

Seminar + Proseminar

# Empirical Analysis in Finance and Insurance

## General Information

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Lecturers: Prof. Dr. Johannes Jaspersen (email: [jaspersen@lmu.de](mailto:jaspersen@lmu.de))

Barbara Reißer, MMath (email: [barbara.reisser@lmu.de](mailto:barbara.reisser@lmu.de))

Time and Location: 23.04.2025 – 03.07.2025

Wednesdays 9 a.m. – 12 a.m. (c.t.) and blocked

Schackstr. 4, 3<sup>rd</sup> floor, Room 314

Credits: Seminar + Proseminar with 6 ECTS, possible modules: *WP 36 Advanced Elective Topics in Business Administration I* or *WP 37 Advanced Elective Topics in Business Administration II*

Language: English

## Course Description

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The class teaches and applies current empirical research methods in the finance and insurance literature. The class begins with an introduction to empirical research, starting with a short introduction to OLS and a more thorough focus on methods for analyzing panel data and methods for causal inference. Specifically, we will cover the base assumptions for OLS, the perils of omitted variable bias and wrongful inference due to problematic standard errors. We will then talk about how to use fixed effects and how to effectively cluster standard errors. Afterward, we will consider three common tools for causal inference: instrumental variables, difference-in-differences analysis, and regression discontinuity designs.

The students will then work on their own case study. They will be assigned a paper from the literature on empirical finance and insurance and will be given access to the data used in the paper. They are then supposed to replicate the findings from the paper as well as show the results to some additional

analyses. The produced code files and a short summary of the findings constitute the written assignment of the case study. The students will also present their analyses and findings in class.

## Schedule

The class starts with 4 weekly lectures on Wednesdays between 9 and 12 a.m. and finishes with a blocked class for presentations of the case studies assigned to students. The exact schedule of the final day depends on the number of students in the class and will be communicated in the first two weeks.

| Date  | Time                 | Place                     | Content                              |
|---|----------------------|---------------------------|--------------------------------------|
| <b>23.04.2025 –<br/>14.05.2025</b>                | 09:00 (c.t.) – 12:00 | Schackstr. 4,<br>Room 314 | Class                                |
| <b>24.06.2025/<br/>26.06.2025/<br/>03.07.2025</b> | 10:00 (c.t.) – 17:00 | Schackstr. 4,<br>Room 314 | Presentation of student case studies |

## Assignment / Grading

The class is evaluated based on a written (code-)assignment and a presentation based on a case study from the empirical research literature.

Please remember the mandatory course registration in the LSF for the examination. Without a registration in the LSF, no grade can be obtained for the class.

## Additional Information

The materials for the course can be accessed in Moodle. You will find the corresponding enrollment key in LSF.

Individual aspects of the organization may be subject to change.