This is an advanced doctoral corporate finance class. The prerequisite is Finance 7447, Financial Theory II (introductory doctoral corporate finance). Some knowledge of game theory and econometrics is also required. Most of the articles can be downloaded from the University of Florida's business library website.

The articles marked with an r are required reading, and those with an asterisk are recommended. There will be a midterm exam, a final exam, and weekly homework assignments during the semester. The presentation of a paper, chosen by the student, will be required. In empirical papers, various econometric techniques will be emphasized, including Logit, Nested Logit, GMM, system GMM, self selection [Heckman (1979)], Tobit, long differencing and unit roots. Each student will be expected to make one presentation.

The midterm exam will be on Monday, Oct. 16 in class. The final exam will be on Wednesday, December 13 from 3-5pm.

I. Game Theory Applications in Corporate Finance


r 3. Welch, Ivo, "Sequential Sales, Learning, and Cascades" Journal of Finance (June 1992), Vol. 47, No 2, pp. 695-732. [Skip subsection F on pp. 709-712, and note that figure 3 on p. 705 has errors. Use the version that I distribute in class, rather than downloading the published article.]


     Issuers Demand European Fees for IPOs?” *Journal of Finance* (December
     2011), Vol. 66, No. 6, pp. 2055-2082


* 12. Liu, Xiaoding, and Jay R. Ritter, “Local Underwriter Oligopolies and
     IPO Underpricing,” *Journal of Financial Economics* (December 2011),
     Vol. 102, No. 3, pp. 579-601.

II. Capital Structure

A. Theory


* 2. Townsend, Robert M., "Optimal Contracts and Competitive Markets with
     Costly State Verification," *Journal of Economic Theory* (October
     1979), Vol. 21, pp. 265-293.

* 3. Shleifer, Andrei, and Robert Vishny, 1992, "Liquidation Values and
     Debt Capacity: A Market Equilibrium Approach" *Journal of Finance*

* 4. Zwiebel, Jeffrey, "Dynamic Capital Structure under Managerial
     5, pp. 1197-1215.

B. Empirical Evidence


* 2. Rajan, Raghuram, and Luigi Zingales, "What Do We Know about Capital
     Structure? Some Evidence from International Data," *Journal of

     Economic) Distress? Evidence from Highly Leveraged Transactions That
     5, pp. 1443-1493.

* 4. Hovakimian, Armen, Gayane Hovakimian, and Hassan Tehranian,
     "Determinants of Target Capital Structure: The Case of Dual Debt and
     No. 3, pp. 517-540.

* 5. Hennessy, Christopher A. and Toni Whited, “Debt Dynamics,” *Journal of

     Equity Market Timing?” *Journal of Financial and Quantitative


### III. Informational Inefficiencies, Financial Intermediation, and Financial Contracting


### IV. Endogeneity in Corporate Finance


V. Behavioral Finance


