

# PS1

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Table 1: Regression Results without Cash Flows

	<i>Dependent variable:</i>		
	ELMG	inv_rate ATW	THC
	(1)	(2)	(3)
tobin_q_lag	0.070*** (0.015)	0.118*** (0.019)	0.061*** (0.019)
Constant	0.122*** (0.027)	0.083*** (0.015)	0.107*** (0.007)
Observations	28	28	27
R <sup>2</sup>	0.442	0.596	0.292
Adjusted R <sup>2</sup>	0.420	0.580	0.264
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01		

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\*This problem set is for ECON 971 Corporate Finance taught by Dean Corbae with assistance from Mark Rempel at UW-Madison. I worked on this problem set with a study group of Michael Nattinger and Xinxin Hu.

Table 2: Regression Results with Cash Flows

	<i>Dependent variable:</i>		
	ELMG	inv_rate	THC
		ATW	
	(1)	(2)	(3)
tobin_q_lag	0.026 (0.022)	0.087*** (0.026)	0.045** (0.020)
cash_flow	1.639** (0.660)	0.311 (0.185)	0.225** (0.109)
Constant	−0.041 (0.070)	0.048* (0.025)	0.093*** (0.009)
Observations	28	28	27
R <sup>2</sup>	0.552	0.637	0.400
Adjusted R <sup>2</sup>	0.516	0.608	0.350
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01		