
Business 9777 – Entrepreneurship

Winter 2022-23

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Mondays 09:00 a.m. – 12:00 p.m.
Location: Ivey 2120
(12 Sessions)

INTRODUCTION

Entrepreneurship is a rapidly growing, multi-disciplinary field. It is young, vibrant, and exciting, offering huge potential for ambitious scholars to make a mark. Reflecting several years of record growth, the ENT division is now the 4th largest academic division in the Academy of Management. The field's leading journals (of which the instructor is a field editor, at *Journal of Business Venturing*, or JBV) have among the highest impact factors on the FT 50 business journal list. For example, JBV's 2021 2-year impact factor is 13.14, being the 6th highest of 155 in Business. Reflecting the fact that entrepreneurs have to build and operate entire businesses themselves, the field touches every major discipline in general management, including strategy, marketing, finance, operations, public policy, and sustainability.

COURSE DESCRIPTION

This course discusses prominent theories and evidence of entrepreneurship and entrepreneurial value creation at the individual-, firm-, and society- levels of analysis. The course draws on the instructor's book *The Economics of Entrepreneurship, 2nd Edition* (Cambridge University Press, 2018). The course covers a wide range of topics in contemporary entrepreneurship research and includes many readings that go beyond the book. The reading list is completely revised and up to date.

As well as leading students to the cutting edge of entrepreneurship scholarship, the course also imparts three valuable general skill sets which will help doctoral students from all disciplines. First, it provides a clear treatment of prominent theories that are widely used in general management research, including agency theory, signaling theory, and real options theory. This is part of a mission to develop students' skills in theory-building in entrepreneurship and management research. Second, the course provides training for students to help them review and write journal articles. In-class exercises and discussions are dedicated to this goal. Third, the course teaches students how to use and implement for themselves key empirical methods in STATA, for testing research hypotheses. Each method is illustrated the week after with relevant published research papers that use them. This is a transferable skill that students can use for their own doctoral dissertations. The course culminates with student presentations of entrepreneurship research questions that they develop themselves as they progress through the course.

COURSE OBJECTIVES

By the end of the course, you will

- (a) have a good understanding of contemporary topics, theories, and empirical findings in entrepreneurship
- (b) have mastered empirical methods at the cutting-edge of research in entrepreneurship and general management, and
- (c) possess the skills necessary to evaluate, critique and contribute to the field of entrepreneurship.

METHODS OF EVALUATION / COURSE SCHEDULE / ATTENDANCE

Evaluation will be on the basis of the following weights:

Class participation	50%
Final student presentation with supporting term paper	50%

Each student is required to read all the main assigned readings and participate actively in class discussions for each session. In addition, students may be individually assigned a specific paper to lead the class discussion in synchronous sessions. They will do so via 10-minute-long Power point presentations, followed by 10 minutes of Q&A and class discussion. These presentations will not be graded per se but will contribute to the class participation grade. In-person attendance at all sessions is mandatory. Missing classes without a good reason, conveyed to the instructor in advance, will reduce class participation grades. Other than for exceptional circumstances, students may miss no more than three classes if they are to pass the course.

Each student is also expected to make a longer presentation in the final class with a supporting term paper that is due to be submitted to the instructor by Friday April 28, 2023, 11am. This can be a theoretical and/or conceptual survey, or a novel essay, whose title and content must be agreed in advance with the professor. Each student will present his/her paper idea to the class in the final session on April 3, 2023. Papers should be no more than 4,000 words in length, excluding references. Further details will be provided in the class sessions.

To pass the course, in addition to the attendance requirement specified above, students must achieve passing grades in *both* the class participation and student presentation components of the assessment. What constitutes a 'passing grade' will be explained in detail once the course commences.

MATERIALS/REQUIRED READING

The course text is Parker, S.C. (2018) *The Economics of Entrepreneurship, 2nd Edition* (Cambridge University Press, Cambridge, England). In addition, readings for each session are indicated in the syllabus below. All students are expected to do all the session readings.

STATA is free to Ivey PhD students and can be accessed from the Ivey Research Server. To get started please contact the Business Library.

COURSE TIMELINE AND FORMAT

A detailed course content appears below. This sets out a precise timeline for the topics and material covered. The format is in-person classes only.

