

## **European Summer Symposium in Financial Markets (ESSFM)**

Travel Costs Sponsored by the New York Stock Exchange

**Studienzentrum Gerzensee, 19/30 July 2004**

### **Programme**

#### **Monday 19 July**

Chair:

08.15 - 08.30      **Opening Remarks**

08.30 - 09.45      **Matching Bankruptcy Laws to Legal Environments**

\*Kenneth Ayotte (Columbia Business School)

Hayong Yun (Columbia Business School)

Discussant:      Paul E M Povel (University of Minnesota)

09.45 - 11.00      **On the Capital Structure Implications of Bankruptcy Codes**

\*Viral V Acharya (London Business School and CEPR)

Kose John (New York University)

Rangarajan Sundaram (New York University)

Discussant:      Kjell Nyborg (London Business School, UCLA Anderson and CEPR)

#### **Tuesday 20 July**

##### **Focus Session 1: Corporate Finance and Growth**

Organizer:      Philippe Aghion (Harvard University and CEPR)

08.30 – 09.30      **Title TBC**

\*Philippe Aghion (Harvard University and CEPR)

09.30 – 10.30      **Lobbying on Entry**

\*Enrico Perotti (University of Amsterdam and CEPR)

Paolo Volpin (London Business School and CEPR)

10.30 - 11.00      Coffee Break

11.00 – 12.00      **Financial Institutions and the Wealth of Nations: Tales of Development**

Jian Tong (University of Southampton)

\*Chenggang Xu (London School of Economics and CEPR)

## Wednesday 21 July

Chair:

08.30 - 09.45      **Executive Pay, Earnings Manipulation and Shareholder Litigation**

\*Ailsa A Röell (Princeton University and CEPR)  
Lin Peng (Baruch College)

Discussant:      Urs Peyer (INSEAD, Fontainebleau)

09.45 - 11.00      **Executive Compensation and Competition in the Banking and Financial Sectors**

\* Vicente Cuñat (Universitat Pompeu Fabra)  
Maria Guadalupe (Columbia University, MIT and CEPR)  
Mariassunta Giannetti (SITE, Stockholm School of Economics and CEPR)

## Thursday 22 July

### **Focus Session 2:**

Organizer:      Mitchell A Petersen (Northwestern University)

08.30 – 09.30      **Hard and Soft Information: Implications for Banking and Finance Research**

\* Mitchell A Petersen (Northwestern University)

09.30 – 10.30      **Corporate Governance of Banks and Bankers in the Corporate Governance System**

\*Randall S Kroszner (University of Chicago)

10.30 - 11.00      Coffee Break

11.00 – 12.00      **Initiative, Incentives and Soft Information: How Does Delegation Impact the Role of Bank Relationship Managers**

Jose Liberti (London Business School)

## Friday 23 July

Chair:

08.30 - 09.45      **Banking Deregulation and Industry Structure: Evidence from the French Banking Reforms of 1985**

Marianne Bertrand (University of Chicago)  
\*David Thesmar (ENSAE-CREST and CEPR)  
Antoinette Schoar (MIT)

Discussant:      Luc Laeven (The World Bank and CEPR)

09.45 - 11.00 **A Rational Expectations Theory of the Kink in Earnings Reports**  
Ilan Guttman, (Hebrew University of Jerusalem)  
Ohad Kadan (Washington University at St. Louis)  
\*Eugene Kandel (Hebrew University of Jerusalem and CEPR)

Discussant:

## WEEK TWO

### Monday 26 July

Chair:

08.15 – 08.30 Introductory Remarks

08.30 - 09.45 **Market Price of Variance Risk and Performance of Hedge Funds**

\*Oleg Bondarenko (University of Illinois, Chicago)  
Discussant: Jens Carsten Jackwerth (University of Konstanz,)

09.45 - 11.00 **Individual Stock Option Prices and Credit Spreads**  
Martijn Cremers (Yale School of Management),  
Joost Driessen (Universiteit van Amsterdam)  
\*Pascal Maenhout (INSEAD, Fontainebleau and CEPR)  
David Weinbaum (Cornell University)

Discussant: Martin Weber (Universität Mannheim and CEPR)

### Tuesday 27 July

#### **Focus Session 3: Liquidity and Asset Pricing**

Organizer: Dimitri Vayanos (Massachusetts Institute of Technology and CEPR)

08.30 – 09.30 **Flight to Quality, Flight to Liquidity and the Pricing of Risk**

Dimitri Vayanos (Massachusetts Institute of Technology and CEPR)

09.30 – 10.30 **Predatory Trading**

Marcus Brunnermeier (Princeton University and CEPR)  
\*Lasse Heje Pedersen (Stern School of Business, New York University)

10.30 - 11.00 Coffee Break

11.00 – 12.00 **Limits of Arbitrage: Theory and Evidence from the Mortgage-Backed Securities Market**

Xavier Gabaix (Massachusetts Institute of Technology)

### **Wednesday 28 July**

Chair:

**08.30 - 09.45**

#### **Evolutionary Stable Stock Markets**

Igor Evistigneey (University of Manchester)

\*Thorsten Hens (University of Zürich)

Klaus Schenk-Hoppe (University of Copenhagen)

Discussant:

Orly Sade (Hebrew University of Jerusalem)

09.45 - 11.00

#### **Optimal Expectations**

\*Markus K Brunnermeier (Princeton University and CEPR)

Jonathan Parker (Princeton University)

Discussant:

Laura Veldkamp (Stern School of Business, New York University)

### **Thursday 29 July**

#### **Focus Session 4: Aggregate Asset Pricing**

Organizer:

Urban Jermann (Wharton School, University of Pennsylvania)

08.30 – 09.30

#### **Using Asset Prices to Measure the Persistence of the Marginal utility of Wealth**

Fernando Alvarez

\* Urban Jermann (Wharton School, University of Pennsylvania)

09.30 – 10.30

#### **Equity Premia with Benchmark Levels of Consumption and Distorted Beliefs: Closed-Form Results**

Andrew Abel (Wharton School, University of Pennsylvania)

10.30 - 11.00

Coffee Break

11.00 – 12.00

#### **Generalized Disappointment Aversion and Asset Prices**

\*Bryan R. Routledge (Carnegie Mellon University)

Stanley Zin (Carnegie Mellon University)

### **Friday 30 July**

Chair:

08.30 – 09.45

#### **Price Discovery in Tick Time**

Peter Schotman (LIFE, Maastricht University and CEPR)

Discussant:

Shmuel Kandel (Wharton School of Management, Tel Aviv University and CEPR)

09.45 – 11.00

#### **Was there a Nasdaq Bubble in the Late 1990s?"**

\*Lubos Pástor (University of Chicago and CEPR)

Discussant:

Stijn van Nieuwerburgh (Stern School of Business, New York University)

Each session with a discussant has 45 minutes for paper presentation, 15 for discussant and 15 minutes for general discussion