

**European Summer Symposium in Financial Markets
Studienzentrum Gerzensee, 14/25 July 1997**

Final Programme

Monday 14 July

Chair: Walter Wasserfallen (Studienzentrum Gerzensee, Universität Bern and CEPR)

08.15 - 08.30 **Opening Remarks**

08.30 - 09.45 **Informed Trading, Investment, and Welfare**
James Dow (European University Institute, Firenze,
London Business School and CEPR)
Rohit Rahi (Birkbeck College, London)

Discussant: Ian Tonks (London School of Economics)

09.45 - 11.00 **An Evolutionary Approach to Financial Innovation**
Marc-Oliver Bettzüge (Universität Bonn)
Thorsten Hens (Universität Bielefeld)

Discussant: Gabrielle Demange (DELTA, Paris)

Tuesday 15 July Focus Session on Security Design

Organizer: Darrell Duffie (Stanford University)

08.30 - 09.45 **An Overview of Security Design**
Darrell Duffie (Stanford University)

09.45 - 11.00 **Speculative Securities**
José Maria Marín Viguera (Universitat Pompeu Fabra,
Barcelona)
Rohit Rahi (Birkbeck College, London)

11.00 - 11.20 Coffee

11.20 - 12.35 **The Pooling and Tranching of Securities**
Peter DeMarzo (Northwestern University)

Wednesday 16 July

- Chair: Martin Hellwig (Universität Mannheim)
- 08.30 - 09.45 **General Competitive Analysis with Asymmetric Information**
Alberto Bisin (DELTA, Paris)
Piero Gottardi (Università di Venezia)
- Discussant: Chiaki Hara (University of Cambridge)
- 09.45 - 11.00 **A Stylized Model of Financially-Driven Business Cycles**
Javier Suarez (CEMFI, Madrid, and CEPR)
Oren Sussman (Ben-Gurion University of the Negev)
- Discussant: Enrico Perotti (Universiteit van Amsterdam and CEPR)

Thursday 17 July **Focus Session on Herding in Financial Markets**

- Organizer: David Hirshleifer (University of Michigan Business School)
- 08.30 - 09.45 **Social Learning, Herding and Informational Cascades**
David Hirshleifer (University of Michigan Business School)
- 09.45 - 11.00 **Market Microstructure with Uncertain Information Precision: A Multi-Period Analysis**
Simon Gervais (University of Pennsylvania)
- 11.00 - 11.20 Coffee
- 11.20 - 12.35 **On the Evolution of Overconfidence and Entrepreneurs**
Antonio Bernardo (University of California, Los Angeles)
Ivo Welch (University of California, Los Angeles)

Friday 18 July

- Chair: Josef Zechner (Universität Wien and CEPR)
- 08.30 - 09.45 **Earnings Manipulation to Exceed Thresholds**
Francois Degeorge (Hautes Études Commerciales, Jouy-en-Josas, and CEPR)
Jayendu Patel (Boston University)
Richard Zeckhauser (Harvard University and NBER)
- Discussant: Todd Milbourn (London Business School)

09.45 - 11.00 **Skewness of Earnings and the Believability Hypothesis: How Does the Financial Market Discount Accounting Earnings Disclosures?**
Murugappa Krishnan (University of Minnesota)
Srinivasan Sankaraguruswamy (Georgetown University)
Hyun Song Shin (Nuffield College, Oxford)

Discussant: Lars Nielsen (INSEAD, Fontainebleau, and CEPR)

Monday 21 July

Chair: Ernst-Ludwig von Thadden (Université de Lausanne and CEPR)

08.15 - 08.30 **Opening Remarks**

08.30 - 09.45 **Competing Mechanisms in a Common Value Environment**

Bruno Biais (Université des Sciences Sociales de Toulouse and CEPR)

David Martimort (Harvard University and ESR-INRA)

Jean-Charles Rochet (Université des Sciences Sociales de Toulouse and CEPR)

Discussant: Jacques Olivier (Hautes Etudes Commerciales, Jouy-en-Josas)

09.45 - 11.00 **Strategic Behavior and Price Discovery**

Luis A Medrano (Universitat Pompeu Fabra, Barcelona)

Xavier Vives (Institut d'Anàlisi Econòmica (CSIC), Barcelona, and CEPR)

Discussant: Denis Gromb (Massachusetts Institute of Technology and CEPR)

Tuesday 22 July **Focus Session on Corporate Governance**

Organizer: Colin Mayer (School of Management, University of Oxford and CEPR)

Corporate Governance: The International Empirical Evidence

Julian Franks (London Business School and CEPR)

Colin Mayer (School of Management, University of Oxford and CEPR)

Corporate Governance and Competition in Transition Economies

Erik Berglöf (Stockholm Institute of Transition Economics and East European Economies and CEPR)

Corporate Control, Finance, Politics and Economic Analysis

Martin Hellwig (Universität Mannheim)

**Efficiency and Distribution in Financial Restructuring:
The Case of the Ferruzzi Group**

Alessandro Penati (Università di Padova)

Luigi Zingales (University of Chicago, NBER and CEPR)

Wednesday 23 July

Chair: Julian Franks (London Business School and CEPR)

08.30 - 09.45 **Dynamic Venture Capital Financing and Learning**
Dirk Bergemann (Yale University)
Ulrich Hege (Hautes Études Commerciales, Jouy-en-Josas,
and CEPR)

Discussant: Rafael Repullo (CEMFI, Madrid, and CEPR)

09.45 - 11.00 **The Dynamics of Default and Debt Reorganization**
Pierre Mella-Barral (London School of Economics)

Discussant: Josef Zechner (Universität Wien and CEPR)

Thursday 24 July Focus Session on Bankruptcy

Organizer: Walter Torous (London Business School)

08.30 - 09.45 **Post-Chapter 11 Performance of Financially Distressed Firms - A Critical Review**
Walter Torous (London Business School)

09.45 - 11.00 **Conflicts of Interest and Market Illiquidity in Bankruptcy Auctions: Theory and Tests**
Per Stromberg (Carnegie-Mellon University and University of Chicago)

11.00 - 11.20 Coffee

11.20 - 12.35 **On the Options Approach to Corporate Reorganization**
Lucian Bebchuk (Harvard Law School)

Friday 25 July

Chair: Rafael Repullo (CEMFI, Madrid, and CEPR)

08.30 - 09.45

Agency Costs, Firm Behaviour and the Nature of Competition

Philippe Aghion (University College, London, EBRD and CEPR)

Mathias Dewatripont (ECARE, Université Libre de Bruxelles and CEPR)

Patrick Rey (Université des Sciences Sociales de Toulouse and CEPR)

Discussant:

Raghuram Rajan (University of Chicago and Northwestern University)

09.45 - 11.00

Delegation of Monitoring in a Principal-Agent Relationship

Roland Strausz (Free University of Berlin)

Discussant:

Leonardo Felli (London School of Economics)

Organizers:

Philippe Bacchetta (Studienzentrum Gerzensee, Université de Lausanne and CEPR)

Julian Franks (London Business School and CEPR)

Rafael Repullo (CEMFI, Madrid, and CEPR)

Ernst-Ludwig von Thadden (Université de Lausanne and CEPR)