

Seminar: Current Topics in Finance

Chair of Corporate Governance



Prof. Dr. Alexandra Niessen-Ruenzi, Chia-Yi Yen, Dr. Luisa Langer, Vanessa Müden

Organization



- All necessary information (including topic descriptions) can be found on our website
<https://niessen.bwl.uni-mannheim.de>
- Contact details for general questions: Chia-Yi Yen <cyen@mail.uni-mannheim.de>
- Advisor:
 - Luisa Ana Langer <luisa.ana.langer@uni-mannheim.de>
 - Vanessa Müden <vanessa.mueden@uni-mannheim.de>

What are the prerequisites?



- You are a master student.
- You have successfully completed at least one finance course.
- Some knowledge of statistics and econometrics is useful and participants should be motivated to undertake empirical work.
- You are available in the time period **from the end of June to August**.

Time-line



- **Please refer to the timeline information on the respective website:**
 - <https://www.bwl.uni-mannheim.de/en/finance/teaching/master/seminar-thesis/#c91102>
 - Submission of Online Applications
 - Topics Allocation Announcement
 - Starting Date
 - Registration/Withdrawal Period
 - Literature Review Paper Submission (6 Weeks)
 - Empirical Paper Submission (8 Weeks)

- **Please pay attention to the deadlines!**

FIN 604 Stata in Finance



- A course on how to write an empirical paper using Stata and the databases offered at the University of Mannheim.
- Not a mandatory prerequisite for writing a seminar paper or master thesis **but highly recommended - in particular for empirical seminar theses and almost all of the master theses in the finance area.**
- 2 ECTS
- Detailed information on the tutorial is available on the website of the Chair of Prof. Theissen:
 - <https://www.bwl.uni-mannheim.de/en/finance/teaching/master/seminar-thesis/#c125629>

How to apply?



- Submit your priority list online between **June 1st and June 15th**
- You can combine topics from different chairs. For example,
 - First preference: “3rd Topic, Chair of Prof. Niessen-Ruenzi”;
 - Second preference: “10th Topic, Chair of Prof. Ruenzi”;
 - Third preference: “4th Topic, Chair of Prof. Theissen”
- Please only choose topics you are really willing to work on
- The allocation of topics is based on the average grade of your finance exams and your priority list from the seminar application form.
 - Priority will be given to students with a high semester count.

How do we grade?



- The seminar paper will be supervised by Prof. Niessen-Ruenzi and an assigned advisor.
- Grading:
 - 2/3 seminar paper
 - 1/3 presentation of the seminar paper
- Own (empirical) contribution will be rewarded.
- Plagiarism: No excuse policy
- If you do not pass or do not hand in your seminar thesis, you must(!) write your seminar thesis at our chair **the next time that we offer** a seminar.
 - If you want to switch to another seminar (in the finance area or a different area), a change of modules is necessary. This is a rule by the examinations office.

How should your paper look like?



- 12 pages ($\pm 10\%$) (excluding appendix)
- Language: English
- Detailed formal requirements: See the guidelines provided on our website:
 - <https://www.bwl.uni-mannheim.de/en/niessen-ruenzi/teaching/course-page/englisch-fin731/#c162791>

General remarks on the topics



- For each “broader” topic, there exists a literature review as well as an empirical topic:
 - **Odd** topic number (e.g. NR3) indicates a literature review
 - **Even** topic number (e.g. NR4) indicates an empirical topic
- Pay attention when filing your priority list!
- At most one student will be permitted for each topic version.
- For **literature reviews**, submission of the seminar paper within **6 weeks** is required.
- For **empirical topics**, submission of the seminar paper within **8 weeks** is required.
- Preliminary date for the seminar presentations: **September 5th and September 6th**
- Raw data for the empirical topics will be either provided or gained from the databases available at the university, but processing and supplementing the data is necessary.

NR1/NR2: Gender Stereotypes in Corporate Disclosures



Advisor: Luisa Langer

Motivation:

There are four dimensions in gender stereotypes, concerning: (1) physical characteristics, (2) role behaviors, (3) occupational status and (4) personality traits. Research on printed advertisements notes that women are generally presented in more decorative roles (e.g., for their beauty or body), in more family-oriented roles, and in fewer professional roles (Uray and Burnaz, 2003) while men are shown as more independent, authoritarian, and professional (Reichert and Carpenter, 2004). However, the use of femvertising (i.e., advertising that shows women in higher status/empowered roles) is gradually increasing. Emerging research suggests that femVERTISEMENTS resonate with women because female empowerment messages can counter these historical and existing gender stereotypes and create positive self-views for women (Abitbol and Sternadori 2019; Varghese and Kumar 2020).

