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Bachelor Theses FSS 2026: Topics

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Advisor: Larissa Ginzinger

TOPIC NR1: Who Owns What? An Analysis of Wealth Allocation within Couples

Advisor: Sehrish Usman

Understanding how wealth is distributed within households is crucial for analyzing economic inequality, financial security, and intra-household decision-making. While traditional economic analysis often treats households as single decision-making units, a growing body of research shows that resources within couples are not necessarily shared equally. Instead, wealth may be unevenly distributed between partners, with important implications for bargaining power, consumption, savings behavior, and welfare. Recent empirical evidence highlights that intra-household wealth inequality can be substantial. For example, research by Grabka, Marcus, and Sierminska (2015) demonstrates that wealth ownership within couples is often unequally distributed, with gender playing a significant role. This inequality may affect financial independence, particularly in cases of divorce or retirement. Foundational work by Chiappori (1992) and Browning and Chiappori (1998) provides the basis for analyzing intra-household allocation. Empirical studies show control over resources matters. Lundberg, Pollak, and Wales (1997), for example, demonstrate that who controls income affects household expenditure patterns. Similarly, Duflo (2003) finds that increasing women's control over resources leads to different spending outcomes, particularly benefiting children. In the context of wealth, Sierminska, Frick, and Grabka (2010) document substantial gender wealth gaps within married couples in Germany, largely driven by differences in characteristics between men and women, particularly by individual's own income and labour market experience. More recent studies also emphasize the role of institutional factors, labor market participation, and inheritance in shaping intra-household wealth distribution (Balestra & Tonkin, 2018).

Requirements:

The goal of this thesis is twofold. First, the student is required to carefully understand the paper by Grabka et al. (2015) and conduct a comprehensive literature review on wealth distribution within couples. The discussion should include, but not be limited to (1) an overview of theoretical models of intra-household allocation (e.g., collective models) (2) Empirical evidence on wealth inequality within couples including gender differences (3) key determinants such as income, education, inheritance, and institutional settings, and (4) potential policy implications related to taxation, social security, and gender equality. Second, the student is required to empirically analyze the recent trends in wealth distribution within couples in Germany using DESTATIS. The analysis should highlight recent developments and provide an interpretation of what current statistics indicate, particularly in comparison to the results discussed in the first part (specifically compared to study by Grabka, Marcus, and Sierminska, 2015).

Introductory Literature:

- Balestra, C., & Tonkin, R. (2018). Inequalities in household wealth across OECD countries: Evidence from the OECD Wealth Distribution Database. OECD Statistics Working Papers.
- Browning, M., & Chiappori, P.-A. (1998). Efficient intra-household allocations: A general characterization and empirical tests. *Econometrica*, 1241–1278.
- Chiappori, P.-A. (1992). Collective labor supply and welfare. *Journal of Political Economy*, 100(3), 437–467.
- Duflo, E. (2003). Grandmothers and granddaughters: Old-age pensions and intra-household allocation in South Africa. *World Bank Economic Review*, 17(1), 1–25.
- Grabka, M. M., Marcus, J., & Sierminska, E. (2015). Wealth distribution within couples. *Review of Economics of the Household*, 13(3), 459–486.
- Lundberg, S. J., Pollak, R. A., & Wales, T. J. (1997). Do husbands and wives pool their resources? Evidence from the United Kingdom child benefit. *Journal of Human Resources*, 32(3), 463–480.
- Sierminska, E. M., Frick, J. R., & Grabka, M. M. (2010). Examining the gender wealth gap. *Oxford Economic Papers*, 62(4), 669–690.

TOPIC NR2: Occupational Segregation and the Gender Wage Gap

Advisor: Sehrish Usman

Occupational segregation by gender remains a central factor in explaining persistent inequalities in labor market outcomes. Despite substantial increases in female labor force participation and educational attainment, men and women continue to be unevenly distributed across occupations. This segregation contributes significantly to the gender wage gap by concentrating women in lower-paying sectors and limiting access to high-paying and male-dominated occupations. Blau, Brummund, and Liu (2013) demonstrate that while occupational segregation fell substantially between 1970 and 2009, the pace of decline has diminished over time. This slowdown raises important questions about the remaining barriers to gender equality in the labor market. Understanding how occupational segregation contributes to the gender wage gap is crucial for designing effective policies aimed at reducing inequality and improving efficiency.

Theoretical explanations for occupational segregation include differences in preferences, human capital, and discrimination. Becker's (1957) model of discrimination provides an early framework for understanding how employer biases can influence occupational sorting. More recent work highlights the role of social norms, expectations, and institutional constraints. Empirically, Blau and Kahn (2017) show that while the gender wage gap has narrowed over time, a substantial portion remains unexplained and is partly driven by occupational sorting. Goldin (2014) emphasizes the importance of job flexibility and workplace structures in sustaining wage differences across occupations. Blau et al. (2013) contribute to this literature by providing a consistent long-term analysis of occupational segregation trends, accounting for changes in occupational classification systems. Their findings suggest that educational attainment and cohort effects play a key role in reducing segregation, but that progress has slowed, particularly among less-educated workers.