ENROLLMENT RESTRICTIONS

Enrollment in this course is restricted to graduate students in the Ivey PhD Program, as well as any student that has obtained special permission to enroll in this course from the course instructor as well as the Graduate Chair (or equivalent) from the student's home program.

ACADEMIC OFFENCES: PLAGIARISM AND ACADEMIC INTEGRITY

Scholastic offences are taken seriously, and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at <https://grad.uwo.ca/administration/regulations/13.html>

All required papers may be subject to submission for textual similarity review to the commercial plagiarism-detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

SUPPORT SERVICES: HEALTH AND WELLNESS

Students who are in emotional/mental distress should refer to Health and Wellness at Western University <https://www.uwo.ca/health/psych/index.html> for a complete list of options about how to obtain help. Additionally, students seeking help regarding mental health concerns are advised to speak to someone they feel comfortable confiding in, such as their faculty supervisor, their program director (graduate chair), program coordinator or other relevant administrators in their unit.

As part of a successful graduate student experience at Western, we encourage students to make their health and wellness a priority. Western provides several on campus health-related services to help you achieve optimum health and engage in healthy living while pursuing your graduate degree. See <https://www.uwo.ca/health>.

ACCESSIBLE EDUCATION WESTERN (AEW)

Western is committed to achieving barrier-free accessibility for all its members, including graduate students. As part of this commitment, Western provides a variety of services devoted to promoting, advocating, and accommodating persons with disabilities in their respective graduate program.

Graduate students with disabilities (for example, chronic illnesses, mental health conditions, mobility impairments) are strongly encouraged to register with Accessible Education Western (AEW), a confidential service designed to support graduate and undergraduate students through their academic program. With the appropriate documentation, the student will work with both AEW and their graduate programs (normally their Graduate Chair and/or Course instructor) to ensure that appropriate academic accommodations to program requirements are arranged. These accommodations include individual counselling, alternative formatted literature, accessible campus transportation, learning strategy instruction, writing exams and assistive technology instruction.

A FINAL WELCOME AND REQUEST OF STUDENTS

I welcome individuals of all ages, backgrounds, beliefs, ethnicities, genders, gender identities, gender expressions, national origins, religious affiliations, sexual orientations, ability, and other visible and nonvisible differences. I consider this classroom to be a place where you will be treated with respect. All members of this class are expected to contribute to a respectful, welcoming, and inclusive environment

for every other member of the class. If it is appropriate to our learning and you feel comfortable doing so, I ask that you share your unique point of view as we explore the course content.

DETAILED SESSION SCHEDULE

Each session comprises some or all of the following components:

- A. Core preparatory readings
- B. Readings for class volunteers to be discussed in the next session
- C. Additional voluntary readings
- D. Questions to prepare for class
- E. In-class exercise

Session 1 will explain “how to read” published journal articles for the purposes of this course. To paraphrase Sir Francis Bacon: “Some papers are to be tasted, others to be swallowed, and some few to be chewed and digested.” In other words, only rarely will you want to read a paper cover to cover. Pay careful attention to this instruction: it will save you a lot of time and keep you motivated in this course as well as in the others you take!

All students are expected to read all the core preparatory readings (item A in the list above). These will usually form the basis for component D, which should be prepared in advance, and sometimes also component E. Students often find it helpful to form small learning teams comprising pairs or triples to prepare the discussion questions in advance of the class.

Volunteers will be asked to prepare a paper for a class presentation (component B). Volunteers will be assigned one paper one week in advance. The reading and guidance about what parts of the paper to prepare are outlined in the session outlines below. For example, volunteers might be asked to present a summary of the paper, or an overview of the empirical method and results. In the latter example, usually only the methods and results section will need to be read. Or a volunteer might be asked to identify the main takeaways of the paper. For this case, usually only the abstract, introduction, and discussion sections will need to be read. *Only rarely will you be expected to read an entire article from cover to cover.* Volunteers will be expected to prepare a 10-minute Power Point presentation and take Q&A from the class afterwards. Tips: Avoid lengthy introductions: get to the point immediately. Other students are encouraged to read the paper as well but are not expected to do so. The same applies to the additional voluntary readings (component C above).

On other occasions, you will be asked to read a paper not for the content, but for the style, organization, and presentation of the material. That is to help you understand how to write and format papers of your own. Indeed, one of the goals of this course is to help you think about how to write and review academic papers with an eye on how to best present and argue your case, as well as identify and articulate your contribution to the literature you are speaking to.