A nascent literature explores economic consequences of physical traits (e.g., voice pitch, individual's height and obesity, facial width-to-height ratio) and how these influence decision-making behavior (He et al., 2019; Mayew and Venkatachalam, 2012; Addoum et al., 2017). Moreover, the literature about female roles in advertising supports the idea that certain roles relate more to specific magazine audiences; hence, gender stereotypes might vary across different magazine categories. Given the increasing interest of companies in achieving gender equality, what is yet to be explored is the stereotypical gendered representation in corporate disclosures, such as annual reports.

• Literature review (NR1)

The goal of this seminar thesis is to provide a comprehensive literature review on gender stereotypes. The discussion can include but it is not limited to (1) understand the history behind gender discrimination by observing changes in gender equality law and regulations, (2) provide an overview of the academic literature on gender stereotypes in advertisements and on facial representation and behavior, (3) analyze potential ways to overcome gender stereotypes including the rise of femvertising, and (4) find out examples of companies (in Germany and/or the United States) that are committed to gender equality as evidenced in their corporate disclosures.

• Empirical topic (NR2)

The goal of this seminar thesis is to assess gender stereotypes in company's annual reports. The student is expected to access the DAX companies' annual reports for the last 2-3 years and obtain the photos used in those reports. The student should use Zotos and Tschila (2014) gender stereotypes coding template to evaluate gender roles in these annual reports. The analysis can include but it is not limited to (1) how are women portrayed in the annual reports, (2) key categories in which there is evidence of gender stereotypes, (3) how gender roles differ across companies and over time. Empirical work for this topic requires the use of content analysis, manipulation of data, and the application of statistical analysis.

NR3/NR4: Language Bias of Financial Education Programs



Advisor: Luisa Langer

Motivation:

Targeted financial education programs are relevant for addressing the gender gap in financial literacy. Using financial education websites targeting beginning retail investors, Boggio et al. (2017) find that words are predominantly and (stereo)typically masculine, so the language of investor communication may create feelings of familiarity and belonging among men while creating feelings of distance and non-belonging among women. Lusardi (2019) notes that an effective financial education program identifies the needs of its audience, accurately targets vulnerable groups, has clear objectives, and relies on rigorous evaluation metrics.

Within the social sciences, an increasing consensus among researchers suggests that men, relative to women, tend to use language more for the instrumental purpose of conveying information; while women are more likely to use verbal interaction for social purposes with verbal communication serving as an end in itself (e.g., Brownlow et al., 2003; Colley et al., 2004). The linguistic analyses of Newman et al. (2008) demonstrate small but systematic differences in the way that men and women use language, both in terms of what they say and how they choose to say it. Oldford and Fiset (2021) document gendered language differences in internship job postings in the finance industry and contend that the use of excessively agentic language acts as a constraint on female applicants and slows progress on gender diversity in the finance industry.

• Literature review (NR1)

The goal of this seminar thesis is to provide a comprehensive review of the literature on financial education programs designed for women. The discussion should include but is not limited to (1) identifying the need for and/or reasons behind targeted financial education programs, (2) investigating the (potential) influence of financial education programs on women empowerment and financial independence, (3) providing an overview of the literature on language bias and communication differences between men and women, and (4) finding out examples of financial education programs designed specifically for women across the world and their target audience (e.g., financial literacy, access to stock markets, retirement planning, financial independence).

• Empirical topic (NR2)

The goal of this seminar thesis is to evaluate the language content of financial education programs that are designed to empower women and foster their financial independence. Identification and hand collection of the content of these programs is required. The student can make use of websites, apps, blogs, or any free material available for a sample of at least three financial education programs in any country (e.g., Germany, the United States). Following the approach of Newman et al. (2008), the student should perform a linguistic analysis to assess language bias of targeted financial education programs, and how their context influences the size and direction of gender differences in language use. Access to the linguistic software will be provided by the Chair.

NR5: Germany's "Aktienrente" – a (good) solution?

