

Course Name :	Advanced Topics in Corporate Finance
Degree :	Master 2 ETE (TSE) / MSc in Finance (TSM)
Teacher(s) :	Alexander Guembel, Ulrich Hege
Semester :	2
Teaching Assistant :	
Course hours Nb:	30
Tutorials hours Nb:	0

OBJECTIVES :

The course will cover the big topics in corporate finance (see course outline). Part 1 (15h, taught by Prof. Alexander Guembel) focuses on theory while Part 2 (15h, taught by Prof. Ulrich Hege) will address the empirical evidence.

The intended learning outcomes are

- Explain how key frictions (moral hazard, asymmetric information) can be captured in an economic model.
- Assess how such frictions affect financial arrangements of a corporation.
- Describe how selected empirical evidence relates to model predictions.
- Build on existing models so as to capture new effects, with a view to being able to develop one's own research.

REQUIREMENT :

Good knowledge of intermediate microeconomics and corporate finance at M1; basic econometrics.

GRADING POLICY : Final exam. Details to be confirmed.

Part I (A. Guembel)

COURSE OUTLINE:

- Capital structure & security design
- Liquidity demand, fire sales
- Corporate governance (agency problems, monitoring)
- Bankruptcy & control rights

TEXTBOOKS :

Tirole, 2006, *The Theory of Corporate Finance*, Princeton University Press.

Detailed structure of Part I

Week 1

Introduction; Modigliani-Miller Theorem; Basic agency problem.

Reading: Tirole, ch. 2, 3.1-3.3

Week 2

Debt overhang; risk shifting; Collateralization;

Reading: Tirole, ch. 4

Week 3

Non-verifiable income & the role of collateral; Holdup by borrower (Hart-Moore); (Tirole, ch. 3.8); Asymmetric information (Tirole, ch.6)

Week 4

Corporate liquidity demand, fire sales

Reading: Tirole, ch. 5

Week 5

Control Rights

Reading: Tirole, ch. 10, Aghion and Bolton, (*Review of Economic Studies*, 1990)

Part II (U. Hege)

This part of the course will provide an introduction to recent advances in empirical corporate finance. It will relate to various strands of theory such as contract theory and include connections to other fields such as industrial organization, and other subareas within finance. We will start with a short introduction to the field. The natural starting point is the question what defines the boundaries of the firm, and the relationship to other organizational forms of cooperation outside the firm. Inside their boundaries, typically characterized by a single center of control, firms share a common finance function, so the question of their financial structure and payout policy is the logical next step. Firms are often understood as a life cycle; the next three topics, covering the financing of innovation, begin with choices of young firms, then their competition with other firms, and finally M&A and corporate governance.

We will include only a brief dedicated methods section; during the course, empirical methods will also be studied through the lens of applied papers and the problems they tackle.

Organization and work expected:

This part of the course covers 5 sessions of 3 hours. The first four sessions will be dedicated to teacher presentations and joint classroom discussion of recent articles.

Detailed structure of Part II:

- Topic 1: Introduction and boundaries of the firm
- Topic 2: Capital structure, payout policy, and financial constraints
- Topic 3: Financing of innovation and entrepreneurial finance
- Topic 4: Corporate Finance and product markets
- Topic 5: M&A and Corporate Governance

Readings with * are required readings (20 papers)

Readings:

An updated reading list will be distributed at the beginning of the course.

Books:

There is a lack of advanced (PhD level) textbooks in the area of empirical corporate finance.

Some Handbooks are pretty useful:

Handbook of the Economics of Finance, ed. by G. M. Constantinides, M.Harris, R.M. Stulz, Elsevier:North Holland, Vol. 2A and 2B (2013) and also Vol. 1A (2003).

Handbook of Corporate Finance: Empirical Corporate Finance, ed. by B. E. Eckbo , Elsevier:North Holland, Vol. 1 (2008) and Vol. 2 (2010).

Preferred books on econometrics:

Angrist, D. Joshua, and Jorn- Steffen Pischke (2009) Mostly Harmless Econometrics: An Empiricist's companion. Princeton University Press.

