Seminar in Investments
FINA 6312-001. Tuesday 2-4:50pm, COBA 138
The course syllabus provides a general plan for the course; deviations may be necessary.

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Office Hours: I am willing to make appointments if you cannot meet during my office hours. I strongly encourage you to come by and see me if you need to do so.

Prerequisites: This course is for first and second year Ph.D. students interested in investments and financial economics. Exceptions are granted on an individual basis. Prior or concurrent course work in macroeconomics, microeconomics, mathematics, and statistics at the Ph.D. level are assumed as is successful completion of the seminar in theory of finance. Prior exposure to theoretical or empirical asset pricing is a plus but not required.

Course Objective: Research should be fascinating and packed with intellectual excitement. This course is a rigorous, quantitative, seminar course designed to introduce you to research opportunities in the area of investments. Each class is designed to familiarize you with current and important topics in the literature. The intent is to cover a large number of topics so that (hopefully) you will find topics that you like and may consider pursuing original research in that area.


Meetings: The class meets once per week for 15 weeks. The first class on 8/28 is an organizational meeting and minimal preparation is needed. The last class meeting is 12/11.

Additional Materials: Overheads and additional readings can be found on the class website (Blackboard).

Grading scale: Your grade will be computed relative to your classmates. Class GPA target is 3.5 (no +/-).

Assessment: Grades are based on two paper summaries and discussion (10%), three presentations (15%), paper replication (40%), and exam (35%).

Deliverables: Since this is a seminar class students will present the papers. Each week there will be 2-4 papers with most presented by students. Some of the papers, especially towards the
beginning of the course, are theoretical works but most are empirical in nature. Selected papers will be presented by one student and a class discussion will follow. All students are expected to contribute in the post presentation discussion. The class will help develop several skills necessary for a successful thesis and academic career:

- **Structured thinking:** the ability to summarize the important/essential contributions of a paper in a concise way, and to put them in perspective.
- **Critical thinking:** the ability to ask probing questions about the papers you read, to think about the suitability of the author’s approach, and to isolate key strengths and weaknesses of papers.
- **Creativity:** the ability to see existing research in a new light and to combine ideas from seemingly unrelated topics so as to create a new, original, research opportunity.
- **Presentation skills:** the ability to expose a set of ideas in a clear, concise, and well-organized way.

To facilitate the development of these skills there are five deliverables.

1. **Assignments.** Each week at least one student will be assigned to review one of the discussion papers. All of the assignments will have the same basic format.
   - A maximum of 2 pages. Times New Roman 11 pt font, 1.5 line spacing, and 1 inch margins all around. Include a header that identifies you, the papers covered, and the date.
   - The summary must add value beyond the abstract.
   - Value can be created by drawing connections between the papers (similarities and differences).
   - Value can also be created by formulating, in your own words, in a concise manner the key insights of the papers.
   - For empirical papers a review of the data sets and methodology may add value.
   - What are your thoughts on how this literature should proceed? That is, what research opportunities can you identify? If you were to write a paper based on the 2-3 papers (and all other papers in this class, prior classes, and your independent readings) what would be the main research questions?
   - In discussing potential research opportunities try to be as specific as possible. If you were to devote the summer to conducting research on this topic or were to pursue the idea as a dissertation topic what is really worth doing?

There are 16 assignments (mostly 1 or more papers per week). Late assignments not accepted. All work MUST be completed individually and must be original (see the section on academic dishonesty below). Copying from others or simply copying from the papers defeats the purpose of the course and robs you of the opportunity to develop
important skills necessary for a successful academic career. You will only be evaluated on the value you add.

2. Presentation. For selected class meetings there will be one or more paper presentations which will be assigned to students the first week of class. The presentation should include:
   - A short introduction and motivation (limit references)
   - Model setup and research question/hypothesis
   - Main results
   - Evaluation/critique of the paper which lasts 10 minutes.
   - Practice the presentation aloud at home and time it. Maximum number of slides is 10. Cut slides if you cannot present in 20 minutes.

   Think of the class meeting as a conference presentation session. You only have one shot at the presentation and the more you practice the more you are able to share in the allotted time. You will be penalized if you cannot complete the presentation in 20 minutes or do not manage to spend 5 minutes on the critical evaluation portion.

3. Participation. We will discuss each paper in depth. Students are expected to vigorously participate and lead these discussions. Since you have read the paper beforehand and have prepared a discussion document (the assignment), you are expected to actively participate.

4. Paper Replication. To be presented at the last meeting (scheduled final exam date). A 20 minute presentation briefly describing your replication paper. The replication paper will have the following
   - An introduction that motivates the topic and why the original research is important and was published in a quality journal.
   - Data section that includes descriptions of the variables of interest and how they are computed and how obtained (e.g. CRSP, Compustat, Morningstar, etc.)
   - Comparison of your results and the authors for the same and different sample periods.
   - Applicable tables (to be determined in advance – not all tables will be replicated).
   - Discussion on robustness of original paper’s results.
   - A discussion of why your results differ from the original (if there is a difference) and the path required to finalize the project to prepare for submission to a journal.

