

<b>Module Fin-M-14 Empirical Financial Markets Research</b>	6 ECTS / 180 h Seminar attendance time: ≈90 h Study for yourself in seminar: ≈90 h
(since SS 2024) Responsible for the module: Prof. Dr. Andreas Oehler	
<p><b>Content:</b></p> <p>Empirical Financial Markets Research is a branch of finance that involves the use of real-world data and statistical methods to analyze and understand various aspects of financial markets. It seeks to gain insights into market behavior, asset pricing, risk management, and the impact of various factors on financial market dynamics. This type of research is crucial for both academics and practitioners as it helps in making informed investment decisions, shaping financial policies, and understanding market trends.</p> <p>(to be continued next page)</p>	
<p><b>Learning Objectives/Competencies:</b></p> <p>Students are enabled to understand clearly in-depth connections of Empirical Financial Markets Research in the context of overarching economic and financial systems. The application of economic, in particular financial, facts will be conceived in addition to lectures by the lecturer and possible guest lectures, in particular by the participants in an individually prepared portfolio and subsequent presentation by each participant in the group. The presentation will be held in groups, based on an individually prepared portfolio (same subject matter) by each participant. The focus is on Empirical Financial Markets Research including the latest scientific as well as practice-oriented findings also in the capital market context.</p> <p>Starting with introductory steps that clarify both theoretical and practical contexts, the students' ability to act and make decisions is strengthened. This includes the promotion of self-competence, social competence including communication and, if necessary, role competence as well as methodological competence. In addition, basic interdisciplinary competencies are developed, especially in the analysis of empirical results and in cause-effect relationships in finance.</p>	
<p><b>Other information:</b></p> <p><a href="http://www.uni-bamberg.de/bwl-finanz">http://www.uni-bamberg.de/bwl-finanz</a></p> <p>The number of participants is limited. If, due to capacity restrictions, it may be necessary to make a selection in accordance with the Statutes for the Determination of Criteria for the Admission of Students to Courses of Bachelor's and Master's Degree Programs with Limited Admission Capacity, a decision on admission will be made after the registration deadline.</p> <p>Please also note that registration is not the same as admission to the course or registration for the module examination.</p>	
<b>Admission requirement for taking the module:</b> none	
<b>Recommended previous knowledge:</b> none	<b>Special passing requirements:</b> none

**Content (continued):**

Key Elements of Empirical Financial Markets Research include:

- **Data Collection:** Researchers collect relevant financial market data, including stock prices, bond yields, trading volumes, and other market-related information. The data may be sourced from various exchanges, financial institutions, and economic databases.
- **Statistical Analysis:** Researchers use quantitative techniques and statistical tools to analyze the collected data. This can include regression analysis, time-series analysis, event studies, and other econometric methods.
- **Hypothesis Testing:** Empirical research often involves testing specific hypotheses about the relationships between financial variables, market inefficiencies, or the impact of certain events on market performance.
- **Asset Pricing Models:** Researchers evaluate and develop asset pricing models, such as the Capital Asset Pricing Model (CAPM), Arbitrage Pricing Theory (APT), or more complex multifactor models, to understand the factors that determine asset prices.
- **Market Efficiency:** Studies may examine the efficiency of financial markets, including the weak, semi-strong, and strong forms of market efficiency, by analyzing price movements and the speed at which information is incorporated into asset prices.
- **Behavioral Finance:** Empirical financial markets research may explore behavioral aspects of investor decision-making, studying factors such as investor sentiment, biases, and herding behavior that can impact market outcomes.
- **Risk Management:** Research may also focus on risk management and portfolio optimization, evaluating the performance of different risk models and risk mitigation strategies.

Examples of Empirical Financial Markets Research include:

- Analysis of stock market anomalies and their implications on investment strategies.
- Evaluation of the impact of macroeconomic factors, such as interest rates and inflation, on asset prices.
- Studies on the predictability of financial asset returns based on historical data.
- Research on the effectiveness of different investment strategies, such as value investing or momentum investing.
- Assessment of the relationship between corporate governance practices and firm performance.
- Studies on the effects of financial regulations or policy changes on market behavior.

Empirical Financial Markets Research contributes to a deeper understanding of financial markets and helps identify patterns, trends, and factors that influence market dynamics. It plays a vital role in guiding investment decisions, shaping financial policies, and improving the efficiency and stability of financial markets. Additionally, the findings from empirical research often form the basis for academic publications and contribute to the advancement of finance as a discipline.