January 9, 2023: Session 1

Introduction: What is Entrepreneurship?

The purpose of this session is to:

- Familiarize you with key theoretical definitions and empirical measures in entrepreneurship
- Obtain an overview about key research topics within the entrepreneurship domain
- Discuss recent trends in self-employment and entrepreneurship
- Appreciate the role of journal reviewing and understand the basis of the “Reviewing Exercise”

A. Core preparatory readings:

1. Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25(1), 217-226.
2. Alvarez, S.A., & Barney, J.B. (2007). Discovery and creation: Alternative theories of entrepreneurial action. *Strategic Entrepreneurship Journal*, 1(1-2), 11-26.
3. Table of Contents and Section 1.3 of *The Economics of Entrepreneurship*, 2/e.
4. Boeri, T., Giupponi, G., Krueger, A. B., & Machin, S. (2020). Solo self-employment and alternative work arrangements. *Journal of Economic Perspectives*, 34(1), 170-95.

B. Readings for class volunteers to be discussed in the next session:

1. Sorenson, O., Dahl, M. S., Canales, R., & Burton, M. D. (2021). Do startup employees earn more in the long run? *Organization Science*, 32(3), 587-604.
2. Lazeur, E. P. (2004). Balanced skills and entrepreneurship. *American Economic Review*, 94(2), 208-211.

C. Additional voluntary readings: None

D. Questions to prepare for class:

1. Shane and Venkataraman (2000):
 - a. What is your understanding of what the paper says? What are its main points?
 - b. Why was this published in the top theory journal in general management?
 - c. How do entrepreneurs obtain opportunities?
 - d. What are the chief limitations of the paper? Any questions/difficulties about this reading?
2. What do Alvarez and Barney (2007) add to the debate?
3. What are the pros and cons of different measures of entrepreneurship? Do you have a preferred measure? If so, what is it and why?
4. What are the section subheadings of greatest interest to you from the Table of Contents of *The Economics of Entrepreneurship*, 2/e?
5. What are the main takeaways from Boeri et al. (2020) about recent trends in entrepreneurship?
6. How to read academic articles, especially technical ones?

E. In-class exercise: The “Reviewing Exercise”

With a partner, find a recent paper of interest published in JBV between 2019 and 2022. Write independent critical reviewer reports. Exchange them afterwards. We will debrief in Session 4.

January 16: Session 2

Occupational Choice: Who becomes an entrepreneur?

The purpose of this session is to:

- Identify factors explaining who becomes an entrepreneur and who does not
- Appreciate the roles of entrepreneurial ability and risk aversion in occupational choice
- Understand how human capital shapes the choice to become an entrepreneur

A. Core preparatory readings:

1. Sections II(i) and II(ii) of Parker, S.C. (2018). Entrepreneurship and economic theory, *Oxford Review of Economic Policy*, 34(4), 540-64, <https://doi.org/10.1093/oxrep/gry013>
2. Section 5.2 of *The Economics of Entrepreneurship*, 2/e

B. Readings for class volunteers to be discussed in the next session: None

C. Additional voluntary readings: None

D. Questions to prepare for class:

1. What factors predict who becomes an entrepreneur and who does not?
2. What is the difference between Lucas and Kihlstrom-Laffont in terms of who becomes an entrepreneur?
3. 10-minute student presentation, followed by Q&A: Lazear (2004). What are the key takeaways from this article?
4. 10-minute student presentation, followed by Q&A: Sorenson et al. (2016). What are the key takeaways from this article?
5. What is the relationship between age and entry into entrepreneurship?
6. Do college dropouts make better entrepreneurs?
7. Do entrepreneurship education courses do any good?

