

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 (Zicklin School of Business)

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)
Discussant: 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 **Title TBC**

*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**

Discussant: *Oleg Bondarenko (University of Illinois, Chicago)
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)
*Arvind Krishnamurthy (Northwestern University)

Wednesday 28 July

Chair:

08.30 - 09.45

Evolutionary Stable Stock Markets

Igor Evistigneev (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)

* Denotes presenter

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

