Part One 1. Read Brown and Warner ( Journal of Financial Economics, 1985) and summarize main analysis and equations 2. Reproduce key equations using equation editor Part Two 1. Select a corporate “event” to study. Examples are endless and a few include: dividend initiations, dividend eliminations, merger announcements, CEO death, new appointee to BOD, etc. 2. Create a sample of at least 30 observations using newswire sources. Factiva (available through Hofstra libraries homepage) provides Dow Jones and Reuters news reports. Log date and time (EST) of newswire report.

3. Get historical data (-250, +10) for each event using CRSP (Center for Research in Security Prices) 4. Analyze t-statistics for event dates and windows: a) t = -1 b) t = 0 c) t= +1 d) t= (-1, 1) e) t= (0, 5) 5. Analysis will be based on: • Raw returns • Market-adjusted returns • Risk-adjusted returns • Draw conclusions and statistical significance 6. Conduct cross-sectional analysis on abnormal returns (Dependent variable) and several firm-specific variables (relevant to your topic). 7. Deliverable is Word file (not pdf) of report following basic academic format: abstract, introduction, data/sample, methodology, empirical tests and results, conclusions and limitations. 8. Excel work submitted as separate file on BB