Requirements:

The goal of this thesis is twofold. First, the student is required to conduct a comprehensive literature review on occupational segregation and the gender wage gap. The discussion should include, but not be limited to: (1) an overview of theoretical explanations for occupational segregation (e.g., discrimination, preferences, and human capital), (2) empirical evidence on trends in occupational segregation over time, (3) the relationship between occupational segregation and the gender wage gap, and (4) the role of education, institutions, and labor market policies in shaping these outcomes. Second, the student is required to empirically analyze occupational segregation across industries in European regions. The data will be obtained from Eurostat, a publicly available dataset. The empirical analysis should measure occupational segregation using standard indices (e.g., the Duncan Index; Duncan & Duncan, 1955) and examine how occupational segregation varies across different European countries. This analysis may require some expertise in Excel, STATA or any other software.

Introductory Literature:

- Becker, G. S. (1957). *The economics of discrimination*. University of Chicago Press.
- Blau, F. D., Brummund, P., & Liu, A. Y.-H. (2013). Trends in occupational segregation by gender 1970–2009: Adjusting for the impact of changes in the occupational coding system. *Demography*, 50(2), 471–492.
- Blau, F. D., & Kahn, L. M. (2017). The gender wage gap: Extent, trends, and explanations. *Journal of Economic Literature*, 55(3), 789–865.
- Goldin, C. (2014). A grand gender convergence: Its last chapter. *American Economic Review*, 104(4), 1091–1119.

TOPIC NR3: Regulatory Clarity and Financial Innovation

Advisor: Sehrish Usman

The rapid development of financial technology (fintech) has significantly transformed the financial sector over the past two decades. Innovations such as digital payments, peer-to-peer (P2P) lending, cryptocurrencies, and blockchain-based financial services have challenged traditional banking models and reshaped financial intermediation. The rapid expansion of digital finance, like digital lending (crowdfunding), has created new opportunities for firms and investors. However, the growth of these markets depends not only on technological innovation but also on the regulatory environment in which they operate. In the context of fintech, regulation plays an even more complex role. On one hand, excessive or unclear regulation may hinder innovation while the well-designed and transparent rules can reduce uncertainty and encourage market participation.

Ran, Rau, and Ziegler (2025) provide novel evidence that regulatory clarity, rather than mere regulatory presence, is a key driver of crowdfunding development. Using a difference-in-differences approach across countries, they show that clearer regulations increase debt crowdfunding volumes and promote the entry of new platforms. Related literature also highlights the importance of legal frameworks for financial development. For example, Claessens and Laeven (2003) show that institutional quality affects financial sector competition, while Goldstein, Jiang, and Karolyi (2019) document how regulatory environments shape fintech innovation globally. In the European context, regulatory initiatives such as the revised Payment Services Directive (PSD2) aim to foster competition and innovation while ensuring security and transparency.

Requirements:

The goal of this thesis is twofold. First, the student is required to carefully read and understand the paper by Ran, Rau, and Ziegler (2025) and conduct a structured literature review on financial innovation and regulation. The discussion should include but not be limited to (1) the role of regulation in financial market development, (2) the concept of regulatory clarity and how it differs from regulatory intensity, (3) empirical evidence on crowdfunding or other forms of digital lending and fintech regulation. Second, the student is required to analyze regulatory frameworks for digital finance particularly crowdfunding across European countries. The empirical analysis should compare the level of regulatory clarity across selected EU countries, examine how differences in regulation relate to crowdfunding activity (descriptive analysis is sufficient), and discuss recent EU-level initiatives (e.g., European Crowdfunding Regulation) and their expected impact.

Introductory Literature:

- Claessens, S., & Laeven, L. (2003). Financial development, property rights, and growth. *Journal of Finance*, 58(6), 2401–2436.
- Goldstein, I., Jiang, W., & Karolyi, G. A. (2019). To fintech and beyond. *Review of Financial Studies*, 32(5), 1647–1661.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (1998). Law and finance. *Journal of Political Economy*, 106(6), 1113–1155.
- Ran, Z., Rau, P. R., & Ziegler, T. (2025). Sometimes, always, never: Regulatory clarity and the development of digital financing. *Management Science*, 71(9), 8027-8071.
- Rau, P. R. (2020). Law, trust, and the development of crowdfunding. *Trust, and the Development of Crowdfunding* (July 1, 2020).

TOPIC NR4: Income Inequality and Life Satisfaction

Advisor: Sehrish Usman

The relationship between income and well-being is a central question in economics. While higher income is generally associated with higher life satisfaction, a growing body of research suggests that relative income and income inequality may be equally important determinants of individual well-being. The seminal study by Frijters, Haisken-DeNew, and Shields (2004) provides compelling evidence that increase in real income significantly improved life satisfaction in East Germany following reunification. However, beyond absolute income, individuals may also care about their income relative to others. Rising income inequality may therefore affect life satisfaction through bargaining power, social comparisons, fairness concerns, and perceived economic security. Understanding these relationships is crucial for evaluating economic policy and societal welfare.

Traditional economic models assume that utility depends on absolute income. However, more recent approaches incorporate relative income effects, suggesting that individuals compare themselves to peers (Clark, Frijters, & Shields, 2008). Empirical evidence supports this view. Easterlin (1974) famously showed that increases in average income do not necessarily lead to higher average happiness over time, a phenomenon known as the Easterlin Paradox. Later studies refine this idea by distinguishing between absolute and relative income effects. Frijters et al. (2004) provide strong causal evidence that increases in income improve life satisfaction, using German reunification as a natural experiment. At the same time, Luttmer (2005) finds that higher income of neighbors reduces individual well-being, highlighting the importance of social comparisons. More recent research also emphasizes the role of inequality itself. Alesina, Di Tella, and MacCulloch (2004) show that individuals report lower happiness in more unequal societies, particularly among certain groups.