E. In-class exercise: None

January 23: Session 3

Unproductive Entrepreneurship and STATA Session I

The purpose of this session is to:

- Understand the importance of institutional constraints on entrepreneurship
- Acknowledge the distinction between productive, unproductive, and destructive entrepreneurship
- Learn about rent seeking, the role of politicians and officials
- Master the basics of STATA, and learn how to estimate simple binary (e.g., occupational) choice models

A. Core preparatory readings:

1. Section II(iv) only of Parker, S.C. (2018). Entrepreneurship and economic theory, *Oxford Review of Economic Policy*, 34(4), 540-64, <https://doi.org/10.1093/oxrep/gry013>
2. Sections I – III only of Pástor, L., & Veronesi, P. (2020). Political cycles and stock returns. *Journal of Political Economy*, 128(11), 4011-4045.
3. Baumol, W. J. (1996). Entrepreneurship: Productive, unproductive, and destructive. *Journal of Business Venturing*, 11(1), 3-22.
4. Sections 1 and 2 only of Holmes, T. J., & Schmitz Jr, J. A. (2001). A gain from trade: From unproductive to productive entrepreneurship. *Journal of Monetary Economics*, 47(2), 417-446.

B. Readings for class volunteers to be discussed in the next session:

1. McMullen, J. S., & Shepherd, D. A. (2006). Entrepreneurial action and the role of uncertainty in the theory of the entrepreneur. *Academy of Management Review*, 31(1), 132-152.

C. Additional voluntary readings:

1. Pages 118-121 and sections 4.2 and 4.3 of *The Economics of Entrepreneurship*, 2/e.
2. Section 14.1 of *The Economics of Entrepreneurship*, 2/e.

D. Questions to prepare for class:

1. Drawing on your readings of Baumol and Holmes-Schmitz, what are your favorite examples of unproductive and destructive entrepreneurship? Feel free to share real-world examples from your own experience.
2. Are entrepreneurs victims or perpetrators of rent-seeking?
3. What can be done to improve the institutional setting that entrepreneurs operate within?
4. What is the basic logic of the Pastor-Veronesi model? What are some limitations, e.g., unrealistic simplifying assumptions, made by this model?

E. In-class exercise:

Introduction to STATA: How to use - basic commands, regression, logit, and probit

January 30: Session 4

Effectuation, Bricolage, Entrepreneurial Action, and Debrief of the Reviewer Exercise

The purpose of this session is to:

- Learn about two prominent theories of the entrepreneurial process: effectuation and bricolage
- Acknowledge the distinction between productive, unproductive, and destructive entrepreneurship
- Learn about rent seeking and the roles of politicians and officials

A. Core preparatory readings:

1. Sarasvathy, S. D. (2001). Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. *Academy of Management Review*, 26(2), 243-263.
2. Baker, T., & Nelson, R. E. (2005). Creating something from nothing: Resource construction through entrepreneurial bricolage. *Administrative Science Quarterly*, 50(3), 329-366.
3. "Guidelines to Write a Referee Report":
https://scholar.harvard.edu/files/apassalacqua/files/refguidelines_tepe.pdf

B. Readings for class volunteers to be discussed in the next session:

1. Arabsheibani, G. et al. (2000). And a vision appeared unto them of a great profit: evidence of self-deception among the self-employed. *Economics Letters*, 67(1), 35-41.
2. Stephan, U. (2018). Entrepreneurs' mental health and well-being: A review and research agenda. *Academy of Management Perspectives*, 32(3), 290-322.
3. Wiklund, J., Yu, W., Tucker, R., & Marino, L. D. (2017). ADHD, impulsivity, and entrepreneurship. *Journal of Business Venturing*, 32(6), 627-656.

C. Additional voluntary readings:

1. Numerous online resources at <https://www.effectuation.org/>
2. Hamermesh, D. S. (1992). The young economist's guide to professional etiquette. *Journal of Economic Perspectives*, 6(1), 169-179. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.6.1.169>

D. Questions to prepare for class:

1. What is effectuation, and how does it explain how entrepreneurs start up new ventures? Is it a normative or positive theory?
2. What was Sarasvathy's approach to writing theory?
3. What is bricolage? What does it predict about how entrepreneurs create ventures?
4. How does bricolage differ from effectuation?
5. 10-minute student presentation, followed by Q&A: McMullen & Shepherd (2006). What is 'entrepreneurial action'? What are the key takeaways from this article?

E. In-class exercise:

A class debrief of the "Reviewing Exercise". The instructor will provide guidelines about how to write reviewer reports, leading into a class discussion about this topic.