<b>Frequency:</b> SS, annual	<b>Recommended semester:</b> 1	<b>Module duration:</b> 1 Semester
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<b>Lectures/Courses/Modules</b>	
<p><b>Empirical Financial Markets Research</b>  <b>Teaching formats:</b> Advanced seminar  <b>Teaching language:</b> English  <b>Frequency:</b> SS, annual</p> <hr/> <p><b>Recommended Literature:</b></p> <ul style="list-style-type: none"> <li>• Ang, A., Hodrick, R.J., Xing, Y., Zhang, X., 2006, The cross-section of volatility and expected returns, <i>Journal of Finance</i> 51, 259-299.</li> <li>• Baker, M., &amp; Wurgler, J., 2006, Investor sentiment and the cross-section of stock returns, <i>Journal of Finance</i> 61(4), 1645-1680.</li> <li>• Carhart, M.M., 1997, On Persistence in Mutual Fund Performance, <i>Journal of Finance</i> 52(1), 57-82.</li> <li>• Fama, E.F., French, K.R., 1993, Common Risk Factors in the Returns on Stocks and Bonds, <i>Journal of Financial Economics</i> 33(1), 3-56.</li> <li>• Fama, E.F., French, K.R., 2015, A Five-factor Asset Pricing Model, <i>Journal of Financial Economics</i> 116(1), 1-22.</li> <li>• Frey, H., Oehler, A., 2014, Intangible Assets in Germany, <i>JAAR Journal of Applied Accounting Research</i> 15, 2/2014, 235-248.</li> <li>• Herberger, T. A., Oehler, A., Wedlich, F., 2019, Third party ownership arrangements: Is a ban in football really appropriate?, <i>Journal of Governance &amp; Regulation</i> 8 (3), 47-57.</li> <li>• Herberger, T., Horn, M., Oehler, A., 2020, Are intraday reversal and momentum trading strategies feasible? An analysis for German blue chip stocks, <i>Financial Markets and Portfolio Management</i>, 34, 179–197.</li> <li>• Herberger, T., Oehler, A., Wedlich, F., 2018, Finanzierungsentscheidungen von Fußball-unternehmen im Spannungsfeld verschiedener Fangruppen, <i>BFuP Betriebswirtschaftliche Forschung und Praxis</i> 70, 2018, 495-524.</li> <li>• Horn, M., Oehler, A., 2020, Automated Portfolio Rebalancing: Automatic Erosion of Investment Performance?, <i>Journal of Asset Management</i> 21(6), 489-505.</li> <li>• Jegadeesh, N., Titman, S., 1993, Returns to Buying Winners and Selling Losers: Implications for Stock Market Efficiency, <i>Journal of Finance</i> 48(1), 65-91.</li> <li>• Moskowitz, T.J., Grinblatt, M., 1999, Do Industries Explain Momentum?, <i>Journal of Finance</i> 54(4), 1249-1290.</li> <li>• Oehler, A., 2015, Risiko-Warnhinweise in Kurzinformationen für Finanzdienstleistungen. Eine empirische Analyse, <i>ZBB Zeitschrift für Bankrecht und Bankwirtschaft</i> 27, 2015, 208-212.</li> <li>• Oehler, A., Herberger, T., Horn, M., 2018, Initial Public Offerings in Germany between 1997 and 2015; in: Cumming, D. (ed.), <i>The Oxford Handbook of IPOs</i>, Oxford University Press, New York, 559-572.</li> <li>• Oehler, A., Horn, M., 2019, Does Households' Wealth Predict the Efficiency of their Asset Mix? Empirical Evidence, <i>Review of Behavioral Economics</i> 6 (3), 249-282.</li> <li>• Oehler, A., Horn, M., 2021, Behavioral Portfolio Theory Revisited: Lessons Learned from the Field, <i>Accounting and Finance</i> 21, 1743-1771.</li> </ul> <p>(to be continued next page)</p>	<p><b>Semester hours per week: 3</b></p>