Requirements:

The goal of this thesis is twofold. First, the student is required to conduct a comprehensive literature review on income, inequality, and life satisfaction. The discussion should include but not be limited to: (1) the relationship between absolute income and life satisfaction, (2) the concept of relative income and life satisfaction, (3) empirical evidence on the effects of income inequality on well-being, and (4) key findings from Frijters et al. (2004) and related literature. Second, the student is required to empirically analyze the relationship between income and life satisfaction using publicly available datasets, such as those provided by the World Bank (e.g., World Happiness data). The empirical analysis should examine the relationship between income and life satisfaction and explore how income inequality at the regional or national level affects well-being.

Introductory Literature:

- Alesina, A., Di Tella, R., & MacCulloch, R. (2004). Inequality and happiness: Are Europeans and Americans different? *Journal of Public Economics*, 88(9–10), 2009–2042.
- Clark, A. E., Frijters, P., & Shields, M. A. (2008). Relative income, happiness, and utility: An explanation for the Easterlin paradox and other puzzles. *Journal of Economic Literature*, 46(1), 95–144.
- Easterlin, R. A. (1974). Does economic growth improve the human lot? Some empirical evidence. In *Nations and households in economic growth* (pp. 89–125). Academic Press.
- Frijters, P., Haisken-DeNew, J. P., & Shields, M. A. (2004). Money does matter! Evidence from increasing real income and life satisfaction in East Germany following reunification. *American Economic Review*, 94(3), 730–740.
- Luttmer, E. F. P. (2005). Neighbors as negatives: Relative earnings and well-being. *Quarterly Journal of Economics*, 120(3), 963–1002.

TOPIC NR5: Bridging or Widening the Gap? Gender Differences in Fintech Adoption

Advisor: Sehrish Usman

The rapid expansion of financial technology has increased access to financial services worldwide. Digital financial tools such as mobile payments, online banking, and digital lending have the potential to reduce traditional barriers to financial inclusion by lowering transactions costs and enhancing the reach of the products and services. However, emerging evidence suggests that these benefits are not equally distributed across genders. The concept of the fintech gender gap refers to differences between men and women in the access to and use of digital financial services. Understanding this gap is important, as unequal access to fintech may reinforce existing economic inequalities, particularly in access to credit, savings, and investment opportunities. Chen et al. (2023) show that gender gaps persist in fintech adoption even after controlling income and education. They provide systematic evidence on gender differences in fintech usage, showing that women are less likely to adopt digital financial services in many countries. Frost et al. (2019) emphasize that technological innovation can reshape financial intermediation but may also introduce new inequalities. Another interesting study by Demirgüç-Kunt et al. (2022) document persistent gender gaps in financial inclusion globally, even with increasing digitalization. These findings suggest that fintech alone does not automatically eliminate gender disparities and that institutional, cultural, and economic factors continue to play an important role.

Requirements:

The goal of this thesis is twofold. First, the student is required to carefully read and understand the paper by Chen et al. (2023) and conduct a comprehensive literature review on fintech and gender inequality. The discussion should include, but not be limited to (1) the concept of financial inclusion and gender gaps in finance, (2) the role of fintech in expanding access to financial services, (4) empirical evidence on gender differences in fintech adoption, and (5) key determinants of the fintech gender gap (e.g., income, education, digital literacy, institutions). Second, the student is required to empirically analyze gender differences in fintech usage using publicly available data sources (e.g., Global Findex Database). The empirical analysis should provide descriptive statistics on fintech usage by gender. The main goal is to also explore whether differences in perceptions and attitudes toward fintech adoption between men and women explain the observed gender gap in digital financial usage.

Introductory Literature:

- Chen, S., Doerr, S., Frost, J., Gambacorta, L., & Shin, H. S. (2023). The fintech gender gap. *Journal of Financial Intermediation*, 54, 101026.
- Figueira, C., & Subramanian, L. (2023). FinTech, financial inclusion, and different dimensions of inequality: channels and evidence.
- Frost, J., Gambacorta, L., Huang, Y., Shin, H. S., & Zbinden, P. (2019). BigTech and the changing structure of financial intermediation. *Economic policy*, 34(100), 761-799.
- Suri, T., & Jack, W. (2016). The long-run poverty and gender impacts of mobile money. *Science*, 354(6317), 1288-1292.

TOPIC NR6: Experience Effects in Financial Decision-Making

Advisor: Lukas Mertes

A central question in household finance and behavioral economics is how individuals form expectations about macroeconomic variables such as inflation and stock market returns, and how these expectations shape their financial decisions. The standard rational expectations framework assumes that individuals use all available information efficiently. In a highly influential study, however, Malmendier and Nagel (2011) document that individuals overweight their own lifetime experiences when forming expectations. Individuals who experienced low stock market returns throughout their lives report lower willingness to take financial risk, are less likely to participate in the stock market, and hold a smaller share of their wealth in equities. This phenomenon, referred to as experience effects, provides a powerful explanation for persistent heterogeneity in financial beliefs and behavior across age cohorts.

The experience effects framework has since been extended to a broad range of financial domains. Malmendier and Nagel (2016) show that individuals overweight inflation experienced during their own lifetimes when forming inflation expectations. Knüpfer, Rantapuska, and Sarvimäki (2017) provide evidence that labor market experiences shape portfolio choices in a manner consistent with experience-based learning. More recently, Kuchler and Zafar (2019) demonstrate that local house price experiences systematically influence individuals' national house price expectations, illustrating that geographically idiosyncratic experiences translate into macroeconomic beliefs.

