2011). Analysts' forecasts: what do we know after decades of work?. Available at SSRN 1880339.*

#### 10. Analyst Investment Research (Monday, Feb 18<sup>th</sup>)

- **Green, Jame, Markov, and Subasi, 2014, Access to management and the informativeness of analyst research, Journal of Financial Economics 114, 239-255.**
- **Brown, L. D., Call, A. C., Clement, M. B., and Sharp, N. Y., 2015, Inside the “Black Box” of Sell-Side Financial Analysts, Journal of Accounting Research, 53(1), 1-47.**
- **Crane, A., and Crotty, K., 2018, How Skilled are security analysts? Working Paper.**
- Womack, K. L., 1996 Do brokerage analysts' recommendations have investment value? Journal of finance, 137-167.
- Loh, R. K., and Stulz, R. M., 2011, When are analyst recommendation changes influential? Review of Financial Studies, 24(2), 593-627.
- Bradley, Daniel J., Gokkaya, Sinan and Liu, Xi, 2015, Before an Analyst Becomes an Analyst: Does Industry Experience Matter? Journal of Finance, Forthcoming.
- Clement, M. B., 1999, Analyst forecast accuracy: Do ability, resources, and portfolio complexity matter? Journal of Accounting and Economics, 27(3), 285-303.

#### 11. Analysts Conflicts of Interest and their Moderating Forces (Monday, Feb 25<sup>th</sup>)

- **Bradley, D., Jame, R., and Williams, J., 2018, Non-Deal Roadshows, Informed Trading, and Analyst Bias. Working Paper.**
- **Kempf, E., 2018, The Job Rating Game: Revolving Doors and Analyst Incentives. Journal of Financial Economics, forthcoming.**
- **Hong, H., and Kacperczyk, 2010, Competition and Bias, Quarterly Journal of Economics 125, 1683-1725.**
- Michaely, R., and Womack, K. L., 1999. Conflict of interest and the credibility of underwriter analyst recommendations. Review of Financial Studies 12, 653-686.
- Mehran, H., and Stulz, R. M., 2007. The economics of conflicts of interest in financial institutions. Journal of Financial Economics 85, 267-296.
- Ljungqvist, A., Marston, F., Starks, L. T., Wei, K. D., and Yan, H., 2007. Conflicts of interest in sell-side research and the moderating role of institutional investors. Journal of Financial Economics 85, 420-456.
- Lourie, B., 2018. The revolving door of sell-side analysts. The Accounting Review, forthcoming.

- Kadan, O., Madureira, L., Wang, R., and Zach, T., 2009. Conflicts of interest and stock recommendations: the effects of the global settlement and related regulations. *Review of Financial Studies* 22, 4189-4217.
- Fang, L., and Yasuda, A., 2009. The effectiveness of reputation as a disciplinary mechanism in sell-side research. *Review of Financial Studies* 22, 3735-3777.
- Jame, R., Markov, S., and Wolfe, M., 2018. Does Crowdsourced Research Discipline Sell-Side Analysts. Working paper.

12. Analysts Impact on Financial Markets (Wed, Feb 27<sup>th</sup>)

- **Kelly, B., and Ljungqvist, A., 2012, Testing asymmetric-information asset pricing models, *Review of Financial Studies*, 25(5), 1366-1413.**
- **Chen, T., Harford, J., & Lin, C. (2015). Do analysts matter for governance? Evidence from natural experiments. *Journal of Financial Economics*, 115(2), 383-410.**
- **Engelberg, J., McLean, R.D., and Pontiff, J., 2018, Analysts and anomalies. Working paper.**
- Green, Jame, Markov, and Subasi, 2014, Broker-Hosted Investor Conferences, *Journal of Accounting Economics* 58, 142-166.
- Derrien, F., and Kecskés, A., 2013, The real effects of financial shocks: Evidence from exogenous changes in analyst coverage, *The Journal of Finance*, 68(4), 1407-1440.
- He, J., and Tian, X., 2013. The Dark Side of Analyst Coverage: The Case of Innovation. *Journal of Financial Economics* 109 (3), 856-878.
- Bradley, D., Mao, C., and Chi Zhang, 2018. Does Analyst Coverage Affect Workplace Safety? Working paper.

13. Crowdsourced Investment Research (Monday, March 4<sup>th</sup>)

- **Chen, H., De, P., Hu, J., and Hwang, B.H., 2014. Wisdom of the crowds: The value of stock opinions transmitted through social media. *Review of Financial Studies* 27, 1367-1403.**
- **Farrell, M., Green, T.C., Jame, R., and Markov, S., 2018. The democratization of investment research: Implications for retail investor profitability and firm liquidity. Working paper.**
- **Jame, R., Markov, S., and Wolfe, M., 2018. Does Crowdsourced Research Discipline Sell-Side Analysts. Working paper.**
- Bartov, E., Faurel, L., and Mohanram, P., 2018. Can Twitter help predict firm-level earnings and stock returns? *The Accounting Review* 93(3), 25-57.
- Green, T.C., Huang, R., Wen, Q., and Zhou, D., 2018. Crowdsourced Employer Reviews and Stock Returns. *Journal of Financial Economics*, forthcoming.
- Jame, R., Johnston, R., Markov, S., and Wolfe, M., 2016. The value of crowdsourced earnings forecasts. *Journal of Accounting Research* 54, 1077-1110.