

Day 7: Cybersecurity

Yang Cao

Required readings:

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), 719-749.

Florackis, C., Louca, C., Michaely, R., & Weber, M. (2020). *Cybersecurity risk* (No. w28196). National Bureau of Economic Research.

Ashraf, M., & Sunder, J. (2022). Can shareholders benefit from consumer protection disclosure mandates? Evidence from data breach disclosure laws. *The Accounting Review*.

Akey, P., Lewellen, S., Liskovich, I., & Schiller, C. (2021). Hacking corporate reputations. *Rotman School of Management Working Paper*, (3143740).

Recommended readings:

Crosignani, M., Macchiavelli, M., & Silva, A. F. (2021). Pirates without borders: The propagation of cyberattacks through firms' supply chains. *FRB of New York Staff Report*, (937).

Foerderer, J., & Schuetz, S. W. (2022). Data Breach Announcements and Stock Market Reactions: A Matter of Timing?. *Management Science*.

Ashraf, M. (2022). The role of peer events in corporate governance: Evidence from data breaches. *The Accounting Review*, 97(2), 1-24.

Kang, Kim and Shi (2022). Profiting from Private Information on Rivals Cyberattacks Evidence from Informed Trading by Insiders Connected to Rival Firms. Working Paper

Huang, H. H., & Wang, C. (2021). Do Banks Price Firms' Data Breaches?. *The Accounting Review*, 96(3), 261-286.

Day 6: The double-edged sword of social media

Yang Cao

Required readings:

Chen, H., De, P., Hu, Y. J., & Hwang, B. H. (2014). Wisdom of crowds: The value of stock opinions transmitted through social media. *The Review of Financial Studies*, 27(5), 1367-1403.

Han, B., Hirshleifer, D., & Walden, J. (2022). Social transmission bias and investor behavior. *Journal of Financial and Quantitative Analysis*, 57(1), 390-412.

Chawla, N., Da, Z., Xu, J., & Ye, M. (2021). Information diffusion on social media: Does it affect trading, return, and liquidity?. *Return, and Liquidity*.

Dube, S., & Zhu, C. (2021). The Disciplinary Effect of Social Media: Evidence from Firms' Responses to Glassdoor Reviews. *Journal of Accounting Research*, 59(5), 1783-1825.

Campbell, B., Drake, M., Thornock, J., & Twedt, B. (2022). Earnings Virality. *Journal of Accounting and Economics*, 101517.

Recommended readings:

Hirshleifer, D. (2020). Presidential address: Social transmission bias in economics and finance. *The Journal of Finance*, 75(4), 1779-1831.

Al Guindy, M. (2021). Corporate Twitter use and cost of equity capital. *Journal of corporate finance*, 68, 101926.

Kuchler, T., & Stroebe, J. (2020). *Social finance* (No. w27973). National Bureau of Economic Research.

Cookson, J. A., Niessner, M., & Schiller, C. (2022). Can Social Media Inform Corporate Decisions? Evidence from Merger Withdrawals. *Evidence from Merger Withdrawals (March 16, 2022)*.

Day 5: patents, innovation, and R&D

Yang Cao

Required readings:

Brav, Alon, et al. "How does hedge fund activism reshape corporate innovation?." *Journal of Financial Economics* 130.2 (2018): 237-264.

Lerner, J., & Seru, A. (2021). The use and misuse of patent data: Issues for finance and beyond. *The Review of Financial Studies*.

Bellstam, G., Bhagat, S., & Cookson, J. A. (2021). A text-based analysis of corporate innovation. *Management Science*, 67(7), 4004-4031.

Koh, P. S., Reeb, D. M., Sojli, E., Tham, W. W., & Wang, W. (2021). Deleting unreported innovation. *Journal of Financial and Quantitative Analysis*, 1-52.

Celik, M. A., Tian, X., & Wang, W. (2019). Acquiring Innovation Under Information Frictions. *Available at SSRN 3475698*.

Recommended readings:

Hirshleifer, D., Low, A., & Teoh, S. H. (2012). Are overconfident CEOs better innovators?. *The journal of finance*, 67(4), 1457-1498.

Custódio, C., Ferreira, M. A., & Matos, P. (2019). Do general managerial skills spur innovation?. *Management Science*, 65(2), 459-476.

He, J., & Tian, X. (2018). Finance and corporate innovation: A survey. *Asia-Pacific Journal of Financial Studies*, 47(2), 165-212.

He, J., & Tian, X. (2020). Institutions and Innovation. *Annual Review of Financial Economics*, 12, 377-398.