Requirements:

The goal of this thesis is twofold. First, the student is required to conduct a comprehensive literature review on experience effects in financial decision-making. The discussion should include, but not be limited to, (1) an overview of the theoretical foundations of experience-based learning and how it departs from rational expectations, (2) a review of empirical evidence on experience effects across different financial domains (e.g., inflation expectations, equity market participation, trading behavior), and (3) a discussion of the mechanisms through which past experiences influence beliefs, with particular focus to the role of emotions.

Second, the student is expected to empirically analyze experience effects using microdata from the Survey of Consumer Expectations (SCE). The empirical analysis should document how individuals' inflation or return expectations correlate with cohort-specific macroeconomic experiences, replicating the core findings of Malmendier and Nagel (2011) in a contemporary setting. The student is expected to produce descriptive statistics on expectation heterogeneity across age cohorts and to examine whether cohort differences in beliefs translate into differences in reported financial behavior (e.g., spending, saving, or borrowing intentions).

Introductory Literature:

- Kuchler, T., & Zafar, B. (2019). Personal experiences and expectations about aggregate outcomes. *Journal of Finance*, 74(5), 2491–2542.
- Knüpfer, S., Rantapuska, E., & Sarvimäki, M. (2017). Formative experiences and portfolio choice: Evidence from the Finnish Great Depression. *Journal of Finance*, 72(1), 133–166.
- Malmendier, U., & Nagel, S. (2011). Depression babies: Do macroeconomic experiences affect risk taking? *Quarterly Journal of Economics*, 126(1), 373–416.
- Malmendier, U., & Nagel, S. (2016). Learning from inflation experiences. *Quarterly Journal of Economics*, 131(1), 53–87.

TOPIC NR7: ESG Fund Classifications and Fund Flows

Advisor: Lukas Mertes

Sustainable investing has grown rapidly over the past decade, with environmental, social, and governance (ESG) considerations increasingly shaping the preferences of both retail and institutional investors. A central challenge, however, is the lack of standardized and reliable classifications of what constitutes a “sustainable” fund. Fund managers frequently make voluntary sustainability claims that are difficult for investors to verify, giving rise to concerns about greenwashing — the practice of overstating the environmental or social credentials of a financial product. Against this background, the European Union introduced the Sustainable Finance Disclosure Regulation (SFDR) in March 2021, which mandates that funds are classified according to three categories: Article 6 (no sustainability focus), Article 8 (funds that promote environmental or social characteristics), and Article 9 (funds with a sustainable investment objective).

The introduction of SFDR raises the questions how sustainability classifications affect investor behavior and fund flows. Pedersen, Fitzgibbons, and Pomorski (2021) develop a theoretical framework in which ESG-aware investors bid up the prices of high-ESG assets, generating return differentials across investor types. Hartzmark and Sussman (2019) show that the introduction of Morningstar's sustainability ratings led to significant flow responses. High-rated funds attracted inflows and low-rated funds suffered from outflows. A key open question is whether sustainability classifications affect fund flows beyond what is explained by underlying fund characteristics such as past performance, fees, and fund size. If investors treat sustainability classification as credible signals, one would expect systematic flow differences across classification categories.

Requirements:

The goal of this thesis is twofold. First, the student is required to conduct a comprehensive literature review on ESG fund classifications and their relationship to fund flows. The discussion should include, but not be limited to, (1) an overview of ESG rating and classification systems, with a particular focus on the SFDR framework and the distinction between Article 6, 8, and 9 funds, (2) a review of the empirical evidence on how sustainability labels and ESG ratings affect investor demand and fund flows, and (3) a discussion of the broader flow-performance relationship in the mutual fund industry and how sustainability dimensions interact with standard drivers of fund flows.

Second, the student is expected to empirically analyze the relationship between ESG fund characteristics and fund flows using data from the CRSP Survivor-Bias-Free US Mutual Fund Database. The empirical analysis should document how fund flows differ across funds with varying ESG characteristics, replicating the approach of Sirri and Tufano (1998) and extending it to the ESG dimension.

Introductory Literature:

- Hartzmark, S. M., & Sussman, A. B. (2019). Do investors value sustainability? A natural experiment examining ranking and fund flows. *Journal of Finance*, 74(6), 2789–2837.
- Pedersen, L. H., Fitzgibbons, S., & Pomorski, L. (2021). Responsible investing: The ESG-efficient frontier. *Journal of Financial Economics*, 142(2), 572–597.
- Sirri, E., & Tufano, P. (1998). Costly search and mutual fund flows. *Journal of Finance*, 53(5), 1589–1622.

TOPIC NR8: Lottery-Like Stocks and Retail Investor Demand

Advisor: Lukas Mertes

A key assumption of classical asset pricing is that investors are rational mean-variance optimizers who care only about a portfolio's expected return and risk. In practice, however, a substantial body of evidence suggests that many investors – in particular retail investors – have a preference for assets with lottery-like payoff profiles: low prices, high volatility, and high positive skewness. These investors are willing to accept a negative expected return in exchange for a small probability of a very large gain.