– Literature Review



Advisor: Vanessa Müden

Motivation:

Germany's pension system is confronted with substantial challenges in guaranteeing sufficient retirement income and long-term sustainability. To address these challenges, the German government has put forth a proposal known as Aktienrente, which aims to stabilize the pension system. As part of this initiative, a significant annual allocation of ten billion euros will be directed towards a dedicated fund called "Generationenkapital" (generational capital).

The core objective of Aktienrente is to leverage the potential of the capital market by investing a substantial amount from the late 2030s onwards. This investment is intended to ensure the long-term stability and viability of the pension system. By engaging with the capital market, the government aims to generate higher returns and diversify the pension funds, thereby strengthening the overall financial position of retirees.

Goals:

This literature review critically examines the implications and potential advantages of the Aktienrente proposal in light of the German government's initiative. It explores how such a market-based approach can contribute to addressing the existing challenges in the pension system, such as demographic shifts, financial sustainability, and the growing gap between pension obligations and available resources. By analyzing the potential benefits of Aktienrente, including the possibility of higher returns on investment, the diversification of pension portfolios, and the potential for economic stimulation, this research aims to shed light on the effectiveness and feasibility of this timely government proposal.

NR6: Social and Psychological Factors Influencing Stock Market Participation – Empirical Paper



Advisor: Vanessa Müden

Motivation:

Stock market participation is influenced by multiple factors that shape investment decisions. While income, wealth, risk aversion, and financial literacy have been extensively studied, less research has focused on social and psychological factors. Peer effects, where individuals are influenced by their peers' investment decisions, can lead to a contagion effect. Family and school socialization also play a crucial role in shaping financial attitudes and behaviors. Societal norms and gender stereotypes impact individuals' perceptions of investing, contributing to gender disparities in stock market engagement. Additionally, partner dynamics, such as financial responsibilities and decision-making authority within couples, have been overlooked as influential factors in stock market participation.

Goals:

This seminar thesis aims to empirically explore the social and psychological factors that influence stock market participation in Germany. Specifically, it should investigate the impact of peer effects, socialization through family and school, partnership dynamics, social norms regarding gender and finance. Further potential factors that could be investigated are distorted perceptions, such as time estimation, attitudes towards money and stocks, intertemporal optimization, and confidence levels. By analyzing these factors empirically, this seminar thesis seeks to enhance the understanding of the complex socio-psychological dynamics that shape individuals' decisions to invest in the stock market. Prior experience with statistical software is helpful. Data can be provided by the chair

NR7/NR8: The New Investor – Evolution of stock market investment in Germany



Advisor: Vanessa Müden

Motivation:

- In Germany, stock market investment has experienced significant changes in recent years.
- Technological advancements have made stock market investment more accessible in Germany through online platforms and trading apps.
- Algorithmic trading and automation have revolutionized investment strategies, enhancing efficiency and market liquidity.
- The democratization of investing has led to increased participation from diverse groups, including women and younger investors.
- Sustainable investing principles, focusing on ESG factors, have gained momentum in Germany. Regulatory frameworks have evolved to prioritize investor protection and market integrity.

Literature review (NR7)

- The seminar thesis aims to provide a comprehensive literature review on the evolving landscape of stock market investing and the factors influencing its transformation.
- Students will focus on the impact of technological advancements, including digital platforms, trading apps, and robo-advisors, in shaping stock market investing.
- Investigating shifting investor demographics, such as changing profiles, preferences, and generational disparities, will be explored, along with an examination of the growing prominence of ESG investing and its effects on stock market dynamics.

Empirical topic (NR8)

- The empirical paper aims to conduct a comprehensive analysis of the dynamic landscape of stock market investing and the factors driving its evolution
- Students are encouraged to employ empirical research methods to investigate the impact of technological advancements, analyze shifting investor demographics, and explore the evolution of investment strategies.
- Access to data can be provided by the chair; prior experience with statistical software is helpful

Final Remarks



- Visit our website and find a detailed description of every topic
<https://www.bwl.uni-mannheim.de/en/niessen-ruenzi/teaching/course-page/englisch-fin731/>
- Pay attention to the deadlines (submission of priority list).
- Apply only for topics you really want to work on.
- In case of questions, do not hesitate to contact us.
 - Admin organizer: Chia-Yi Yen <cyen@mail.uni-mannheim.de>
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