Wooldridge, Jeffrey M. (2002) Econometrics Analysis of Cross- Section and Panel Data, MIT Press MA.

Selected literature on the topics we will cover:

Topic 1: Introduction and boundaries of the firm

Methodology

McKinlay, Craig A. (1997a) Event Studies in Economics and Finance, Journal of Economic Literature 1997, pp. 13-39.

McKinlay, Craig A. (1997b) Event Study-Analysis, Chapter 4 in : J.Y. Campbell, C. MacKinlay, A. Lo, the Econometrics of Financial Markets, Princeton University Press.

Khotari, S.P., and Jerold Warner (1997) Measuring Long- horizon Security Price Performance, Journal of Financial Economics 43, 301- 339.

Barber, Brad, and John Lyon (1997), Detecting long-run abnormal stock returns: the empirical power and specification of test-statistics, Journal of Financial Economics 43, 341-372.

Lyon, John D., Brad M. Barber and Chih-Ling Tsai (1998), Improved methods for tests for long run abnormal stock returns, Journal of Finance 54, 165-201.

Brav, Alon, and Paul Gompers (1997), Myth or reality? The long-run underperformance of IPOs: evidence from venture and nonventure capital-backed companies, Journal of Finance 52, 1791-1821.

Bowen, Daniel, Laurent Fresard, and Jerome Taillard (2017) What's Your Identification Strategy? Innovation in Corporate Finance Research, Management Science 63, 2529-2548.

Roberts, Michael and Toni Whited (2013) Endogeneity in Empirical Corporate Finance, Chapter 7 in Handbook of the Economics of Finance, ed. by George M. Constantinides, Milton Harris, Rene M. Stulz, Elsevier:North Holland, Vol. 2A (2012) survey.

Jiang, Wei (2017) Have Instrumental Variables Brought Us Closer to the Truth ? Review of Corporate Finance Studies 6, 127–140.

Hennessy, Christopher A., and Strebulaev, Ilya A. (2014) Natural Policy Experiment Policy Evaluation: A Critique, NBER Working Paper, London Business School.

Bertrand, Marianne, Duflo, Esther, and Mullainathan, Sendhil (2004) How much should we trust differences-in-differences estimates, Quarterly Journal of Economics 119, 249-275.

Gormley, Todd, and David Matsa (2014) Common Errors: How to (and Not to) Control for Unobserved Heterogeneity, Review of Financial Studies 27, 617- 661.

Petersen, Mitchell (2008) Estimating Standard Errors in Finance Panel Datasets: Comparing Approaches, Review of Financial Studies 22, 435- 480.

Atanasov, Vladimir and Bernard Black, B., 2016. Shock-Based Causal Inference in Corporate Finance and Accounting Research, Critical Finance Review 5, 207–304.

Internal Capital Markets and Boundaries of the Firm

Phillips, Gordon and Vojislav Maksimovic (2013) Conglomerate Firms, Internal Capital Markets and the Theory of the Firm, Annual Review of Financial Economics 5, 225-244.

* Seru, Amit (2014) Firm boundaries matter: Evidence from conglomerates and R&D activity, Journal of Financial Economics 111, 381-405

Scharfstein, David and Jeremy Stein (2000) The Dark Side of Internal Capital Markets: Divisional Rent-Seeking and Inefficient Investment. Journal of Finance 55, 2537-2565.

Rajan, Raghuram, Henri Servaes and Luigi Zingales (2000) The Cost of Diversity: The Diversification Discount and Inefficient Investment. Journal of Finance 55, 35-84.

Villalonga, Belen (2004) Diversification Discount or Premium? New Evidence from the Business Information Tracking Series. Journal of Finance 59, 479-506.

Custódio, Claudia (2014) Mergers and acquisitions accounting can explain the diversification discount, Journal of Finance 69, 219-240.

Khanna, Naveen and Sheri Tice (2001) The Bright Side of Internal Capital Markets, Journal of Finance 56, 1489-1528.

