

COURSE OUTLINE

(1) GENERAL

SCHOOL	School of Finance and Statistics		
ACADEMIC UNIT	Department of Banking and Financial Management		
LEVEL OF STUDIES	Undergraduate		
COURSE CODE	XPETP01	SEMESTER	6th & 8th
COURSE TITLE	FINANCE LAB		
INDEPENDENT TEACHING ACTIVITIES <i>if credits are awarded for separate components of the course, e.g. lectures, laboratory exercises, etc. If the credits are awarded for the whole of the course, give the weekly teaching hours and the total credits</i>	WEEKLY TEACHING HOURS	CREDITS	
Lectures	4	7.5	
<i>Add rows if necessary. The organisation of teaching and the teaching methods used are described in detail at (d).</i>			
COURSE TYPE <i>general background, special background, specialised general knowledge, skills development</i>	Elective		
PREREQUISITE COURSES:			
LANGUAGE OF INSTRUCTION and EXAMINATIONS:	Greek		
IS THE COURSE OFFERED TO ERASMUS STUDENTS	No		
COURSE WEBSITE (URL)	https://bankfin.unipi.gr/en/mathimata/ergastirio-trapezikis		

(2) LEARNING OUTCOMES

<p>Learning outcomes <i>The course learning outcomes, specific knowledge, skills and competences of an appropriate level, which the students will acquire with the successful completion of the course are described.</i></p> <p><i>Consult Appendix A</i></p> <ul style="list-style-type: none"> • <i>Description of the level of learning outcomes for each qualifications cycle, according to the Qualifications Framework of the European Higher Education Area</i> • <i>Descriptors for Levels 6, 7 & 8 of the European Qualifications Framework for Lifelong Learning and Appendix B</i> • <i>Guidelines for writing Learning Outcomes</i>
<p>This course focuses on the empirical literature of capital structure, the expected support of governments to banks as well as presentations of related scientific papers.</p> <p>The aim is to cultivate critical thinking and familiarity with empirical literature and related sources of information. The focus will be on topics such as the capital structure of firms, trade-off and pecking order theory, determinants of financial leverage, implicit guarantees for bank debt and the effect of market discipline in the financial sector.</p> <p>Upon successful completion of the course, a student:</p> <ul style="list-style-type: none"> • Will have the knowledge to analyse the capital structure of a firm, to understand how governments can indirectly support banks so that the latter fulfil their intermediary role, as well as the risks firms face due to business

cycles.

- Will be able to understand the theoretical framework and apply the necessary tools to choose the right mix of debt and equity capital.
- Will be able to study scientific papers and make presentations of the most important points, focusing on motivation, the empirical literature, and the employed theoretical and empirical models.

General Competences

Taking into consideration the general competences that the degree-holder must acquire (as these appear in the Diploma Supplement and appear below), at which of the following does the course aim?

Search for, analysis and synthesis of data and information, with the use of the necessary technology

Adapting to new situations

Decision-making

Working independently

Team work

Working in an international environment

Working in an interdisciplinary environment

Production of new research ideas

Project planning and management

Respect for difference and multiculturalism

Respect for the natural environment

Showing social, professional and ethical responsibility and

sensitivity to gender issues

Criticism and self-criticism

Production of free, creative and inductive thinking

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Others...

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Search for, analysis and synthesis of data and information, with the use of the necessary technology.

Decision-making.

Working in an international environment.

