

# EUROPEAN SUMMER SYMPOSIUM IN FINANCIAL MARKETS

**Generously hosted by  
Study Center Gerzensee**

Monday 13 July-Friday 24 July 2009

## DRAFT PROGRAMME

### WEEK 1

#### MONDAY 13 JULY

##### **Morning Session: Housing Markets**

**08.30 - 09.30**

##### **Forced Sales and House Prices**

John Y. Campbell (Harvard University)  
\*Stefano Giglio (Harvard University)  
Parag Pathak (MIT)

*Discussant:*

*Karen Pence (Board of Governors of the Federal Reserve Bank)*

**09.30 - 10.30**

##### **Ratings Shopping and Asset Complexity: A Theory of Ratings Inflation**

Vasili Skreta (New York University)  
\*Laura Veldkamp (New York University and CEPR)

*Discussant:*

*Francesco Sangiorgi (Stockholm School of Economics)*

**10.30 - 11.00**

##### **Coffee Break**

**11.00 - 12.00**

##### **Do Financial Counseling Mandates Improve Mortgage Choice and Performance? Evidence from a Legislative Experiment**

Sumit Agarwal (Federal Reserve Bank of Chicago)  
Gene Amromin (Federal Reserve Bank of Chicago)  
\*Itzhak Ben-David (Ohio State University)  
Souphala Chomsisengphet (Office of the Comptroller of the Currency)  
Douglas D. Evanoff (Federal Reserve Bank of Chicago)

*Discussant:*

*Adair Morse (University of Chicago)*

## TUESDAY 14 JULY

<b>Focus Session:</b>	<b>Pricing Higher-Order Moments</b>
Organizer:	Stanley E. Zin (Carnegie Mellon University and New York University)
<b>08.30 - 09.30</b>	<b>Disasters Implied by Equity Index Options</b> David Backus (New York University) *Mikhail Chernov (London Business School and CEPR) Ian Martin (Stanford University)
<b>09.30 - 10.30</b>	<b>Consumption Volatility Risk</b> Oliver Boguth (University of British Columbia) *Lars-Alexander Kühn (Carnegie Mellon University)
<b>10.30 - 11.00</b>	<b>Coffee Break</b>
<b>11.00 - 12.00</b>	<b>The Empirical Likelihood of Tail-Sensitive Preferences</b> Christian Julliard (London School of Economics and CEPR) Bryan Routledge (Carnegie Mellon University) *Stanley E. Zin (Carnegie Mellon University/New York University)

## WEDNESDAY 15 JULY

<b>Morning Session:</b>	<b>Stock Returns</b>
<b>08.30 - 09.30</b>	<b>Are Stocks Really Less Volatile in the Long Run?</b> *Luboš Pástor (University of Chicago and CEPR) Rob Stambaugh (University of Pennsylvania)
Discussant:	Michael Halling (University of Utah)
<b>09.30 - 10.30</b>	<b>Labor Hiring, Investment and Stock Return Predictability in the Cross Section</b> Santiago Bazdresch (University of Minnesota) Frederico Belo (University of Minnesota) *Xiaoji Lin (London School of Economics)
Discussant:	Stijn van Nieuwerburgh (New York University and CEPR)
<b>10.30 - 11.00</b>	<b>Coffee Break</b>
<b>11.00 - 12.00</b>	<b>A Better Three-Factor Model That Explains More Anomalies</b> Long Chen (Washington University in St. Louis) *Lu Zhang (University of Michigan)
Discussant:	Jonathan Berk (Stanford University)

## THURSDAY 16 JULY

<b>Focus Session:</b>	<b>Short-term Debt, Asset Prices and Liquidity</b>
Organizer:	Viral Acharya (New York University, London Business School and CEPR)
<b>08.30 - 09.30</b>	<b>Leverage, Moral Hazard and Liquidity</b> Viral V. Acharya (New York University, London Business School and CEPR) *S. Vish Viswanathan (Duke University)

<b>09.30 - 10.30</b>	<b>Maturity Rat Race</b> Markus Brunnermeier (Princeton University and CEPR) *Martin Oehmke (Columbia University)
<b>10.30 - 11.00</b>	<b>Coffee Break</b>
<b>11.00 - 12.00</b>	<b>Rollover Risk and Market Freezes</b> *Viral V Acharya (New York University, London Business School and CEPR) Douglas Gale (New York University) Tanju Yorulmazer (Federal Reserve Bank of New York)

## **FRIDAY 17 JULY**

### **Morning Session:**

### **Topic**

<b>08.30 - 09.30</b>	<b>Efficient Estimation of Firm-Specific Betas and its Benefits for Asset Pricing Tests and Portfolio Choice</b> Rob Bauer (University of Maastricht) Mathijs Cosemans (University of Maastricht) Rik Frehen (University of Maastricht) *Peter Schotman (University of Maastricht and CEPR)
<i>Discussant:</i>	<i>Marcin Kacperczyk (New York University)</i>
<b>09.30 - 10.30</b>	<b>'When There Is No Place to Hide': Correlation Risk and the Cross-Section of Hedge Fund Returns</b> Andrea Buraschi (Imperial College London) *Robert Kosowski (Imperial College London) Fabio Trojani (University of Lugano)
<i>Discussant:</i>	<i>Pascal Maenhout (INSEAD)</i>
<b>10.30 - 11.00</b>	<b>Coffee Break</b>
<b>11.00 - 12.00</b>	<b>Incomplete-Market Equilibria Solved Recursively on an Event Tree</b> *Bernard Dumas (University of Lausanne, Swiss Finance Institute, and CEPR) Andrew Lyasoff (Boston University)
<i>Discussant:</i>	<i>Felix Kübler (University of Zurich and Swiss Finance Institute)</i>