5. Exam. This is a take home essay. Will be assigned at the conclusion of the 10/23/2018 class meeting and is due at the beginning of the 11/6/2018 meeting (we will not meet on 10/30/2018).
Religious Holidays: Students who anticipate being absent from class due to a major religious observance must provide a written notice of the date(s) and event(s) to the instructor by the second meeting.

Students with Disabilities: If you have a disability, as defined by the Americans with Disabilities Act, that might impair your performance in this course, please inform me during the first week of class. You should also notify the Disability Resource Center at 272-3364 (www.uta.edu/disability).

Academic Dishonesty:
All students are expected to pursue their scholastic careers with honesty and integrity. It is the philosophy of this Department, this instructor, and the University of Texas at Arlington that academic dishonesty is a completely unacceptable mode of conduct and will not be tolerated in any form. All persons involved in academic dishonesty will be disciplined in accordance with University regulations and procedures. Discipline may include suspension or expulsion from the University. “Academic dishonesty includes, but is not limited to, cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, or any act designed to give unfair advantage to a student or the attempt to commit such acts.”

(Regents Rules and Regulations, Part One, Chapter VI, Section 3, Subsection 3.2, Subdivision 3.22) Institutional procedures regarding charges of academic dishonesty are outlined in Part II, Chapter 2, of the Handbook of Operating Procedures of The University of Texas at Arlington. Copies of the Handbook are available at more than 75 locations on campus, including the Student Congress office, the Library, and the Finance/Real Estate Department office.
Reading List and Class Schedule:

1. 9/1/2020 Getting Started
   b. Advice for Authors 1. http://jfe.rochester.edu/jointed.htm
   c. Advice for Authors 2: https://faculty.fuqua.duke.edu/~charvey/Research/Working_Papers/W111_Reflections_on_editing.pdf
   d. Preparing a Manuscript for Publication

2. 9/8/2020 Credibility and Replication
   d. 2019 Annual Meeting Keynote Presentation
      https://www.youtube.com/watch?v=VfMrmsODeCA&feature=youtu.be

3. 9/15/2018 Econometric Issues
   c. Adams (2018) FM article

4. 9/22/2020 Asset Pricing – Factors, Predictability, and Anomalies I.
https://doi.org/10.1111/jofi.12883


5. 9/30/2020 (Dis)Economies of Scale and Manager Skill.

6. 10/06/2020 Measuring Performance
https://doi.org/10.1111/jofi.12785

7. 10/13/2020 Investment Management
https://doi.org/10.1111/j.1540-6288.2011.00314.x
https://doi.org/10.1111/fima.12265
https://doi.org/10.1287/mnsc.2019.3405
8. 10/20/2020 Liquidity

9. 10/27/2020 Markets and Trading
      https://doi.org/10.1016/j.jfineco.2020.05.004
      https://doi.org/10.1093/rfs/hhz136
      https://doi.org/10.1093/rfs/hhaa077

10. 11/03/2020 Alternative Investments
       https://doi.org/10.1111/jofi.12903

11. 11/10/2020 Efficiency
    a. Kim et al (2020) Time Encoding in Languages and Investment Efficiency,
       https://doi.org/10.1287/mnsc.2019.3555
   [https://doi.org/10.1111/jofi.12853](https://doi.org/10.1111/jofi.12853)

   [https://doi.org/10.1016/j.jbankfin.2020.105856](https://doi.org/10.1016/j.jbankfin.2020.105856)

   [https://doi.org/10.1287/mnsc.2019.3402](https://doi.org/10.1287/mnsc.2019.3402)
   [https://doi.org/10.1016/j.jfineco.2020.02.008](https://doi.org/10.1016/j.jfineco.2020.02.008)
   [https://doi.org/10.1111/jofi.12895](https://doi.org/10.1111/jofi.12895)
   [https://doi.org/10.1016/j.jfineco.2019.10.010](https://doi.org/10.1016/j.jfineco.2019.10.010)

13. 11/24/2020 Financial Analysts
   [https://doi.org/10.1287/mnsc.2019.3465](https://doi.org/10.1287/mnsc.2019.3465)
   [https://doi.org/10.1287/mnsc.2019.3391](https://doi.org/10.1287/mnsc.2019.3391)
   [https://doi.org/10.1016/j.jfineco.2019.12.004](https://doi.org/10.1016/j.jfineco.2019.12.004)
   [https://doi.org/10.1111/jofi.12890](https://doi.org/10.1111/jofi.12890)
   [https://doi.org/10.1016/j.jfineco.2020.04.014](https://doi.org/10.1016/j.jfineco.2020.04.014)

14. 12/01/2020 Trading Costs

c. Adams et al trading costs working paper.

https://doi.org/10.1016/j.jfineco.2020.06.005

15. 12/08/2020 Investor Attention and Investment Governance

https://doi.org/10.1287/mnsc.2019.3573

https://doi.org/10.1111/fima.12323

https://doi.org/10.1111/fima.12307


e. Adams Director Comp paper.