February 6: Session 5

Cognitive Biases and Mental Health; STATA Session II

The purpose of this session is to:

- Understand the origins, incidence, and effects of over-optimism on entrepreneurship
- Consider other cognitive biases to which entrepreneurs are prone
- Understand how mental health intersects with entrepreneurship
- Introduce you to the empirical problem of sample selection bias and equip you with tools to deal with it

A. Core preparatory readings:

1. Section 5.4.2 of *The Economics of Entrepreneurship, 2/e*
2. Zhang, S. X., & Cueto, J. (2017). The study of bias in entrepreneurship. *Entrepreneurship Theory and Practice*, 41(3), 419-454.

B. Readings for class volunteers to be discussed in the next session:

1. Kucel, A., & Vilalta-Bufí, M. (2016). Entrepreneurial skills and wage employment. *International Journal of Manpower*, 37(3), 556-88

C. Additional voluntary readings:

1. Simon, M. et al. (2000). Cognitive biases, risk perception, and venture formation: How individuals decide to start companies. *Journal of Business Venturing*, 15(2), 113-134.
2. Section 5.4.1 of *The Economics of Entrepreneurship, 2/e*

D. Questions to prepare for class:

1. 10-minute student presentation, followed by Q&A: Arabsheibani et al. (2000). What are the key takeaways from this article? Do the authors measure over-optimism convincingly?
2. What are the origins, incidence, and effects of over-optimism on entrepreneurship selection and performance?
3. What are the implications of over-optimism for society as a whole?
4. What other types of cognitive bias affect entrepreneurs, and how?
5. 10-minute student presentation, followed by Q&A: Stephan (2018). What are the key takeaways?
6. 10-minute student presentation, followed by Q&A: Wiklund et al. (2017). What are the key takeaways from this article?

E. In-class exercise:

Sample selection in STATA: What it is and how to correct for it using Heckman's estimators

February 13: Session 6
Entrepreneurial venture growth; STATA Session III

The purpose of this session is to:

- Illustrate sample selection corrections using a recent entrepreneurship paper
- Understand the principal theories of entrepreneurial venture growth
- Summarize the main empirical determinants of entrepreneurial growth, and their limitations
- Introduce you to the empirical problem of endogeneity and equip you with tools to deal with it

A. Core preparatory readings:

1. Sections 13.2 and 13.3 of *The Economics of Entrepreneurship, 2/e*
2. Nason, R. S., & Wiklund, J. (2018). An assessment of resource-based theorizing on firm growth and suggestions for the future. *Journal of Management*, 44(1), 32-60.

B. Readings for class volunteers to be discussed in the next session:

1. Hurst, E., & Lusardi, A. (2004). Liquidity constraints, household wealth, and entrepreneurship. *Journal of Political Economy*, 112(2), 319-347.
2. Hoogendoorn, S., Oosterbeek, H., & Van Praag, M. (2013). The impact of gender diversity on the performance of business teams: Evidence from a field experiment. *Management Science*, 59(7), 1514-1528.

C. Additional voluntary readings:

1. Nair, A., Trendowski, J., & Judge, W. (2008). Book review: The theory of the growth of the firm, by Edith T. Penrose. Oxford: Blackwell, 1959. *Academy of Management Review*, https://digitalcommons.odu.edu/cgi/viewcontent.cgi?article=1002&context=management_fac_pubs
2. Garnsey, E. (1998). A theory of the early growth of the firm. *Industrial and Corporate Change*, 7(3), 523-556.
3. Rosenbusch, N., Brinckmann, J., & Bausch, A. (2011). Is innovation always beneficial? A meta-analysis of the relationship between innovation and performance in SMEs. *Journal of Business Venturing*, 26(4), 441-457.
4. Hoogendoorn, S., Parker, S. C., & Van Praag, M. (2017). Smart or diverse start-up teams? Evidence from a field experiment. *Organization Science*, 28(6), 1010-1028.
5. Nightingale, P., & Coad, A. (2014). Muppets and gazelles: political and methodological biases in entrepreneurship research. *Industrial and Corporate Change*, 23(1), 113-143.

D. Questions to prepare for class:

1. 10-minute student presentation, followed by Q&A: Kucel and Vilalta-Bufí (2016). How do these authors implement their sample selection corrections? What did they find?
2. What is a possible example of sample selection issues in your area of interest?
3. What are the resource-based view (RBV) and Penrosian theories of entrepreneurial growth?
4. What are Nason and Wiklund's principal arguments?
5. What is a meta-analysis?