Campa, José M., and Simi Kedia (2002) Explaining the Diversification Discount, Journal of Finance 57, 1731-1762.

Graham, John R., Michael L. Lemmon and Jack Wolf (2002) Does Corporate Diversification Destroy Value? Journal of Finance 57, 695-720.

Lang, Larry and Rene Stulz (1994) Tobin's q , Corporate Diversification, and Firm Performance. *Journal of Political Economy* 102, 1248-1291.

Servaes, Henri (1996) The Value of Diversification during the Conglomerate Merger Wave. *Journal of Finance* 51, 1201-1225.

Maksimovic, Vojislav and Gordon Phillips (2002) Do Conglomerate Firms Allocate Resources Inefficiently Across Industries? *Journal of Finance* 57, 721-67.

Duchin Ran and Denis Sosyura (2013) Divisional managers and internal capital markets, *Journal of Finance* 68, 387–429.

Glaser, Markus, Lopez-de-Silanes Florencio, Sautner Zacharias (2013) Opening the black box: internal capital markets and managerial power, *Journal of Finance* 68, 1577–631.

Tate, Geoffrey and Liu Yang (2015) The Bright Side of Corporate Diversification: Evidence from Internal Labor Markets, *Review of Financial Studies* 28, 2203–2249.

Gopalan R., K. Xie (2011) Conglomerates and industry distress. *Review of Financial Studies* 24, 3642–3687.

Kuppuswamy, Venkat and Belén Villalonga (2016) Does Diversification Create Value in the Presence of External Financing Constraints? Evidence from the 2007–2009 Financial Crisis, *Management Science* 62, 905-923.

Almeida, Heitor, C-S. Kim, and H.B. Kim (2015) Internal Capital Markets in Business Groups: Evidence from the Asian Financial Crisis, *Journal of Finance* 70, 2539- 2586.

Topic 2: Capital structure, payout policy, and financial constraints

Overview and Classics

Graham, John R., Mark T. Leary, and Michael R. Roberts (2015) A century of capital structure: The leveraging of corporate America, *Journal of Financial Economics* 118, 658-683

Graham, John R. and Mark T. Leary (2011) A Review of Empirical Capital Structure Research and Directions for the Future, *Annual Review of Financial Economics* Vol. 3:309-345

Graham, John R., and Campbell Harvey (2001) The Theory and Practice of Corporate Finance: Evidence from the Field, *Journal of Financial Economics* 60, 187–243.

Franck, Murray Z., and Vidhan K. Goyal (2009) Capital Structure Decisions: Which Factors are Reliably Important? *Financial Management* 38, 1-37

Strebulaev, Ilya (2007) Do Tests of Capital Structure Theory Mean What They Say? *Journal of Finance* 62, 1747-1787

Titman, Sheridan, and Roberto Wessels (1988) The Determinants of Capital Structure Choice, *Journal of Finance* 1-19.

Rajan, Raghuram and Luigi Zingales (1995) What do We Know about Capital Structure? Some Evidence from International Data, *Journal of Finance* 50, 1421-1460.

Booth, Laurence, Varouj Aivazian, Asli Demirguc-Kunt and Vojislav Maksimovic (2001), Capital Structures in Developing Countries, *Journal of Finance* 56, 87-130.

Graham, John (2000) How big are the tax benefits of debt?, *Journal of Finance* 55, 1901-1941

Graham, John (2003) Taxes and Corporate Finance: A Review, *Review of Financial Studies* 16, 1075-1129

Myers, Stewart C. and Lakshmi Shyam-Sunder (1999) Testing Static Trade-off against Pecking Order Models of Capital Structure, *Journal of Financial Economics* 51, 219-244.

Frank, Murray and Vidhan Goyal (2003), Testing the Pecking Order Theory of Capital Structure, *Journal of Financial Economics* 67, 217-248

Leary, Mark T. and Michael R. Roberts (2010) The pecking order, debt capacity, and information asymmetry, *Journal of Financial Economics* 95, 332-355

* Almeida, Heitor, Murillo Campello, B. Laranjeira, and Scott Weisbenner (2012) Corporate Debt Maturity and the Real Effects of the 2007 Credit Crisis, *Critical Finance Review* 1, 3-58. Available as NBER Working Paper No. 14990.