Crouzet, Nicolas Eberly, Janice C. Eissfeldt, Andrea L. Papanikolaou, Dimitris The Economics of Intangible Capital *Journal of Economic Perspectives* 36 3 29-52 2022 10.1257/jep.36.3.29

Day 3: Investor sentiment and stock market

Chao Liang

Required Readings:

Goldstein, I., Spatt, C. S., & Ye, M. (2021). Big Data in Finance. *The Review of Financial Studies*, 34(7), 3213-3225.

Obaid, K., Pukthuanthong, K., 2021. A picture is worth a thousand words: Measuring investor sentiment by combining machine learning and photos from news. *Journal of Financial Economics*, Forthcoming.

Dicks, David and Paolo Fulghieri, 2021, Uncertainty, Investor Sentiment, and Innovation, *Review of Financial Studies* 34(3): 1235-1279.

Edmans, Alex, Adrian Fernandez-Perez, Alexandre Garel and Ivan Indriawan. "Music Sentiment and Stock Returns Around the World." *Journal of Financial Economics*, forthcoming (2021).

Recommended Readings:

Baker, Malcolm, and Jeffrey Wurgler. "Investor sentiment and the cross-section of stock returns." *Journal of Finance* 61.4 (2006): 1645-1680.

Baker, Malcolm, and Jeffrey Wurgler. "Investor sentiment in the stock market." *Journal of Economic Perspectives* 21.2 (2007): 129-152.

Edmans, Alex, Diego Garcia, and Øyvind Norli. "Sports sentiment and stock returns." *Journal of Finance* 62.4 (2007): 1967-1998.

Jiang, Jingwen, Bryan T. Kelly, and Dacheng Xiu. "(Re-) Imag (in) ing Price Trends." *Chicago Booth Research Paper* 21-01 (2020).

Kraaijeveld O, De Smedt J. The predictive power of public Twitter sentiment for forecasting cryptocurrency prices[J]. *Journal of International Financial Markets, Institutions and Money*, 2020, 65: 101188.

Hirshleifer D. Presidential address: Social transmission bias in economics and finance[J]. *The Journal of Finance*, 2020, 75(4): 1779-1831.

Li Y, Bu H, Li J, et al. The role of text-extracted investor sentiment in Chinese stock price prediction with the enhancement of deep learning[J]. *International Journal of Forecasting*, 2020, 36(4): 1541-1562.

Kostopoulos D, Meyer S, Uhr C. Ambiguity about volatility and investor behavior[J]. *Journal of Financial Economics*, 2021.

Çepni O, Guney I E, Gupta R, et al. The role of an aligned investor sentiment index in predicting bond risk premia of the US[J]. Journal of Financial Markets, 2020, 51: 100541.

Li Y , Bu H , Li J , et al. The role of text-extracted investor sentiment in Chinese stock price prediction with the enhancement of deep learning[J]. International Journal of Forecasting, 2020, 36.

罗琦,吴乃迁,苏愉越,喻天琦.投资者盈余乐观情绪与管理者迎合——基于社交媒体情感分析的证据[J/OL].中国工业经济, 2021(11):137-156[2021-11-30].<https://doi.org/10.19581/j.cnki.ciejournal.2021.11.008>.

何诚颖,陈锐,薛冰,何牧原.投资者情绪、有限套利与股价异象[J].经济研究, 2021,56(01):58-73.

Day 2: Fintech, Big Data, AI and Blockchain¹

Yang Cao

Required Readings:

Goldstein, I., Spatt, C. S., & Ye, M. (2021). Big Data in Finance. *The Review of Financial Studies*, 34(7), 3213-3225.

Babina, T., Fedyk, A., He, A. X., & Hodson, J. (2020). Artificial intelligence, firm growth, and industry concentration. *Firm Growth, and Industry Concentration* (November 22, 2020).

Jiang, W., Tang, Y., Xiao, R. J., & Yao, V. (2021). Surviving the Fintech Disruption (No. w28668). National Bureau of Economic Research.

Goldstein, I., Jiang, W., & Karolyi, G. A. (2019). To FinTech and beyond. *The Review of Financial Studies*, 32(5), 1647-1661.

Liu, Yukun, and Aleh Tsyvinski. 2021, "Risks and returns of cryptocurrency," *Review of Financial Studies* 34, 2689-2727.

Recommended Readings:

Hu, A., & Ma, S. (2021). Persuading Investors: A Video-Based Study. Available at SSRN 3583898.

Cao, S., Jiang, W., Wang, J. L., & Yang, B. (2021). From Man vs. Machine to Man+ Machine: The Art and AI of Stock Analyses (No. w28800). National Bureau of Economic Research.

Cao, S., Jiang, W., Yang, B., & Zhang, A. L. (2020). How to talk when a machine is listening: Corporate disclosure in the age of AI (No. w27950). National Bureau of Economic Research.

Yermack, David, 2017, "Corporate governance and blockchains," *Review of Finance* 21, 7-31.