6. What is the gist of Nason and Wiklund's results?
7. What are the main drivers of entrepreneurial venture growth, according to the broader literature surveyed in chapter 13 of Parker (2018)?

E. In-class exercise:

Endogeneity in STATA: What it is and how to correct for it using Instrumental Variables (IV) estimation

February 27: Session 7

Wealth, borrowing constraints and economic development; Field experiments

The purpose of this session is to:

- Illustrate Instrumental Variables in entrepreneurship research
- Analyze how financial constraints reduce entrepreneurial performance
- Understand the relationship between household wealth and entrepreneurial entry
- Introduce you to field experiments in entrepreneurship research

A. Core preparatory readings:

1. Sections 4 and 5 only of Parker, S.C. and C.M. van Praag (2006). Schooling, capital constraints and entrepreneurial performance: the endogenous triangle, *Journal of Business Economics & Statistics*, 24(4), 416-31.
2. De Mel, S., McKenzie, D., & Woodruff, C. (2012). One-time transfers of cash or capital have long-lasting effects on microenterprises in Sri Lanka. *Science*, 335(6071), 962-966.

B. Readings for class volunteers to be discussed in the next session: None

C. Additional voluntary readings:

1. Sections 12.5 – 12.7 of *The Economics of Entrepreneurship*, 2/e
2. Fairlie, R. W., & Krashinsky, H. A. (2012). Liquidity constraints, household wealth, and entrepreneurship revisited. *Review of Income and Wealth*, 58(2), 279-306.
3. Ajefu, J. B. (2019). Does having children affect women's entrepreneurship decision? Evidence from Nigeria. *Review of Economics of the Household*, 17(3), 843-860.
4. Quinn, S., & Woodruff, C. (2019). Experiments and entrepreneurship in developing countries. *Annual Review of Economics*, 11, 225-248.

D. Questions to prepare for class:

1. What are the tests of 'relevance, validity, and power' in the 'endogenous triangle' paper? What do the results show?
2. 10-minute student presentation, with Q&A: Hurst & Lusardi (2004). What are the key takeaways?
3. What is a possible source of endogeneity in a topic of interest to you? What sorts of instrumental variables might you use to address it?
4. 10-minute student presentation, followed by Q&A: Hoogendoorn et al. (2013). What lessons about designing and running experiments did you draw?
5. What are the advantages of field experiments? What are their possible drawbacks?
6. What is a field experiment you would like to design in your own research?

E. In-class exercise: None

March 6: Session 8

Experimentation, real options theory, entry & exit; STATA Session IV

The purpose of this session is to:

- Understand the integral role of idea experimentation in entrepreneurship
- Master the principles of real options theory for entry and exit decisions
- Introduce you to panel data and how they can be used in regression analysis

A. Core preparatory readings:

1. Kerr, W. R., Nanda, R., & Rhodes-Kropf, M. (2014). Entrepreneurship as experimentation. *Journal of Economic Perspectives*, 28(3), 25-48.
2. O'Brien, J., & Folta, T. (2009). Sunk costs, uncertainty, and market exit: A real options perspective. *Industrial and Corporate Change*, 18(5), 807-833.
3. Section 1 only of Sandri, S., Schade, C., Musshoff, O., & Odening, M. (2010). Holding on for too long? An experimental study on inertia in entrepreneurs' and non-entrepreneurs' disinvestment choices. *Journal of Economic Behavior & Organization*, 76(1), 30-44.

B. Readings for class volunteers to be discussed in the next session:

1. Cumming, D. J., Leboeuf, G., & Schwienbacher, A. (2020). Crowdfunding models: Keep-it-all vs. all-or-nothing. *Financial Management*, 49(2), 331-360.
2. Sewaid, A., Parker, S. C., & Kaakeh, A. (2021). Explaining serial crowdfunders' dynamic fundraising performance. *Journal of Business Venturing*, 36(4), 106124.