Production of free, creative and inductive thinking

(3) SYLLABUS

- Capital Structure: Empirical Literature
 - Capital Structure Theory
 - Modigliani and Miller's irrelevance proposition
 - Trade – off theory
 - Pecking order theory
 - Static Trade-off Tests
 - Pecking Order Tests
 - Dynamic Trade-off Tests
 - Identification of Leverage Determinants
 - New Test for Detecting Leverage Determinants
- Implicit Guarantees for Bank Debt
 - Implicit guarantees: policy issues
 - Adverse feedback effects from sovereign to bank debt values and vice versa
 - Credit ratings as an indirect measure of the value of implicit guarantees
- Market Discipline in Banking

TEACHING and LEARNING METHODS - EVALUATION

<p style="text-align: center;">DELIVERY <i>Face-to-face, Distance learning, etc.</i></p>	Face-to-face	
<p style="text-align: center;">USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY <i>Use of ICT in teaching, laboratory education, communication with students</i></p>	Teaching through Microsoft Powerpoint slides, Contact with students through email	
<p style="text-align: center;">TEACHING METHODS <i>The manner and methods of teaching are described in detail.</i> <i>Lectures, seminars, laboratory practice, fieldwork, study and analysis of bibliography, tutorials, placements, clinical practice, art workshop, interactive teaching, educational visits, project, essay writing, artistic creativity, etc.</i></p> <p><i>The student's study hours for each learning activity are given as well as the hours of non-directed study according to the principles of the ECTS</i></p>	Activity	Semester workload
	Lectures	52
	In – class students’ presentations	26
	Study and analysis of bibliography	26
Standalone studying	83.5	
Course total	187.5	
<p style="text-align: center;">STUDENT PERFORMANCE EVALUATION <i>Description of the evaluation procedure</i></p> <p><i>Language of evaluation, methods of evaluation, summative or conclusive, multiple choice questionnaires, short-answer questions, open-ended questions, problem solving, written work, essay/report, oral examination, public presentation, laboratory work, clinical examination of patient, art interpretation, other</i></p> <p><i>Specifically-defined evaluation criteria are given, and if and where they are accessible to students.</i></p>	<p>I. Final written exam (100%): - Multiple choice questions</p> <p>I I. Optional assignment (35%): - Weekly presentations</p>	

(4) ATTACHED BIBLIOGRAPHY

- Suggested bibliography:

- *Teacher's note (eclass.unipi.gr)*
- Agca, S., De Nicolò, G., Detragiache, E., 2007. Financial reforms, financial openness, and corporate borrowing: international evidence. Working paper 07/186, IMF.
- Andrade, G. and S. Kaplan, 1998 How Costly Is Financial (Not Economic) Distress? Evidence from Highly Leveraged Transactions That Became Distressed. Journal of Finance, 53, 1443- 1493.
- Antweiler, W. and M. Frank, (2006), Do US Stock Markets Typically Overreact to Corporate News Stories?, Available at SSRN: <http://ssrn.com/abstract=878091>
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- Bradley, M., G. Jarrell, and E. H. Kim, 1984, On the Existence of an Optimal Capital Structure: Theory and Evidence, Journal of Finance 39, 857-878.
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- Demircuc-Kunt, A., Maksimovic, V., 1999. Institutions, financial markets and firm debt maturity. *Journal of Financial Economics* 54, 295–336.
- Eckbo, B. E., Masulis R.W., Norli, Ø., 2008, "Security Offerings", in B. E. Eckbo, ed.: *Handbook of Corporate Finance: Empirical Corporate Finance*, chap. 6 (Elsevier/North-Holland, Handbooks in Finance Series).
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- Faulkender, M., Flannery, M., Hankins, K. and J. Smith, 2012, Cash flows and leverage adjustments, *Journal of Financial Economics* 103(3), 632-646.
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- Giannetti, M., 2003. Do better institutions mitigate agency problems? Evidence from corporate finance choices. *Journal of Financial and Quantitative Analysis* 38, 185–212.
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- Hovakimian, A. and G. Li, 2012, Is the partial adjustment model a useful tool for capital structure research?, *Review of Finance*, 16, 733-754.
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- Mitton, T., 2006. Stock market liberalization and operating performance at the firm level. *Journal of Financial Economics* 81, 625–647.
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- Warner, J.B., 1977, Bankruptcy costs: some evidence, *Journal of Finance* 32, 337-347.
- Weiss, L.A., 1990, Bankruptcy Resolution: Direct Costs and Violation of Priority of Claims, *Journal of Financial Economics* 27, 285-314.