Kumar (2009) provides evidence that retail investors disproportionately hold stocks with lottery-like characteristics. Especially less wealthy, younger, and less financially sophisticated investors tend to hold lottery-like stocks. Building on this, Bali, Cakici, and Whitelaw (2011) introduce the MAX measure – defined as the maximum daily return of a stock over the previous calendar month – as a simple and tractable proxy for a stock's lottery appeal. They document a robust negative cross-sectional relationship between MAX and subsequent monthly returns. Stocks with the highest recent maximum daily returns earn significantly lower future returns, consistent with investors overpaying for lottery-like excitement. This phenomenon is known as the MAX effect and represents one of the most striking return anomalies in the empirical asset pricing literature.

Requirements:

The goal of this thesis is twofold. First, the student is required to conduct a comprehensive literature review on lottery preferences in financial markets and the MAX effect. The discussion should include, but not be limited to, (1) an overview of the theoretical and psychological foundations of lottery preferences among investors, (2) a detailed review of the empirical evidence on the MAX effect and its relationship to related anomalies such as idiosyncratic volatility, skewness, and short-term reversal, and (3) a discussion of the role of investor heterogeneity – in particular the distinction between retail and institutional investors – in driving lottery demand and the associated return patterns.

Second, the student is expected to empirically analyze the MAX effect using daily and monthly return data from CRSP. The empirical analysis should replicate the main result of Bali et al. (2011). At the end of each month, stocks are sorted into deciles based on their MAX measure, and average next-month returns are computed across deciles. The student should examine whether the return differential between high-MAX and low-MAX stocks is economically and statistically significant, and explore how the MAX effect varies across subperiods and market conditions.

Introductory Literature:

- Bali, T. G., Cakici, N., & Whitelaw, R. F. (2011). Maxing out: Stocks as lotteries and the cross-section of expected returns. *Journal of Financial Economics*, 99(2), 427–446.
- Barberis, N., & Huang, M. (2008). Stocks as lotteries: The implications of probability weighting for security prices. *American Economic Review*, 98(5), 2066–2100.
- Kumar, A. (2009). Who gambles in the stock market? *Journal of Finance*, 64(4), 1889–1933.

TOPIC NR9: The Halloween Effect in Stock Markets

Advisor: Lukas Mertes

One of the biggest puzzles in empirical finance is the existence of seasonal patterns in stock returns that appear inconsistent with the efficient market hypothesis. The efficient markets hypothesis, in its semi-strong form, implies that any publicly known seasonal regularity should be arbitrated away as soon as it is discovered. Yet several seasonal anomalies have proven remarkably persistent. The Halloween effect – the empirical observation that stock market returns are substantially higher during the November-to-April period than during the May-to-October period – is one of them.

Bouman and Jacobsen (2002) provide the first systematic international evidence on the Halloween effect, documenting its presence in 36 out of 37 countries in their sample. Crucially, they show that a simple trading strategy of holding equities from November through April and switching to risk-free assets from May through October would have outperformed a buy-and-hold strategy in the majority of markets, even after accounting for transaction costs.

The persistence of the Halloween effect after its academic publication is itself a puzzle. McLean and Pontiff (2016) document that most return anomalies decay significantly after publication as arbitrageurs exploit them, yet the Halloween effect appears to have remained largely intact. Various explanations, including seasonal variation in risk aversion, summer vacation effects that reduce market liquidity and participation, have been proposed. However, no single explanation has achieved consensus.

Requirements:

The goal of this thesis is twofold. First, the student is required to conduct a comprehensive literature review on seasonal anomalies in stock markets, with a particular focus on the Halloween effect. The discussion should include, but not be limited to, (1) an overview of the empirical evidence on the Halloween effect across countries and time periods, including its persistence after academic publication, (2) a detailed discussion of proposed explanations for the effect, covering both risk-based and behavioral channels, and (3) a broader discussion of seasonal anomalies in financial markets and what their persistence implies for the efficient market hypothesis.

Second, the student is expected to empirically analyze the Halloween effect using monthly return data from CRSP. The empirical analysis should document the magnitude of the May-to-October versus November-to-April return differential for the U.S. market across the full available sample period, examine how the effect has evolved over time – in particular before and after the publication of Bouman and Jacobsen (2002).

Introductory Literature:

- Bouman, S., & Jacobsen, B. (2002). The Halloween indicator, 'Sell in May and go away': Another puzzle. *American Economic Review*, 92(5), 1618–1635.
- Fama, E. F. (1991). Efficient capital markets: II. *Journal of Finance*, 46(5), 1575–1617.
- McLean, R. D., & Pontiff, J. (2016). Does academic research destroy stock return predictability? *Journal of Finance*, 71(1), 5–32.

TOPIC NR10: Corporate Culture and Firm Performance: Evidence from Employee Satisfaction

Advisor: Leah Zimmerer

Employee satisfaction has increasingly become a focal point for firms aiming to improve productivity, retention, and overall performance. Many companies invest heavily in workplace culture and employee well-being, arguing that happier employees lead to better firm outcomes. This view contrasts with traditional economic theories, which treat employees primarily as input factors whose costs should be minimized (e.g., Taylor, 1911). In contrast, human relations and modern organizational theories emphasize employees as key assets that contribute to firm value (e.g., Rajan and Zingales, 1998).

This debate raises an important empirical question: Does employee satisfaction enhance financial performance? In a seminal study, Edmans (2011) examines this relationship using a portfolio of firms listed among the “100 Best Companies to Work for in America” as a proxy for employee satisfaction and finds that these firms earn significantly higher stock returns. Whether these results hold in more recent periods and across alternative performance measures remains an open question.