C. Additional voluntary readings:

1. <https://www.coursera.org/lecture/advanced-valuation-and-strategy/animation-introduction-to-real-option-theory-CWqXL>
2. <https://www.coursera.org/lecture/advanced-valuation-and-strategy/animation-real-options-are-everywhere-BLD6P>
3. McGrath, R. G. (1999). Falling forward: Real options reasoning and entrepreneurial failure. *Academy of Management Review*, 24(1), 13-30.
4. Manso, G. (2016). Experimentation and the returns to entrepreneurship. *The Review of Financial Studies*, 29(9), 2319-2340.
5. Ewens, M., Nanda, R., & Rhodes-Kropf, M. (2018). Cost of experimentation and the evolution of venture capital. *Journal of Financial Economics*, 128(3), 422-442.
6. Folta, T. B., Delmar, F., & Wennberg, K. (2010). Hybrid entrepreneurship. *Management Science*, 56(2), 253-269.
7. Section 4.6 of *The Economics of Entrepreneurship*, 2/e

D. Questions to prepare for class:

1. What are the main takeaways from Kerr et al. (2014)?
2. What are the key assumptions that underpin real options reasoning?
3. What is real option logic?
4. How does real option logic shape decisions that entrepreneurs make?

5. How, according to real options theory, might entry costs (e.g. business registration costs) and exit costs (e.g. lack of creditor exemptions under bankruptcy law) affect entry and exit decisions?
6. What is a possible application of real option logic in your area of interest?

E. In-class exercise:

Panel data in STATA: Static and dynamic panel data models.

March 13: Session 9

Signaling theory; Writing an Introduction; Tips on academic writing

The purpose of this session is to:

- Review examples static and dynamic panel data models in entrepreneurship research
- Master the principles of signaling theory in entrepreneurship and management studies
- Share valuable tips about how to write a good Introduction and good academic writing in general

A. Core preparatory readings:

1. Silva, O. (2007). The Jack-of-All-Trades entrepreneur: Innate talent or acquired skill? *Economics Letters*, 97(2), 118-123.
2. "Signaling" <https://www.youtube.com/watch?v=F8ZHZRMSxKg>
3. Barney, J.B. (2020) Contributing to theory: opportunities and challenges, *AMS Review*, 10, 49-55
4. The Introduction only of Shepherd et al. (2020). A social model of opportunity development: Building and engaging communities of inquiry. *Journal of Business Venturing*, 106033.

B. Readings for class volunteers to be discussed in the next session:

1. Sections 3 and 4 only of Ewens, M., Nanda, R., & Rhodes-Kropf, M. (2018). Cost of experimentation and the evolution of venture capital. *Journal of Financial Economics*, 128(3), 422-442.

C. Additional voluntary readings:

1. Connelly, B. L., Certo, S. T., Ireland, R. D., & Reutzel, C. R. (2011). Signaling theory: A review and assessment. *Journal of Management*, 37(1), 39-67.
2. Shepherd, D. A., & Wiklund, J. (2020). Simple Rules, Templates, and Heuristics! An Attempt to Deconstruct the Craft of Writing an Entrepreneurship Paper. *Entrepreneurship Theory & Practice*, 44(3), 371-390.

D. Questions to prepare for class:

1. How does Silva's findings change inference about Lazear's Jack-of-all-Trades theory?
2. What is signaling theory? What is it useful for?
3. Why must actions be costly to serve as a signal? How does signaling differ from screening?
4. 10-minute student presentation, with Q&A: Cumming et al. (2020). What are the signaling theory arguments proposed in this paper? What are the main empirical takeaways?
5. 10-minute student presentation, with Q&A: Sewaid et al. (2021). What are the signaling theory arguments proposed in this paper? What are the main empirical takeaways?
6. What is a possible application of signaling theory in your area of interest?
7. What are some "do's and don'ts" of academic writing? What type of writing do you find compelling and what turns you off?

E. In-class exercise:

Distill a brief template (bullet points) of an Introduction section, using the Shepherd, Sattari and Patzelt (2020) paper as the basis for the template.