Contracting

Sufi, Amir and Michael Roberts (2009) Financial Contracting: A Survey of Empirical Research and Future Directions, *Annual Review of Financial Economics* 1, 207-226

Leary, Mark T. (2009) Bank Loan Supply, Lender Choice, and Corporate Capital Structure, *Journal of Finance* 64, 1143-1185

Benmelech, Efraim, Mark J. Germaise, and Tobias J. Moskowitz, Do Liquidation Values Affect Financial Contracts? Evidence from Commercial Loan Contracts and Zoning Regulations, *Quarterly Journal of Economics* 120, 1121-1154.

Faulkender, Michael and Mitchell A. Petersen (2006) Does the Source of Capital Affect Capital Structure? *Review of Financial Studies* 19, pp-45-79.

Sufi, Amir (2007) Information Asymmetry and Financing Arrangements: Evidence from Syndicated Loans, *Journal of Finance* 62, 629-668

Michael Roberts (2015) The role of dynamic renegotiation and asymmetric information in financial contracting, *Journal of Financial Economics* 116, 61-81

Market Timing, Persistence

* Baker, Malcolm and Jeffrey Wurgler (2002) Market Timing and Capital Structure, *Journal of Finance* 57, 1-32.

Alti, Aydogan (2006) How Persistent is the Impact of Market Timing on Capital Structure? *Journal of Finance* 61, 1681-1710.

Leary, Mark T., and Michael R. Roberts (2005) Do Firms Rebalance Their Capital Structures? *Journal of Finance* 60, 2575-2619.

* Lemmon, Michael, Michael R. Roberts, and Jaime Zender (2008) Back to the Beginning: Persistence and the Cross-Section of Corporate Capital Structure, *Journal of Finance* 63, 1575-1608.

Financial constraints

Fazzari, Steven, R. Glenn Hubbard, and Bruce C. Petersen (1988) Financing constraints and corporate investment, *Brookings Papers on Economic Activity* (1988), 141-95 (also: *NBER Working Paper*)

* Kaplan, Steven N., and Zingales, Luigi (1997) Do Investment-Cash Flow Sensitivities Provide Useful Measures of financing constraints?, *Quarterly Journal of Economics* 112, 169-215.

Fazzari, Steven, R. Glenn Hubbard, and Bruce C. Petersen (2000) Investment-Cash Flow Sensitivities are Useful: A Comment on Kaplan and Zingales, *Quarterly Journal of Economics* 115, 695-705.

Kaplan, Steven N., and Luigi Zingales (2000) Investment-cash flow sensitivities are not valid measures of financing constraints, *Quarterly Journal of Economics* 115, 707-712.

Bakke, Tor-Erik, and Toni M. Whited (2012) Threshold events and identification: a study of cash shortfalls, *Journal of Finance* 67, 1083-1111.

* Whited, Toni M., and Guojun Wu (2006) Financial constraints risk, *Review of Financial Studies* 19, 531-559.

Farre-Mensa, Joan and Alexander Ljungqvist (2016) Do Measures of Financial Constraints Measure Financial Constraints? *The Review of Financial Studies* 29, 271-308.

Campello, Murillo, John R. Graham, and Campbell R. Harvey (2010) The real effects of financial constraints, *Journal of Financial Economics* 97, 470-487.

Topic 3: Financing of innovation and Entrepreneurial Finance

Venture Capital

* Kaplan, Steven and Per Strömberg (2003) Financial Contracting Theory Meets the Real World: An Empirical Analysis of Venture Capital Contracts, *Review of Economic Studies* 70, 281-316.

Hellmann, Thomas and Manju Puri (2002) Venture Capital and the Professionalization of Start-up Firms: Empirical Evidence, *Journal of Finance* 57, 169-197.