Requirements:

The goal of this thesis is twofold. First, the student is required to provide a concise literature survey on intangible assets, with a particular focus on employee satisfaction and its relationship to firm performance. The discussion should include, but is not limited to, (1) theoretical perspectives on the role of employees as production factors versus strategic assets, (2) empirical evidence linking employee satisfaction to financial performance, and (3) a discussion of potential channels through which employee satisfaction may affect firm value. Second, the student is required to replicate the main findings of Edmans (2011) by analyzing the relationship between employee satisfaction and stock returns. Data on employee satisfaction will be partly provided and is readily available for download on the “100 Best Companies to Work for in America” website. The analysis should extend the sample period to more recent years in order to assess whether the documented effects persist over time. In addition, the student may examine alternative measures of firm performance, such as accounting-based indicators (e.g., ROA, ROE) or other market-based measures, to further evaluate the relationship between employee satisfaction and financial outcomes.

Introductory Literature:

- Edmans, A. (2011). Does the stock market fully value intangibles? Employee satisfaction and equity prices. *Journal of Financial Economics*, 101(3), 621–640.
- Edmans, A. (2012). The link between job satisfaction and firm value, with implications for corporate social responsibility. *Academy of Management Perspectives*, 26(4), 1–19.
- Lins, K. V., Servaes, H., & Tamayo, A. (2017). Social capital, trust, and firm performance: The value of corporate social responsibility during the financial crisis. *The Journal of Finance*, 72(4), 1785–1824.
- Rajan, R. G., & Zingales, L. (1998). Power in a Theory of the Firm. *The Quarterly Journal of Economics*, 113(2), 387–432.
- Taylor, F. W. (1911). *The principles of scientific management*. New York.

TOPIC NR11: Family Firms and Corporate Governance: Evidence on Agency Conflicts and Firm Performance

Advisor: Leah Zimmerer

Family firms are among the most prevalent organizational forms worldwide, representing a significant share of both private and publicly listed companies. They play an important role in employment, innovation, and long-term economic development. However, their governance structures differ fundamentally from those of widely held corporations, raising important questions about how ownership concentration affects firm behavior and outcomes.

A central issue in corporate governance is the mitigation of agency conflicts. In widely held firms, the separation of ownership and control gives rise to principal–agent problems, as managers may act in their own interests rather than those of shareholders. In contrast, family firms typically combine ownership and control, which can reduce traditional agency costs and promote long-term decision-making and stronger monitoring. At the same time, concentrated ownership may create conflicts between controlling family owners and minority shareholders (principal–principal conflicts), for example through tunneling, preferential treatment, or resistance to external governance mechanisms. Additionally, non-economic objectives—such as preserving family legacy or socioemotional wealth—may influence decisions beyond pure profit maximization.

Empirical evidence on the performance and governance of family firms remains mixed (e.g., Anderson and Reeb, 2003). While some studies find that family firms outperform due to better monitoring and long-term orientation, others point to drawbacks such as limited access to external talent, risk aversion, and governance weaknesses. These mixed findings highlight the need for a systematic and comparative analysis.

Requirements:

The student is required to provide a comprehensive literature survey on family firms and corporate governance. The discussion should include, but is not limited to, (1) definition of family firms (2) theoretical perspectives on ownership structure and agency conflicts, (3) empirical evidence on performance, governance, and decision-making in family firms, and (4) a comparison between family and non-family firms. In addition, the student may conduct a descriptive empirical analysis comparing family and non-family firms with respect to selected firm characteristics and performance measures. The analysis should be based on available data, e.g., from company reports or financial databases.

Introductory Literature:

- Anderson, R. C., & Reeb, D. M. (2003). Founding-family ownership and firm performance. *The Journal of Finance*, 58(3), 1301–1328.
- Bertrand, M., & Schoar, A. (2006). The role of family in family firms. *Journal of Economic Perspectives*, 20(2), 73–96.
- Pérez-González, F. (2006). Inherited control and firm performance. *American Economic Review*, Vol. 96, 1559-158
- Villalonga, B., & Amit, R. (2006). How do family ownership, control, and management affect firm value? *Journal of Financial Economics*, 80(2), 385–417.

TOPIC NR12: Do Female CEOs Lead Firms Differently? Evidence on Corporate Policies and Firm Performance

Advisor: Leah Zimmerer

The increasing presence of women in top executive positions has raised the question of whether female CEOs lead firms differently from their male counterparts. From a theoretical perspective, upper echelons theory and behavioral finance suggest that managerial characteristics can influence corporate decisions. Prior research documents gender differences in risk preferences and behavior, implying that female CEOs may adopt more cautious or stakeholder-oriented strategies. Consistent with this view, Huang and Kisgen (2013) show that male executives engage more frequently in acquisitions and debt issuance, while Faccio et al. (2016) find that firms led by female CEOs exhibit lower leverage and risk-taking.

However, empirical evidence on the effects of female leadership on firm performance remains mixed. While some studies associate female CEOs with improved performance and lower risk (Khan & Vieito, 2013), others emphasize that observed differences depend on context, firm characteristics, and selection into leadership positions (Adams & Funk, 2012). Moreover, female CEOs may be associated with different governance structures and broader stakeholder-oriented outcomes, such as more independent boards or stronger engagement in corporate social responsibility (Frye & Pham, 2018; Mui et al., 2024), which may in turn affect firm performance.