March 20: Session 10

Agency Theory; Quasi-experimental Methods

The purpose of this session is to:

- Master the principles of agency theory in entrepreneurship and management studies
- Understand the quasi-experimental Difference-in-Difference (DD) approach

A. Core preparatory readings:

1. Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, 14(1), 57-74.
2. Parker, S. C. (2023). Overcoming internal barriers to new venture growth: The role of employee motivations. *Journal of Small Business Management*, 1-24.
<https://www.tandfonline.com/doi/full/10.1080/00472778.2022.2133129>
3. Difference-in-difference (DD) method: <https://www.youtube.com/watch?v=XFqFH97bDy4>
4. How to do DD in STATA: <https://www.youtube.com/watch?v=K0drFLzrl3I>
5. Section 4.4.2 of *The Economics of Entrepreneurship*, 2/e

B. Readings for class volunteers to be discussed in the next session: None

C. Additional voluntary readings:

1. Arthurs, J. D., & Busenitz, L. W. (2003). The boundaries and limitations of agency theory and stewardship theory in the venture capitalist/entrepreneur relationship. *Entrepreneurship Theory and Practice*, 28(2), 145-162.
2. Roth, J., Sant'Anna, P. H., Bilinski, A., & Poe, J. (2022). What's Trending in Difference-in-Differences? A Synthesis of the Recent Econometrics Literature.
<https://arxiv.org/pdf/2201.01194.pdf>
3. Section 4.4.3 of *The Economics of Entrepreneurship*, 2/e
4. Fairlie, R. W., Karlan, D., & Zinman, J. (2015). Behind the GATE experiment: Evidence on effects of and rationales for subsidized entrepreneurship training. *American Economic Journal: Economic Policy*, 7(2), 125-61.

D. Questions to prepare for class:

1. What are agency costs? Why do they arise, and what are the remedies?
2. What does agency theory predict about the relationship between managers and owners of firms?
3. What does agency theory predict about the relationship between venture capitalists and the entrepreneurs they finance?
4. Drawing on the Parker (2022) reading, why do agency costs inhibit new venture growth?
5. What is a possible application of agency theory in your area of interest?
6. What is difference-in-difference (DD) estimation?
7. What are the pros and cons of DD?
8. 10-minute student presentation, with Q&A: Ewens et al. (2018). Explain: How Ewens et al. applied DD, and to what problem; their identifying assumptions; and what they found.

E. In-class exercise: None

March 27: Session 11

Different Types of Experiments in Entrepreneurship Research; Lab Experiments; How to Write Good Theory in Management

The purpose of this session is to:

- Appreciate the differences between various types of experiment and their relative merits
- Understand laboratory experiments with recent examples from the entrepreneurship literature
- Share advice about how to write a good theory section for manuscripts to be submitted to entrepreneurship and management journals
- Provide tips for the final student presentations due on April 3

A. Core preparatory readings:

1. Different types of experiments: <https://www.youtube.com/watch?v=uZzo7StYyG4>
2. Hsu, D. K., Simmons, S. A., & Wieland, A. M. (2017). Designing entrepreneurship experiments: A review, typology, and research agenda. *Organizational Research Methods*, 20(3), 379-412.
3. Buenstorf, G., Engel, C., Fischer, S., & Gueth, W. (2016). Non-compete clauses, employee effort and spin-off entrepreneurship: A laboratory experiment. *Research Policy*, 45(10), 2113-2124.

B. Readings for class volunteers to be discussed in the next session: None

C. Additional voluntary readings:

1. Klege, R. A., Visser, M., & Clarke, R. P. (2021). Competition and gender in the lab vs field: Experiments from off-grid renewable energy entrepreneurs in Rural Rwanda. *Journal of Behavioral and Experimental Economics*, 91, 101662.
2. Younkin, P., & Kuppuswamy, V. (2018). The colorblind crowd? Founder race and performance in crowdfunding. *Management Science*, 64(7), 3269-3287.
3. Boosey, L., Brookins, P., & Ryvkin, D. (2020). Information disclosure in contests with endogenous entry: An experiment. *Management Science*, 66(11), 5128-5150.
4. Shahriar, A. Z. M. (2018). Gender differences in entrepreneurial propensity: Evidence from matrilineal and patriarchal societies. *Journal of Business Venturing*, 33(6), 762-779.

D. Questions to prepare for class:

1. What are the main insights from Hsu et al.'s article?
2. What considerations are most important when choosing to conduct an experiment?
3. How would you rank order the various experiment types? What is your rationale?
4. How did Buenstorf et al. (2016) implement their laboratory experiments and what did they find?
5. How to write good theory? (Instructor-led discussion with Q&A)

E. In-class exercise:

Tips for next week's presentations

April 3: Session 12
Student Presentations

E. In-class exercises:

1. Student presentations
2. Career advice for doctoral students: Discussion and Q&A