Bengtsson, Ola, and Berk Sensoy (2015) Changing the Nexus: The Evolution and Renegotiation of Venture Capital Contracts, *Journal of Financial and Quantitative Analysis* 50, 349-375.

* Puri, Manju and Rebecca Zarutskie (2012) On the lifecycle dynamics of venture-capital- and non-venture-capital-financed firms, *Journal of Finance* 67, 2247-2293.

Ewens, Michael, Ramana Nanda, and Matthew Rhodes-Kropf (2018), Cost of experimentation and the evolution of venture capital, *Journal of Financial Economics* 128, 422-442.

Bernstein, Shai, Xavier Giroud, and Richard Townsend (2016) The Impact of Venture Capital Monitoring, *Journal of Finance* 71, 1591-1622.

Kaplan, Steven, Berk Sensoy, and Per Strömberg (2009) Should investors bet on the jockey or the horse? Evidence from the evolution of firms from early business plans to public companies, *Journal of Finance* 64, 75-115.

Hochberg, Yael V., Alexander Ljungqvist, and Yang Lu (2007) Whom You Know Matters: Venture Capital Networks and Investment Performance, *Journal of Finance* 62, 251-301.

Measures and Determinants of Innovation

* Acharya, Viral, Ramin Baghai and Krishnamurthy Subramanian (2013) Wrongful Discharge Laws and Innovation, forthcoming, *Review of Financial Studies* 17, 301-346

Lerner, Josh, Morten Sorensen, and Per Strömberg (2011) Private Equity and Long- Run Investment: The Case of Innovation. *The Journal of Finance* 66, 445-477

Atanasov, Vladimir (2013) Do Hostile Takeovers Stifle Innovation? Evidence from Antitakeover Legislation and Corporate Patenting. *The Journal of Finance* 68, 1097-1131.

Kogan, Leonid, Dimitris Papanikolaou, Amit Seru, Noah Stoffman (2017) Technological Innovation, Resource Allocation, and Growth, *The Quarterly Journal of Economics* 132, 665–712.

Lerner, Josh and Amit Seru (2017) The Use and Misuse of Patent Data: Issues for Corporate Finance and Beyond, NBER Working Paper No. 24053.

Corporate Innovation

Billett, Matthew T., and David C. Mauer (2003) Cross-Subsidies, External Financing Constraints, and the Contribution of the Internal Capital Market to Firm Value, *The Review of Financial Studies* 16, 1167-1201.

Chemmanur, Thomas J., Elena Loutskina, and Xuan Tian, 2014, Corporate Venture Capital, Value Creation, and Innovation, *The Review of Financial Studies* 27, 2434-2473.

Ma, Song, 2019, The Life Cycle of Corporate Venture Capital, *The Review of Financial Studies*, forthcoming.

Bena, Jan and Kai Li (2014) Corporate Innovations and Mergers and Acquisitions, *Journal of Finance* 69, 1923-1960.

Phillips, Gordon M. and Alexei Zhdanov (2013) R&D and the incentives from merger and acquisition activity. *Review of Financial Studies*, 26:34–78.

Bowen, Donald E., Laurent Fresard, and Gerard Hoberg (2019) Technological Disruptiveness and the Evolution of IPOs and Sell-outs, WP SSRN.

Gompers, Paul, Josh Lerner, and David Scharfstein (2005) Entrepreneurial spawning: public corporations and the genesis of new ventures, 1986 to 1999, *Journal of Finance* 60, 577-614.

Babina, Tania and Sabrina T. Howell (2018) Entrepreneurial Spillovers from Corporate R&D, WP NYU.

Howell, Sabrina T. (2017) Financing Innovation: Evidence from R&D Grants, *American Economic Review* 107, 1136-64.

Firm Life Cycle, IPOs, Entrepreneurship, Bankruptcy

Ewens, Michael and Joan Farre-Mensa (2018) The Deregulation of the Private Equity Markets and the Decline in IPOs, SSRN WP, <https://ssrn.com/abstract=3017610>.