Requirements:

The student is required to provide a comprehensive literature survey on gender differences in top executive leadership. The discussion should include, but is not limited to, (1) theoretical perspectives on gender and leadership styles, (2) empirical evidence on differences in firm policies and performance under male and female CEOs, and (3) potential channels such as risk preferences, corporate culture, and stakeholder orientation. In addition, the student is required to conduct a descriptive empirical analysis comparing firms led by male and female CEOs. The analysis should include summary statistics on firm characteristics and performance indicators (e.g., profitability, risk, ESG measures) based on publicly available data, such as company reports or financial databases.

Introductory Literature:

- Adams, R. B., & Funk, P. (2012). Beyond the glass ceiling: Does gender matter? *Management Science*, 58(2), 219–235.
- Azmat, G., & Petrongolo, B. (2020). Gender diversity in firms. *Oxford Review of Economic Policy*, 36(4), 760–790.
- Faccio, M., Marchica, M. T., & Mura, R. (2016). CEO gender, corporate risk-taking, and the efficiency of capital allocation. *Journal of Corporate Finance*, 39, 193–209.
- Frye, M. B., & Pham, D. T. (2018). CEO gender and corporate board structures. *The Quarterly Review of Economics and Finance*, 69, 110–124.
- Huang, J., & Kisgen, D. J. (2013). Gender and corporate finance: Are male executives overconfident relative to female executives? *Journal of Financial Economics*, 108(3), 822–839.
- Khan, W. A., & Vieito, J. P. (2013). CEO gender and firm performance. *Journal of Economics and Business*, 67, 55–66.
- Mui, R., Fernando, G. D., Sze, J. Y., & Vredenburg, H. (2024). Delving Into Feminine Stereotypes: Female CEOs and the corporate social (ir)responsibility–financial performance relationship. *Journal of Management*. 50 (7), 2452-2489.

TOPIC NR13: Gender and Leadership Perception: Evidence from AI-Generated CEO Faces

Advisor: Leah Zimmerer

Perceptions based on facial appearance play a significant role in economic and social outcomes. A large body of research documents the existence of a “beauty premium,” where individuals perceived as more attractive earn higher wages (Hamermesh and Biddle, 1994). Moreover, Todorov et al. (2005) show that election outcomes can be predicted based on perceived competence inferred from facial features alone. Building on these findings, Graham et al. (2017) investigate whether CEOs differ systematically in facial appearance compared to non-CEOs and find that CEO faces are more frequently associated with competence. Furthermore, they document that perceived competence is positively related to firm size. Pillemer et al. (2014) extend this line of research by examining gender differences in CEO facial characteristics and find that male CEOs are more strongly associated with agentic traits (e.g., dominance), while female CEOs are more strongly associated with communal traits (e.g., warmth), consistent with social role theory. Advances in artificial intelligence now allow researchers to generate and manipulate facial images, making it possible to isolate gender effects while holding other characteristics constant. This raises an important question: Are female CEOs’ faces perceived differently from male CEOs’ faces when evaluated in terms of competence and leadership potential?

Requirements:

The goal of this thesis is twofold. First, the student is required to provide a comprehensive literature survey on facial appearance and economic outcomes, with a particular focus on gender differences in perceived competence and leadership traits. The discussion should include, but is not limited to, (1) the role of facial appearance in shaping economic and social outcomes, (2) evidence on gender differences in perceived competence and leadership potential, and (3) theoretical explanations such as social role theory and stereotyping.

Second, the student is required to conduct an experimental study examining whether AI-generated male and female CEO faces are perceived differently. The experiment should be based on the framework of Pillemer et al. (2014) and involve presenting participants with images of faces and asking them to evaluate perceived competence, leadership ability, and related traits. The analysis should include descriptive statistics and comparisons between male and female faces. Depending on the student’s progress, additional extensions (e.g., varying facial expressions or contexts) are possible.

Data:

Participants can be recruited from personal networks (e.g., fellow students) or online platforms such as SurveyCircle. The experiment can be implemented using survey tools such as SoSci Survey. AI-generated facial images can be created using publicly available tools.

Introductory Literature:

- Graham, J. R., Harvey, C. R., & Puri, M. (2017). A corporate beauty contest. *Management Science*, 63(9), 3044–3056.
- Pillemer, J., Graham, E. R., & Burke, D. M. (2014). The face says it all: CEOs, gender, and predicting corporate performance. *Leadership Quarterly*, 25(5), 855–864.
- Oh, D., Buck, E. A., & Todorov, A. (2019). Revealing hidden gender biases in competence impressions of faces. *Psychological Science*, 30(1), 65–79.
- Todorov, A., Mandisodza, A. N., Goren, A., & Hall, C. C. (2005). Inferences of competence from faces predict election outcomes. *Science*, 308(5728), 1623–1626.
- Hamermesh, D. S., & Biddle, J. E. (1994). Beauty and the labor market. *American Economic Review*, 84(5), 1174–1194.

TOPIC NR14: Paying for Performance? CEO Pay and Incentives

Advisor: Larissa Ginzinger

One of the central questions in corporate finance is how to design CEO compensation such that managerial incentives are aligned with shareholder interests. According to classical agency theory, performance-based compensation can mitigate conflicts of interest between managers and owners by linking CEO wealth to firm performance (Jensen & Murphy, 1990). A key concept in this context is pay-performance sensitivity, that is, the extent to which a CEO's wealth changes when firm performance changes.

