FINA 9210
Empirical Research in Investments

Reading List
Spring 2011

I  Efficient Market Hypothesis, Event Studies, and Seasonality in Stock Returns

A  Required Reading

- Schwert, G. William, 2003, Anomalies and Market Efficiency, in Handbook of the Economics of Finance, Chapter 15, Edited by George Constantinides, Milton Harris, and Rene Stulz, North-Holland

B  Methodology Papers

• Campbell, John Y., Andrew W. Lo, and A. Craig MacKinlay, 1997, *The Economet-
rics of Financial Markets*, Chapter 4, Princeton University Press

• Eckbo, B. Espen, Vojislav Maksimovic, and Joseph Williams, 1990, Consistent Esti-

• Kothari, S. P., and Jerold B. Warner, 1997, Measuring Long-Horizon Security Price

• Lyon, John D., Brad M. Barber, and Chih-Ling Tsai, 1999, Improved Methods for
Tests of Long-Run Abnormal Stock Returns, *Journal of Finance*, v. 54, pp. 165-201


C Interesting Papers

• Cooper, Michael J., John J. McConnell, and Alexei V. Ovtchinnikov, 2006, The

• Jones, Christopher S., and Joshua Shemesh, 2010, The Weekend Effect in Equity
Option Returns, *Working Paper*, University of Southern California

• Zhang, Ivy Xiying, 2007, Economic consequences of the SarbanesOxley Act of 2002,
*Journal of Accounting and Economics*, v. 44, pp. 74-115

II Consumption CAPM

A Required Reading

• Campbell, John Y., Andrew W. Lo, and A. Craig MacKinlay, 1997, *The Economet-
rics of Financial Markets*, Chapter 8, Princeton University Press

• Campbell, John Y., 2003, Consumption-Based Asset Pricing, *Handbook of the Eco-
nomics of Finance*, Chapter 13, Edited by George Constantinides, Milton Harris,
and Rene Stulz, North-Holland

• Cochrane, John Y., 2005, *Asset Pricing*, Chapters 1, 2, 21, Princeton University
Press

Library of Critical Writings in Financial Economics*, v. 18, Chapter 7, John H.
Cochrane Ed., London: Edward Elgar

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B Methodology Papers


C Interesting Papers


### III Time-Series Predictability

#### A Required Reading


#### B Methodology Papers


C Interesting Papers


IV Conditional CAPM

A Required Reading


B Methodology Papers


C Interesting Papers


V Intertemporal CAPM

A Required Reading


B Methodology Papers


C  Interesting Papers

- Li, Qing, Maria Vassalou, and Yuhang Xing, 2006, Sector Investment Growth Rates and the Cross-Section of Equity Returns, *Journal of Business*, v. 79, pp. 1637-1665

VI  Value Premium

A  Required Reading


B Interesting Papers


• Xing, Yuhang, 2008, Interpreting the Value Effect through the Q-Theory: An Empirical Investigation, Review of Financial Studies, v. 21, pp. 1767-1795
VII Reversal, Momentum, and Related Continuation Anomalies

A Required Reading


B Interesting Papers

- Cooper, Michael, Roberto C. Gutierrez, and Allaudeen Hameed, 2004, Market States and Momentum, _Journal of Finance_, v. 59, pp. 1345-1365


VIII  New Issues Puzzle

A  Required Reading


B Methodology Papers


• Lyon, John D., Brad M. Barber, and Chih-Ling Tsai, 1999, Improved Methods for Tests of Long-Run Abnormal Stock Returns, *Journal of Finance*, v. 54, pp. 165-201


C Interesting Papers


• Shivakumar, Lakshmanan, 2000, Do Firms Mislead Investors by Overstating Earnings Around Seasoned Equity Offerings? *Journal of Accounting and Economics*, v. 29, pp. 339-371


IX  Accrual Anomaly

A  Required Reading


B  Interesting Papers


X Idiosyncratic Volatility, Analyst Disagreement, and Expected Returns

A Required Reading


B Methodology Papers


C Interesting Papers


XI  Distress Risk Puzzle

A  Required Reading


B  Methodology Papers


C  Interesting Papers


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### XII  Liquidity Risk

#### A  Required Reading


#### B  Interesting Papers


• Barinov, Alexander, 2012a, Turnover: Liquidity or Uncertainty? *Working Paper*, University of Georgia


**XIII Information Risk**

**A Required Reading**


**B Methodology Papers**


C Interesting Papers


XIV Cash Flow Risk, Long-Run Risks

A Required Reading


B Interesting Papers


• Dechow, Patricia, Mark Soliman, and Richard Sloan, 2004, Implied Equity Duration: A New Measure of Equity Risk, *Review of Accounting Studies*, v. 9, pp. 197-228


XV Behavioral Finance

A Required Reading


B Interesting Papers

• Baker, Malcolm, and Jeffrey Wurgler, 2006, Investor Sentiment and the Cross-Section of Stock Returns, *Journal of Finance*, v. 61, pp. 1645-1680