Claudio Loderer, René Stulz, and Urs Waelchli (2017) Firm Rigidities and the Decline in Growth Opportunities, *Management Science* 63, 3000-3020.

Gao, Xiaohui, Jay Ritter, and Zhongyan Zhu (2013) Where Have All the IPOs Gone?, *Journal of Financial and Quantitative Analysis* 48, 1663-1292.

Robb, Alice and David Robinson (2014) The Capital Structure Decisions of New Firms, *Review of Financial Studies* 27, 153-179.

Bernstein, Shai (2015) Does Going Public Affect Innovation?, *Journal of Finance* 70, 1365–1403.

Fan, Wei, and Michelle White (2003) Personal Bankruptcy and the Level of Entrepreneurial Activity, *Journal of Law and Economics* 46, 543-567.

Surveys and Handbooks:

Handbook of the Economics of Innovation, ed. by B.H. Hall and N. Rosenberg, Elsevier: North Holland (2017).

Da Rin, Marco, Thomas Hellmann, and Manju Puri (2012), A Survey of Venture Capital Research; in: George Constantinides, Milton Harris, and René Stulz (eds.) *Handbook of the Economics of Finance*, vol 2, Amsterdam, North Holland.

Topic 4: Corporate Finance and Product Markets

Finance and Concentration

Grullon, Gustavo, Yelena Larkin and Roni Michaely (2017) Are US Industries Becoming More Concentrated? mimeo, SSRN

* Giroud, Xavier, Holger M. Mueller (2010) Does corporate governance matter in competitive industries?, *Journal of Financial Economics* 95, 312-331

Fresard, L. (2010) Financial Strength and Product Market Behavior: The Real Effects of Corporate Cash Holdings, *Journal of Finance* 65, 1097-1122

Blonigen, Bruce A., Justin R. Pierce (2016) Evidence for the Effects of Mergers on Market Power and Efficiency, NBER Working Paper No. 22750

* Germán Gutiérrez and Thomas Philippon (2017) Declining Competition and Investment in the U.S., NBER Working Paper 23583, <http://www.nber.org/papers/w23583>

* Azar, José and Schmalz, Martin C. and Tecu, Isabel (2018) Anticompetitive Effects of Common Ownership, *Journal of Finance* 73, SSRN: <https://ssrn.com/abstract=2427345>

Harford, Jarrad, Dirk Jenter, and Kai Li, 2011, Institutional Cross-Holdings and Their Effect on Acquisition Decisions, *Journal of Financial Economics* 99, 27-39.

Product Market Behavior and Capital Structure

Chevalier, Judith (1995) Do LBO Supermarkets Charge More? An Empirical Analysis of the Effects of LBOs on Supermarket Pricing, *Journal of Finance* 50, 1095-1112.

Chevalier, Judith (1995) Capital Structure and Product Market Competition: Empirical Evidence from the Supermarket Industry, *American Economic Review* 85, 415-435.

Phillips, Gordon (1995) Increased Debt and Industry Product Markets: An Empirical Analysis, *Journal of Financial Economics* 37, 189-238.

Khanna, Naveen, and Sheri Tice (2000) Strategic response of incumbents to new entry: The effect of ownership structure, capital structure, and focus, *Review of Financial Studies* 13, 749-779

Zingales, Luigi (1998) Survival of the fittest or the fattest, *Journal of Finance* 53, 905-938.

Campello, Murillo (2003) Capital Structure and Product Markets Interactions: Evidence from Business Cycles, *Journal of Financial Economics* 68, 353-378.

* Mackay, Peter, and Gordon M. Phillips (2005) How Does Industry Affect Firm Financial Structure?, *Review of Financial Studies* 18, 1433-1466.

Hoberg, G. and Gordon Phillips (2016) Text-Based Network Industries and Endogenous Product Differentiation, *Journal of Political Economy* 124, 1423-1465.