In practice, CEO incentives arise through different compensation components, including annual bonuses, stock awards, and option grants. Early work by Jensen and Murphy (1990) documents that CEO pay is often only weakly linked to performance, while more recent research highlights the growing importance of equity-based compensation. Core and Guay (2002) develop a framework to measure incentive strength using portfolio delta and portfolio vega, capturing the sensitivity of CEO wealth to stock-price changes and stock-return volatility. Building on this approach, Coles, Daniel, and Naveen (2006) show that different incentive measures are associated with managerial decisions, especially corporate risk-taking, while Edmans, Gabaix, and Jenter (2017) provide a comprehensive overview of the literature. CEO compensation has also changed substantially over time, in particular with the increasing use of stock-based and option-based pay (Frydman & Saks, 2010).

Requirements:

The student is required to provide a comprehensive literature survey on CEO compensation and incentives. The discussion should include, but is not limited to, (1) the theoretical foundations of incentive contracts in agency theory, (2) the concept of pay-performance sensitivity, (3) the measurement of CEO incentives, in particular delta and vega, and (4) differences in incentive structures across firms, industries, and time.

In this context, the student is required to conduct a descriptive data analysis for DAX 40 companies based on publicly available compensation data (e.g., company or compensation reports). The student should construct measures such as variable pay share and equity-based compensation share and present summary statistics and visualizations.

Introductory Literature:

- Jensen, M. C., & Murphy, K. J. (1990). Performance pay and top-management incentives. *Journal of Political Economy*, 98(2), 225–264.
- Core, J., & Guay, W. (2002). Estimating the value of employee stock option portfolios and their sensitivities to price and volatility. *Journal of Accounting Research*, 40(3), 613–630.
- Coles, J. L., Daniel, N. D., & Naveen, L. (2006). Managerial incentives and risk-taking. *Journal of Financial Economics*, 79(2), 431–468.
- Frydman, C., & Saks, R. E. (2010). Executive compensation: A new view from a long-term perspective, 1936–2005. *Review of Financial Studies*, 23(5), 2099–2138.
- Edmans, A., Gabaix, X., & Jenter, D. (2017). Executive compensation: A survey of theory and evidence. *Handbook of the Economics of Corporate Governance*, 1, 383–539.
- Edmans, A., Gosling, T., & Jenter, D. (2023). CEO compensation: Evidence from the field. *Journal of Financial Economics*, 150(3), 103718.
- Klasen, O. (2024, July 23). Dax-Vorstände: Gehälter und Zusammensetzung im Überblick. *Süddeutsche Zeitung*. <https://www.sueddeutsche.de/projekte/artikel/wirtschaft/dax-vorstaende-gehaelter-uebersicht-zusammensetzung-e060620/>

TOPIC NR15: Working Conditions, Occupational Stress, and Health

Advisor: Larissa Ginzinger

Working conditions play an important role in shaping health outcomes and life expectancy. While employment generally provides income and stability, certain job characteristics such as long working hours, high workload, and psychological stress may have adverse effects on health. In labor and health economics, occupational stress is considered a key mechanism linking work conditions to health. For example, Sullivan and Von Wachter (2009) show that adverse labor-market shocks increase mortality risk. Medical and epidemiological evidence further suggests that long working hours and job strain are associated with higher risks of cardiovascular disease and mental health problems (Kivimäki et al., 2012). At the same time, there is substantial variation in working hours and labor-market conditions across countries and over time.

Recent research highlights that demanding jobs at the top of the income distribution may also involve substantial pressure. Bandiera, Prat, Hansen, and Sadun (2020) document that executives work long hours and face intense decision-making demands, while Borgschulte, Guenzel, Liu, and Malmendier (2025) show that stressful work environments can affect aging and mortality.

Requirements:

The student is required to provide a comprehensive literature survey on working conditions, occupational stress, and health. The discussion should include, but is not limited to, (1) the historical development working hours and job strain, (2) evidence on the health effects of long working hours and stressful jobs, (3) differences in working conditions across countries, and (4) the mechanisms linking stress to health outcomes (e.g., cardiovascular risk and mental health).

In this context, the student is required to conduct a descriptive data analysis using publicly available data. The student should collect data on working hours and related measures of occupational stress as well as health outcomes such as life expectancy or mortality. Suitable publicly available data sources include, for example, the Health Inequality Project, the World Health Organization, the World Bank, and the Lifespan Disparity Dataset. The analysis should document trends over time and compare patterns across countries. The student is expected to illustrate key relationships using summary statistics tables and graphs.

Introductory Literature

- Cutler, D. M., Deaton, A., & Lleras-Muney, A. (2006). The determinants of mortality. *Journal of Economic Perspectives*, 20(3), 97–120.
- Sullivan, D., & Von Wachter, T. (2009). Job displacement and mortality. *Quarterly Journal of Economics*, 124(3), 1265–1306.
- Kivimäki, M., et al. (2012). Job strain as a risk factor for coronary heart disease. *The Lancet*, 380(9852), 1491–1497.
- Case, A., & Deaton, A. (2015). Rising morbidity and mortality in midlife. *PNAS*, 112(49), 15078–15083.
- Case, A., & Deaton, A. (2017). Mortality and morbidity in the 21st century. *Brookings Papers on Economic Activity*, 2017(1), 397–476.
- Bandiera, O., Prat, A., Hansen, S., & Sadun, R. (2020). CEO behavior and firm performance. *Journal of Political Economy*, 128(4), 1325–1369.
- Borgschulte, M., Guenzel, M., Liu, C., & Malmendier, U. (2025). CEO stress, aging, and death. *The Journal of Finance*, 80(6), 3401-3442.
- Guenzel, M., Malmendier, U. & Sosyura, D. (2026). Longevity and Occupational Choice.