Stulz, René, 2019, "FinTech, big tech, and the future of banks," *Journal of Applied Corporate Finance* 31, 86-98.

Liu, Yukun, Aleh Tsyvinski, and Xi Wu, 2019, "Common risk factors in cryptocurrency, *Journal of Finance*, forthcoming.

Grennan, Jillian and Michaely, Roni, Artificial Intelligence and High-Skilled Work: Evidence from Analysts (August 26, 2020). Swiss Finance Institute Research Paper No. 20-84, Available at SSRN: <https://ssrn.com/abstract=3681574>

Grennan, J., & Michaely, R. (2021). Fintechs and the market for financial analysis. *Journal of Financial and Quantitative Analysis*, 56(6), 1877-1907.

Commerford, B. P., Dennis, S. A., Joe, J. R., & Ulla, J. (2020). Man versus machine: Complex estimates and auditor reliance on artificial intelligence. Available at SSRN 3422591.

¹ Georgetown university organized a similar seminar series.

<https://finpolicy.georgetown.edu/cfmp-events/global-virtual-seminar-series-on-fintech/>

Bali, T. G., Goyal, A., Huang, D., Jiang, F., & Wen, Q. (2020). The cross-sectional pricing of corporate bonds using big data and machine learning. Available at SSRN 3686164.

Coleman, B., Merkley, K. J., & Pacelli, J. (2020). Man versus Machine: A comparison of robo-analyst and traditional research analyst investment recommendations. Available at SSRN 3514879.

Zheng, X. (2021). How can Innovation Screening be Improved? A Machine Learning Analysis with Economic Consequences for Firm Performance. A Machine Learning Analysis with Economic Consequences for Firm Performance (May 13, 2021).

Ke, Z. T., Kelly, B. T., & Xiu, D. (2019). Predicting returns with text data (No. w26186). National Bureau of Economic Research.

Kalda, A., Loos, B., Previtero, A., & Hackethal, A. (2021). Smart (Phone) Investing? A within Investor-time Analysis of New Technologies and Trading Behavior (No. w28363). National Bureau of Economic Research.

Florakis, C., Louca, C., Michaely, R., & Weber, M. (2020). Cybersecurity Risk (No. w28196). National Bureau of Economic Research.

Day 1: ESG, CSR, Carbon and Climate change

Yang Cao

Required Readings:

1. Giglio, S., Kelly, B., & Stroebe, J. (2021). [Climate finance](#). *Annual Review of Financial Economics*
2. Gillan, S. L., Koch, A., & Starks, L. T. (2021). [Firms and social responsibility: A review of ESG and CSR research in corporate finance](#). *Journal of Corporate Finance*, 101889.
3. Bolton, P., & Kacperczyk, M. (2021). [Do investors care about carbon risk?](#). *Journal of Financial Economics*.

Recommended Readings:

1. Stroebe, J., & Wurgler, J. (2021). [What do you think about climate finance?](#). *JFE forthcoming*
2. Krueger, P., Sautner, Z., & Starks, L. T. (2020). [The importance of climate risks for institutional investors](#). *The Review of Financial Studies*, 33(3), 1067-1111.
3. Choi, D., Gao, Z., & Jiang, W. (2020). [Attention to global warming](#). *The Review of Financial Studies*, 33(3), 1112-1145.
4. Bolton, P., & Kacperczyk, M. T. (2020). [Signaling through carbon disclosure](#). Available at SSRN 3755613.
5. Krueger, P., Sautner, Z., Tang, D. Y., & Zhong, R. (2021). [The Effects of Mandatory ESG Disclosure around the World](#). Available at SSRN 3832745.
6. Berg, F., Koelbel, J. F., & Rigobon, R. (2019). [Aggregate confusion: The divergence of ESG ratings](#). SSRN.
7. Sautner, Z., van Lent, L., Vilkov, G., & Zhang, R. (2020). [Firm-level climate change exposure](#).
8. Hong, H., Karolyi, G. A., & Scheinkman, J. A. (2020). [Climate finance](#). *The Review of Financial Studies*, 33(3), 1011-1023.
9. Liang, H., & Renneboog, L. (2020). [Corporate social responsibility and sustainable finance: a review of the literature](#). *European Corporate Governance Institute–Finance Working Paper*, (701).
10. Edmans, A. (2011). [Does the stock market fully value intangibles? Employee satisfaction and equity prices](#). *Journal of Financial economics*, 101(3), 621-640.
11. Liang, H., Renneboog, L. 2017. "[Finance and Society: On the Foundations of Corporate Social Responsibility](#)," *Journal of Finance*, 72(2), 853-910.
12. Li, Qing and Shan, Hongyu and Tang, Yuehua and Yao, Vincent, [Corporate Climate Risk: Measurements and Responses](#) (July 2, 2020).