Topic 5: M&A and Corporate Governance

M&A: Overview and Foundations

Jovanovic, Boyan and Peter L. Rousseau (2002) The Q-Theory of Mergers, *American Economic Review* 92, 198-204.

Boone, Audra L. and J. Harold Mulherin (2007) How Are Firms Sold? *Journal of Finance* 62, 847-875.

Gregor Andrade, Mark Mitchell, and Erik Stafford (2001) New Evidence and Perspectives on Mergers, *Journal of Economic Perspectives* 15, 103–120.

Yang, Liu (2008) The Real Determinants of Asset Sales, *Journal of Finance* 63, 2231-2262.

Martynova, Marina, and Luc Renneboog (2008) A century of corporate takeovers, *Journal of Banking & Finance* 32, 2148-2177.

Merger Waves and Cross-Border M&A

Rhodes–Kropf, Matthew, David T. Robinson, and S. Viswanathan (2005) Valuation waves and merger activity: The empirical evidence, *Journal of Financial Economics* 77, 561–603.

Dong, Ming, David Hirshleifer, Scott Richardson and Siew Hong Teoh (2006) Does Investor Misvaluation Drive the Takeover Market? *Journal of Finance* 61, 725-762.

* Harford, Jarrad (2005) What drives merger waves? *Journal of Financial Economics* 77, 529–560.

* Ahern, Kenneth R. and Jarrad Harford (2014) The Importance of Industry Links in Merger Waves, *Journal of Finance* 69, 527-576.

Maksimovic, Vojislav, Gordon Phillips and Liu Yang (2013) Private and Public Merger Waves, *Journal of Finance* 68, 2177-2217.

Erel, Isil, Rose C. Liao and Michael S. Weisbach (2012) Determinants of Cross-Border Mergers and Acquisitions, *Journal of Finance* 67, 1045-1082.

Drivers of M&A and Merger Performance

Hoberg, Gerard and Gordon Phillips (2017) Product Integration and Merger Success, WP

* Hoberg, Gerard and Gordon Phillips (2010) Product Market Synergies and Competition in Mergers and Acquisitions: A Text-Based Analysis, *Review of Financial Studies* 23, 3773-3811.

Fresard, Laurent, Gerard Hoberg and Gordon Phillips (2017) Vertical Acquisitions, Integration and the Boundaries of the Firm, WP.

Boyson, Nicole M. and Gantchev, Nickolay and Shivdasani, Anil (2017) Activism mergers, *Journal of Financial Economics*, forthcoming.

Phalippou, L., F. Xu and H. Zhao (2015) Acquiring Acquirers, *Review of Finance* 19, 1489-1541.

Cunningham, Colleen, Florian Ederer and Song Ma (2019) Killer Acquisitions. WP SSRN
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3241707

Masulis, Ronald W., Cong Wang, and Fei Xie, 2007, Corporate governance and acquirer returns, *Journal of Finance* 62, 1851-1889.

Andrade, Gregor, and Erik Stafford (2004) Investigating the economic role of mergers, *Journal of Corporate Finance* 10, 1- 36.

Cremers, Martijn, Vinay Nair, and Kose John (2009) Takeovers and the cross-section of returns, *Review of Financial Studies* 22, 1409-1445.

Corporate Governance and Activism:

* Bertrand, Marianne, and Sendhil Mullainathan (2003) Enjoying the quiet life? Corporate governance and managerial preferences, *Journal of Political Economy* 111, 1043-1075.

Karpoff, Jonathan, Robert Schonlau, and Eric Wehrly (2017) Do takeover defense indices measure takeover deterrence?, *Review of Financial Studies* 30, 2359-2412.

Gompers, Paul, Joy Ishii, and Andrew Metrick (2003) Corporate Governance and Equity Prices. *Quarterly Journal of Economics* 118, 107–156.

Bebchuk, Lucian, Cohen, Alma, Ferrell, Allen (2009) What matters in corporate governance?, *Review of Financial Studies* 22:2, 783-827.