## WEEK 2

### MONDAY 20 JULY

#### **Morning Session: Credit Markets and the Crisis**

##### **08.30 - 09.30 Liquidity Hoarding and Interbank Market Spreads: The Role of Counterparty Risk**

\*Florian Heider (European Central Bank)  
Marie Hoerova (European Central Bank)  
Cornelia Holthausen (European Central Bank)

*Discussant: Javier Suarez (CEMFI)*

##### **09.30 - 10.30 The Impact of the U.S. Financial Crisis on Global Retail Lending**

Manju Puri (Duke University)  
\*Jörg Rocholl (ESMT)  
Sascha Steffen (Goethe University Frankfurt)

*Discussant: Andrew Ellul (Indiana University)*

##### **10.30 - 11.00 Coffee Break**

##### **11.00 - 12.00 Efficient Recapitalization**

Thomas Philippon (New York University)  
\*Philipp Schnabl (New York University)

*Discussant: Gustav Sigurdsson (University of Pennsylvania)*

### TUESDAY 21 JULY

#### **Focus Session: Dynamic Corporate Investment and Risk Management**

*Organizer: Patrick Bolton (Columbia University and CEPR)*

##### **08.30 - 09.30 Collateral and Capital Structure**

\*Adriano Rampini (Duke University)  
Vish Viswanathan (Duke University)

##### **09.30 - 10.30 Dynamic Capital Structure, Investment and Tobin's Q**

Christopher Hennessy (London Business School)

##### **10.30 - 11.00 Coffee Break**

##### **11.00 - 12.00 A Unified Theory of Tobin's q, Corporate Investment, Financing, and Risk Management**

\*Patrick Bolton (Columbia University and CEPR)  
Hui Chen (MIT)  
Neng Wang (Columbia University)

### WEDNESDAY 22 JULY

#### **Morning Session: Incentives in Financial Intermediaries**

##### **08.30 - 09.30 Intermediary Commissions and Kickbacks**

\*Roman Inderst (Goethe University Frankfurt)  
Marco Ottaviani (Northwestern University)

<i>Discussant:</i>	<i>Marcus Opp (University of California, Berkeley)</i>
<b>09.30 - 10.30</b>	<b>Limits of Limits of Arbitrage: Theory and Evidence</b> *Johan Hombert (ENSAE and CREST) David Thesmar (HEC Paris and CEPR)
<i>Discussant:</i>	<i>Samuel Lee (New York University)</i>
<b>10.30 - 11.00</b>	<b>Coffee Break</b>
<b>11.00 - 12.00</b>	<b>Originator Performance, CMBS Structures, and Yield Spreads of Commercial Mortgages</b> Sheridan Titman (University of Texas) *Sergey Tsyplakov (University of South Carolina)
<i>Discussant:</i>	<i>James Vickery (Federal Reserve Bank of New York)</i>

## **THURSDAY 23 JULY**

<b>Focus Session:</b> <i>Organizer:</i>	<b>What Do We Really Know About How Corporate Governance Affects Firm Performance?</b> <i>Bernard Black (University of Texas, Austin)</i>
<b>08.30 - 09.30</b>	<b>Have a Quiet Word? The Returns from Public and Private Shareholder Activism</b> Marco Becht (ECARES) Julian Franks (London Business School) *Jeremy Grant (London Business School)
<b>09.30 - 10.30</b>	<b>The Relationship among U.S. Securities Laws, Cross-Listing Premia, and Trading Volumes</b> Katherine Litvak (University of Texas)
<b>10.30 - 11.00</b>	<b>Coffee Break</b>
<b>11.00 - 12.00</b>	<b>Endogeneity and the Dynamics of Corporate Governance</b> Jide Wintoki (University of Georgia) *James Linck (University of Georgia) Jeffrey Netter (University of Georgia)
<b>12.00 - 13.00</b>	<b>How Corporate Governance Affects Firm Value: Evidence on Channels from Korea and The Effect of Board Structure on Firm Value: A Multiple Identification Strategy Approach Using Korean Data</b> *Bernard Black (University of Texas, Austin) Woochan Kim (KDI School of Public Policy and Management) Hasung Jang (Korea University) Kyung-Suh Park (Korea University)

## **FRIDAY 24 JULY**

### **Morning Session: Emerging Market Finance**

**8.30 – 9.30**

**The Importance of Holdup in Contracting: Evidence from a Field Experiment**

\*Raj Iyer (University of Amsterdam)  
Antoinette Schoar (MIT)

*Discussant:*

*Mikhail Drugov (Oxford University)*

**9.30 - 10.30**

**Default and Punishment: Incentives and Lending Behavior in Indian Banks**

Abhijit Banerjee (MIT)  
\*Shawn Cole (Harvard Business School)  
Esther Duflo (MIT)

*Discussant:*

*Katrin Tinn (Stockholm School of Economics)*

**10.30 - 11.00**

**Coffee Break**

**11.00 - 12.00**

**The Distributive Impact of Reforms in Credit Enforcement: Evidence from Indian Debt Recovery Tribunals**

\*Ulf von Lilienfeld-Toal (Stockholm School of Economics)  
Dilip Mookherjee (Boston University)  
Sujata Visaria (Boston University)

*Discussant:*

*Vikrant Vig (London Business School)*

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\* Indicates the presenter.

For the morning sessions, speakers have 40 minutes to present, leaving 10 minutes for the discussant and 10 minutes for general discussion.

For the focus sessions, speakers have 45 minutes to present, leaving 15 minutes for general discussion.

### **Organizers:**

**Ernst Baltensperger** (Study Center Gerzensee and the University of Berne)

**Per Strömberg** (Institute for Financial Research and CEPR)

**Annette Vissing-Jorgensen** (Northwestern University and CEPR)