



**LUND**  
UNIVERSITY

School of Economics and Management

## **BUSO76, Business Administration: Empirical Accounting and Corporate Finance, 5 credits**

*Företagsekonomi: Empirical accounting and corporate finance, 5 högskolepoäng*

**Second Cycle / Avancerad nivå**

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### **Details of approval**

The syllabus was approved by The Board of the Department of Business Administration on 2018-05-21 to be valid from 2018-05-21, autumn semester 2018.

### **General Information**

BUSO76 is a course on Business Administration at the advanced level.

*Language of instruction:* English

*Main field of studies*

Business Administration

*Depth of study relative to the degree requirements*

A1N, Second cycle, has only first-cycle course/s as entry requirements

### **Learning outcomes**

A passing grade on the course will be awarded to students who:

#### **Knowledge and understanding**

- have demonstrated knowledge of parameter estimation, interpretation, and hypothesis testing in cross-sectional and panel settings and in models with discrete phenomena;
- have demonstrated knowledge of how to deal with endogeneity;
- have demonstrated knowledge of diagnostics testing, especially ability to explain the nature of, diagnose, and solve commonly occurring problems in residual error structures.

### **Competence and skills**

- have demonstrated ability to use econometric techniques on accounting and corporate finance problems by means of suitable software;
- clearly and unambiguously can communicate the results and their analyses and conclusions of econometric investigations of accounting and corporate finance problems.

### **Judgement and approach**

- have demonstrated ability to select appropriate econometric techniques based upon accounting and corporate finance investigation to be performed and the statistical properties of the data;
- have demonstrated ability to analyze and interpret the results of their econometric testing.

### **Course content**

The course aims to provide working knowledge of econometric methods for analyzing accounting and corporate finance data. Through exercises and assignments, the course trains students in analyzing and undertaking empirical investigations on cross-sectional and panel data and limited dependent variables. Emphasis is put on choosing and using appropriate models by means of econometric software. This is not a theory course and the focus is on learning the econometric intuition behind the methods studied and how to use them properly on econometric exercises rather than deriving asymptotic properties of estimators.

Econometric methods covered primarily include techniques for analyzing cross-sectional and panel data and limited dependent variables. Topics include parameter estimation, hypothesis testing, and diagnosing misspecification, event studies, causality and mitigating endogeneity using instrumental variables, natural experiments, and matching methods. Empirical applications primarily revolve around corporate governance-related accounting and corporate finance questions.

### **Course design**

The course is conducted in the form of lectures, exercises, and computer labs. The course emphasizes applied learning, where participants learn to use econometrics methods using statistical software. To facilitate this, computer labs where participants work on real data in EViews make up an important part of the teaching and learning activities on the course. Self-study of the course literature is essential and the assigned readings are integral parts of the teaching and learning activities.

### **Assessment**

Assessment and grading are based on empirical exercises and a written examination covering all teaching and learning activities and all assigned readings. Since the course emphasizes applied learning, important parts of the examination are focused on participants employing the studied analysis techniques.

The examiner, in consultation with Disability Support Services, may deviate from the regular form of examination in order to provide a permanently disabled student with a form of examination equivalent to that of a student without a disability.

*Subcourses that are part of this course can be found in an appendix at the end of this document.*

## Grades

Marking scale: Fail, E, D, C, B, A.

Grade (Definition) Points or % out of maximum points. Characteristic.

**A** (Excellent) 85-100. A distinguished result that is excellent with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**B** (Very good) 75-84. A very good result with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**C** (Good) 65-74. The result is of a good standard with regard to theoretical depth, practical relevance, analytical ability and independent thought and lives up to expectations.

**D** (Satisfactory) 55-64. The result is of a satisfactory standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**E** (Sufficient) 50-54. The result satisfies the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought, but not more.

**F** (U) (Fail) 0-49. The result does not meet the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought.

Some occasional examination elements of the course may have the grading scale pass (D) / fail U(F).

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Plagiarism is considered to be a very serious academic offence. The University will take disciplinary actions against any kind of attempted malpractice in examinations and assessments. The penalty that may be imposed for this, and other improper practices in examinations or assessments, includes suspension from the University for a specific period of time.

## Entry requirements

Students admitted to a Master Programme where this course is either a compulsory or elective part, are qualified for the course. The course requires basic skills in statistics and econometrics, especially of linear regression analysis.

For other students, at least 90 UCP or ECTS cr in Business Administration is required. These must include a course in basic Business Administration (e.g. FEKA90 Business Administration: Introductory course in Business Administration). Students are also required to have successfully completed an undergraduate course in statistics or econometrics covering, at least, cross-sectional regression modeling using ordinary least squares and diagnosis of autocorrelation, heteroscedasticity, and multicollinearity.

## **Further information**

The course BUSO76 cannot be combined with the course BUSN92 or BUSN94 in a degree.

In case of closure of the course: Within three semesters after the course closure there will be offered three additional occasions for examination of respective examination part of the course, for students with no successful result. Note that after this you can get a certificate only regarding completed examination parts.

## Subcourses in BUSO76, Business Administration: Empirical Accounting and Corporate Finance

Applies from H18

- 1801 Individual assignment, 2,5 hp  
Grading scale: Fail, Pass
- 1802 Team-based assignment, 2,5 hp  
Grading scale: Fail, E, D, C, B, A