* Bennedsen, Morten, Kapser Meisner Nielsen, Francisco Perez- Gonzalez, and Daniel Wolfenzon, (2007) Inside the Family Firm: The Role of Families in Succession Decisions and Performance, *Quarterly Journal of Economics* 122, 647- 691.

Bertrand, Marianne, and Antoinette Schoar (2003) Managing with Style: The Effect of Managers of Firm Policies, *Quarterly Journal of Economics* 118, 1169- 1208.

Adams, Renee B., Almeida, Heitor, Ferreira, Daniel, 2005, Powerful CEOs and their impact on corporate performance, *Review of Financial Studies* 18:4, 1403-1432.

Adams, Renee, Hermalin, Benjamin E., and Weisbach, Michael S. (2010) The role of boards of directors in corporate governance: A conceptual framework and survey, *Journal of Economic Literature* 48, 58-107.

Bertrand, Marianne, and Sendhil Mullainathan (2001) Are CEOs Rewarded for Luck? The Ones without Principals Are, *Quarterly Journal of Economics* 116, 901-932.

Dittmann, Ingolf, and Ernst Maug (2007) Lower Salaries and No Options? On the Optimal Structure of Executive Pay, *Journal of Finance* 62, 303-343.

Dittmann, Ingolf, Ernst Maug, and Oliver G. Spalt (2013) Indexing Executive Compensation Contracts, *Review of Financial Studies* 26, 3182-3224.

* Gabaix, Xavier, and Augustin Landier (2008) Why Has CEO Pay Increased So Much?, *Quarterly Journal of Economics* 123, 49-100.

Gabaix, Xavier, Augustin Landier, and Julien Sauvagnat (2014) CEO Pay and Firm Size: An Update After the Crisis, *The Economic Journal* 124, F40-F59.

Brav, Alon, Wei Jiang, Frank Partnoy, and Randall Thomas (2008) Hedge fund activism, corporate governance, and firm performance, *The Journal of Finance* 63, 1729-1775.

Becht, Marco, Julian Franks, Jeremy Grant, and Hannes Wagner (2017) Returns to hedge fund activism: An international study, *The Review of Financial Studies* 30, 2933-2971.

* Brav, Alon, Wei Jiang, and Hyunseob Kim (2015) The real effects of hedge fund activism: Productivity, asset allocation, and labor outcomes, *Review of Financial Studies* 28, 2723-2769.

Brav, Alon, Wei Jiang, Song Ma, and Xuan Tian (2018) How does hedge fund activism reshape corporate innovation?, *Journal of Financial Economics* 130, 237-264.

Gantchev, Nickolay, Oleg Gredil, and Chotibhak Jotikasthira (2019) Governance under the gun: Spillover effects of hedge fund activism, *Review of Finance* 23, 1031-1068.

Surveys:

Eckbo, B. Espen (2014) Corporate Takeovers and Economic Efficiency, *Annual Review of Financial Economics* 2014, 51-74

Eckbo, B. Espen, Sandra Betton and Karin S. Thorburn (2008), Corporate Takeovers, in B. E. Eckbo (ed.), *Handbook of Corporate Finance: Empirical Corporate Finance, Volume 2*, (Elsevier/North-Holland Handbook of Finance Series), Ch. 15, 291-430, 2008.

Eckbo, B. Espen, Thorburn, Karin S. (2013) Corporate Restructuring, *Foundations and Trends in Finance* 7, 159-288.

Shleifer, Andrei, and Robert Vishny (2011) Fire sales in finance and macroeconomics, *Journal of Economic Perspectives* 25, 29-48.

Handbook of the Economics of Corporate Governance, ed. by B. Hermalin and M. Weisbach, Elsevier: North Holland (2017).

Becht, Marco, Bolton, Patrick, Roell, Alisa (2003), Corporate Governance and Control, *Handbook of the Economics of Finance*, Vol. 1A, Chapter 1, 1-109.

La Porta, Rafael, Lopez-de-Silanes, Shleifer, Andrei, Ch. 6: Law and Finance after a decade of research, *Handbook of the Economics of Finance* Vol. 2 Part A, 425-491.