Seminar

Readings in Finance and Insurance

General Information

Lecturers:	**Prof. Dr. Johannes Jaspersen (e-mail: jaspersen@lmu.de)**
Time & Location:	16.10.2024 – 22.01.2025; Wednesdays 10 – 12; Ludwigstr. 28, Rückgebäude, Room 027.
Credits:	MBR course (B modules), counts as 2 contact hours. Course is graded as pass/ fail.
	MSc in module Advanced Elective Topics in Business Adminstration (Applied Theory) I-II, counts as 3 ECTS

Course Description

This course is meant to serve as an advanced readings and research practices class for doctoral students and interested Master of Science students in Finance and Insurance. Half of the classes consist of lectures on different important topics in finance and insurance research. In addition, the students will read a list of current works in the field and discuss them in the group. The basic concepts of economic decision-making, incentives and agency conflicts will provide a basis for the discussion of more topic specific papers.

Assignement/Grades

Students are expected to actively participate in the discussions, as well as to prepare presentations about a number of the papers (PhD students: 2 papers, MSc students: 1 paper). The reading list is comprised of relatively recent papers regarding a number of current topics in Finance and Insurance. Students will be assigned a number of these papers and will prepare 30-minute presentations for them. Students are also expected to read all papers which will be presented in class. The presentation will be followed by 15 minutes of discussion on the paper. Students can give a preference ordering over the papers and papers are going to be assigned accordingly.

PROFESSUR
Professor Dr. Johannes Jaspersen

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Schedule

The class sessions will be on the dates listed below. Attendance to all scheduled meetings of the course is mandatory, with individual exceptions being granted on a case-by-case basis.

Date	Type	Place	Content
16.10.2024	Lecture	L28, RG 027	Finding a Research Question
23.10.2024	Lecture	L28, RG 027	Setting Up a Model and/or an Experiment
30.10.2024	Lecture	L28, RG 027	Working with Data/ What is Data?
06.11.2024	Lecture	L28, RG 027	Causal Inference I
13.11.2024	Lecture	L28, RG 027	Causal Inference II
27.11.2024	Presentations	L28, RG 027	Tbd
04.12.2024	Presentations	L28, RG 027	Tbd
11.12.2024	Presentations	L28, RG 027	Tbd
18.12.2024	Presentations	L28, RG 027	Tbd
08.01.2025	Presentations	L28, RG 027	Tbd
15.01.2025	Presentations	L28, RG 027	Tbd
22.01.2025	Lecture	L28, RG 027	Recap and Relationship to Own Work

Reading List

- Akey, P. (2015). Valuing changes in political networks: Evidence from campaign contributions to close congressional elections. *Review of Financial Studies*, 28(11), S. 3188-3223.
- Banerjee, A., Duflo, E., Finkelstein, A., Katz, L. F., Olken, B. A., & Sautmann, A. (2020). In praise of moderation: Suggestions for the scope and use of pre-analysis plans for RCTs in economics. *Working Paper*.
- Berg, T., Burg, V., Gombovic, A., Puri, M., 2020. On the Rise of FinTechs: Credit Scoring using Digital Footprints, *Review of Financial Studies*, 33(7), S. 2845-2897.
- Bertrand, M., & Morse, A. (2011). Information disclosure, cognitive biases, and payday borrowing. *The Journal of Finance*, 66(6), S. 1865-1893.
- Brogaard, J., Hendershott, T., & Riordan, R. (2014). High-frequency trading and price discovery. *Review of Financial Studies,* 27(8), S. 2267-2306.
- Cochrane, J. H. (2005). Writing tips for Ph. D. students. *Working Paper*.
- DeJarnette, P., Dillenberger, D., Gottlieb, D., & Ortoleva, P. (2020). Time lotteries and stochastic impatience. *Econometrica*, 88(2), S. 619-656.
- Eeckhoudt, L., & Schlesinger, H. (2006). Putting risk in its proper place. *American Economic Review*, 96(1), S. 280-289.
- Elsas, R., & Krahnen, J. P. (1998). Is relationship lending special? Evidence from credit-file data in Germany. *Journal of Banking & Finance*, 22(10-11), S. 1283-1316.
- Fuster, A., Goldsmith-Pinkham, P., Ramadorai, T., & Walther, A. (2021). Predictably unequal? the effects of machine learning on credit markets. *The Journal of Finance*, 77(1), S. 5-47.
- Glaser, Markus, Zwetelina Iliewa, and Martin Weber, 2019, Thinking about Prices versus Thinking about Returns in Financial Markets, *The Journal of Finance,* 74(6), S. 2997-3039.
- Hoberg, G., & Phillips, G. (2016). Text-based network industries and endogenous product differentiation. *Journal of Political Economy*, 124(5), S. 1423-1465.
- Hoy, M., Peter, R., & Richter, A. (2014). Take-up for genetic tests and ambiguity. *Journal of Risk and Uncertainty*, 48, 111-133.
- Kamiya, S., Kang, J. K., Kim, J., Milidonis, A., & Stulz, R. M. (2021). Risk management, firm reputation, and the impact of successful cyberattacks on target firms. *Journal of Financial Economics*, 139(3), S. 719-749.
- Mullainathan, S., & Spiess, J. (2017). Machine learning: An applied econometric approach. *Journal of Economic Perspectives*, 31(2), S. 87-106.
- Rabin, M. (2000). Risk Aversion and Expected-utility Theory: A Calibration Theorem. *Econometrica*, 68(5), S. 1281-1292.