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  
*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)  
*Arvind Krishnamurthy  (Northwestern University)
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)

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