European Summer Symposium in Financial Markets
(ESSFM)
Travel Costs Sponsored by the New York Stock Exchange

Studienzentrum Gerzensee, 16/27 July 2001

Programme

Monday 16 July

Chair: Pierre Hillion (INSEAD Fontainebleau and CEPR)

08.15 - 08.30 Opening Remarks

08.30 - 09.45 Labor Income and Predictable Stock Returns
Tano Santos (Graduate School of Business, University of Chicago and NBER)
*Pietro Veronesi (Graduate School of Business, University of Chicago and NBER and CEPR)

Discussant: Andrei Simonov (Stockholm School of Economics)

09.45 - 11.00 Quasi-Arbitrage and Price Manipulation
Gur Huberman (Columbia Business School)
*Werner Stanzl (Yale School of Management)

Discussant: Massimo Massa (INSEAD, Fontainebleau)

Tuesday 17 July

Focus Session 1: Experimental Financial Markets

Organizer: Peter Bossaerts (California Institute of Technology and CEPR)

08.30 - 10.00 Prices and Allocations in Financial Markets: Theory and Evidence
Peter Bossaerts (California Institute of Technology and CEPR)
Charles Plott (California Institute of Technology)
*William R Zame (University of California, Los Angeles)
10.00 - 10.30 Coffee Break

10.30 - 12.00 **Structural Econometric Tests of General Equilibrium Theory on Data from Large-Scale Experimental Markets**  
*Peter Bossaerts (California Institute of Technology and CEPR)*  
Charles Plott (California Institute of Technology)  
William R Zame (University of California, Los Angeles)

**Wednesday 18 July**

Chair: Bernard J Dumas (INSEAD, Fontainebleau and CEPR)

08.30 - 09.45 **Liquidity Supply and Demand: Empirical Evidence from the Vancouver Stock Exchange**  
Burton Hollifield (GSIA, Carnegie Mellon University)  
Robert A Miller (GSIA, Carnegie Mellon University)  
*Patrik Sandås (University of Pennsylvania and CEPR)*  
Joshua Slive (University of British Columbia)

Discussant: Giovanni Cespa (Universitat Pompeu Fabra, Barcelona)

09.45 - 11.00 **Price Improvements in Financial Markets as a Screening Device**  
Gabriel Desgranges (Théma, Université de Cergy)  
*Thierry Foucault (HEC School of Management and CEPR)*

Discussant: Barbara Rindi (Università Bocconi)

**Thursday 19 July**

**Focus Session 2: Behavioural Finance**

Organizer: Nicholas Barberis (University of Chicago and CEPR)

08.30 – 10.00 **Mental Accounting, Loss Aversion and Individual Stock Returns**  
*Nicholas Barberis (University of Chicago and CEPR)*  
Ming Huang (University of Chicago)

10.00 - 10.30 Coffee Break

10.30 - 12.00 **Bubbles and Crashes**  
Dilip Abreu (Princeton University)  
*Markus Brunnermeier (Princeton University)*
**Friday 20 July**

Chair: Ian Tonks (London School of Economics)

08.30 - 09.45 **The Pricing Kernel Puzzle: Reconciling Index Option Data and Economic Theory**
David P Brown (University of Wisconsin at Madison)
*Jens Carsten Jackwerth (University of Wisconsin at Madison)

Discussant: Alessandro Sbuelz (Tilburg University)

09.45 - 11.00 **On Market Efficiency and Joint Hypothesis**
Oleg Bondarenko (University of Illinois at Chicago)

Discussant: Dietmar P J Leisen (McGill University)

**Monday 23 July**

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

08.15 – 08.30 Introductory Remarks

08.30 - 09.45 **Bidding Vs. Voting in Contest for Corporate Control**
*Lucian Bebchuk (Harvard Law School and CEPR)
Oliver Hart (Harvard University)

Discussant: Randall S Kroszner (University of Chicago at Illinois)

09.45 - 11.00 **The Dual Role of Corporate Boards as Advisors and Monitors of Management: Theory and Evidence**
Renée B Adams (Federal Reserve Bank of New York)

Discussant: Andres Almazan (University of Texas at Austin)

**Tuesday 24 July**

**Focus Session 3: International Corporate Finance**

Organizer: Raghuram G Rajan (University of Chicago)

08.30 – 09.30 **The Great Reversals: The Politics of Financial Development in the 20th Century**
*Raghuram G Rajan (University of Chicago)
Luigi Zingales (University of Chicago and CEPR)
09.30 – 10.30  Law, Politics, and Finance
Thorsten Beck (World Bank)
Asli Demirgüç-Kunt (World Bank)
*Ross Levine (University of Minnesota)

10.30 - 11.00 Coffee Break

11.00 – 12.00  The Political Economy of Corporate Governance
*Marco Pagano (Università di Salerno and CEPR)
Paolo Volpin (London Business School)

Wednesday 25 July
Chair: Martin Hellwig (Universität Mannheim)

08.30 - 09.45  Valuation in Dynamic Bargaining Markets
Darrell Duffie (Stanford University)
Nicolae Gârleanu (Stanford University)
*Lasse Heje Pedersen (Stanford University)

Discussant: Helmut Bester (Freie Universität Berlin and CEPR)

09.45 - 11.00  Competition and Efficiency in the Market for Venture Capital
Roman Inderst (University College London)
*Holger M Mueller (Universität Mannheim and CEPR)

Discussant: Per Johan Strömberg (Graduate School of Business, University of Chicago and CEPR)

Thursday 26 July
Chair: Andrew Winton (Carlson School of Management, University of Minnesota)

08.30 – 09.45  Do Insider Trading Laws Work?
Arturo Bris (Yale School of Management)

Discussant: Ekkehart Boehmer (University of Georgia)

09.45 – 11.00  Financial Distress as a Selection Mechanism:
Performance and Survival from the Onset to the Resolution of Financial Distress
Matthias Kahl (Anderson School of Management, University of California, Los Angeles)

Discussant: Yrjö Koskinen (Stockholm School of Economics)
**Friday 27 July**

Chair: Arnoud W A Boot (Universiteit van Amsterdam and CEPR)

08.30 – 09.45 **Multiple Unit Auctions and Short Squeezes**  
*Kjell G Nyborg (London Business School and CEPR)*  
Ilya A Strebulaev (London Business School)  

Discussant: Jan Ericsson (McGill University)

09.45 – 11.00 **Is Leverage Effective in Increasing Performance Under Managerial Moral Hazard?**  
Riccardo Calcagno (Tilburg University)

Discussant: Roland Strausz (Frei Universität Berlin)

* Denotes presenter

Organizers: Philippe Bacchetta (Studienzentrum Gerzensee, Université de Lausanne and CEPR)  
Pierre Hillion (INSEAD Fontainebleau and CEPR)  
Ernst-Ludwig von Thadden (Université de Lausanne and CEPR)