<b>Lectures/Courses/Modules</b>	
<p><b>Empirical Financial Markets Research</b>  <b>Teaching formats:</b> Advanced seminar  <b>Teaching language:</b> English  <b>Frequency:</b> SS, annual</p> <hr/> <p><b>Recommended Literature (continued):</b></p> <ul style="list-style-type: none"> <li>• Oehler, A., Horn, M., 2023, Households' Decision on Capital Market Participation: What Are the Drivers? A Multi-Factor Contribution to the Participation Puzzle, Psychonomic Society 64th Annual Meeting, San Francisco.</li> <li>• Oehler, A., Horn, M., Wedlich, F., 2018, Young Adults' Subjective and Objective Risk Attitude in Financial Decision Making: Evidence from the Lab and the Field, Review of Behavioral Finance 10 (3), 274-294.</li> <li>• Oehler, A., Horn, M., Wendt, S., 2017, Brexit: Short-term Stock Price Effects and the Impact of Firm-level Internationalization; Finance Research Letters 22, 175-181.</li> <li>• Oehler, A., Horn, M., Wendt, S., 2018, Do Mutual Fund Ratings Provide Valuable Information for Retail Investors? Empirical Evidence on Ratings Non-Persistence and the Risk of Mutual Fund Closure, Studies in Economics and Finance 35, 137-152.</li> <li>• Oehler, A., Horn, M., Wendt, S., 2019, Zeigen junge Erwachsene Financial Literacy im ökonomischen Alltag? Eine realitätsnahe Alternative zu einfachen Wissensabfragen, ZBB Zeitschrift für Bankrecht und Bankwirtschaft 31, 37-42.</li> <li>• Oehler, A., Horn, M., Wendt, S., 2022, Investment in Risky Assets and Financial Market Participation: Does Financial Literacy Matter?; Psychonomic Society 2022 Annual Meeting, November 17-20.</li> <li>• Oehler, A., Horn, M., Wendt, S., 2023, The Trust Risk Puzzle: The Impact of Trust on the Willingness to Take Financial Risk, Quarterly Journal of Finance (forthcoming).</li> <li>• Oehler, A., Horn, M., Wendt, S., Reisch, L., Walker, T.J., 2018, Young Adults and Their Finances: An International Comparative Study on Applied Financial Literacy; Economic Notes 47 (2-3), 305-330.</li> <li>• Oehler, A., Pukthuanthong, K., Walker, T., Wendt, S., 2016, Insider Stock Trading and the Bond Market; The Journal of Fixed Income 25, No 3, 74-91.</li> <li>• Oehler, A., Schmitz, J. T., 2021, Does Intensified Communication of Hedge Funds With Letters Affect Abnormal Returns?, International Review of Economics and Finance 76, 127-142.</li> <li>• Oehler, A., Wanger, H. P., 2020, Household Portfolio Optimization with XTFs? An Empirical Study Using the SHS-base, Research in International Business and Finance 51, forthcoming.</li> <li>• Oehler, A., Wedlich, F., 2018, The Relationship of Extraversion and Neuroticism with Risk Attitude, Risk Perception and Return Expectations, Journal of Neuroscience, Psychology, and Economics 11(2), 63-92.</li> </ul> <p>(to be continued next page)</p>	<p><b>Semester hours per week: 3</b></p>

**Recommended Literature (continued):**

- Oehler, A., Wedlich, F., Wendt, S., Horn, M., 2021, Does personality drive price bubbles?, *Studies in Economics and Finance* 38, 619-639.
- Oehler, A., Wendt, S., 2017, Good Consumer Information: the Information Paradigm at its (Dead) End?; *Journal of Consumer Policy* 40, 179-191.
- Oehler, A., Wendt, S., Horn, M., 2016, Internationalization of Blue-Chip versus Mid-Cap Stock Indices: an Empirical Analysis for France, Germany, and the UK; *Atlantic Economic Journal* 44, December, 501-518.
- Oehler, A., Wendt, S., Horn, M., 2017, Are Investors Really Home-Biased when Investing at Home?; *Research in International Business and Finance* 40, 52-60.
- Oehler, A., Wendt, S., Wedlich, F., Horn, M., 2018, Investors' Personality Influences Investment Decisions: Experimental Evidence on Extraversion and Neuroticism, *Journal of Behavioral Finance* 19, 30-48.
- Pástor, L., Stambaugh, R. F., 2003, Liquidity risk and expected stock returns, *Journal of Political Economy* 111, 642-685.
- Stambaugh, R. F., Yu, J., Yuan, Y., 2012, The short of it: Investor sentiment and anomalies, *Journal of Financial Economics* 104, 288-302.
- Wanger, H. P., Oehler, A., 2023, Can Downside-Risk Measures Help to Explain the Reluctance of Households to Invest in XTFs? An Empirical Study Using the SHS-Base, *Review of Behavioral Finance* 15(3), 309-339.

**Examination**

Individually prepared portfolio and subsequent presentation by each participant.

**Description:**

The presentation and the portfolio are two components of the same examination, the subject matter is the same and both components are related to each other. Therefore, the examination consists of an individually prepared portfolio and subsequent presentation by each participant in the group. The portfolio has a minimum length of 4 but a maximum length of 5 DIN-A-4 pages, not including the list of references (literature) and the title page. The presentation must not exceed 45 minutes and must not be shorter than 10 minutes. The submission deadlines for (a) the first draft of the portfolio, (b) the presentation slides, and (c) the final draft of the portfolio are usually (a) ten days, (b) 3 weeks, and (c) 7 weeks after the start of the seminar. The exact dates will be announced at the beginning of the seminar. The first draft, the presentation slides, and the final draft must be handed in by E-Mail and formatted as a pdf file. The "Notes on Scientific Work" of the Chair of Finance are to be observed for both examination components (presentation and portfolio).