European Summer Symposium in Financial Markets (ESSFM)
Study Center Gerzensee, 17-28 July 2006

Programme

Week One (Corporate Finance)

Sessions Format

Tuesday and Thursday
- Speakers: 20 minutes
- Discussants: 15 minutes
- Open discussion: 5 minutes

Monday, Wednesday and Friday
- Speakers: 30 minutes
- Discussant: 20 minutes
- Open discussion: 20 minutes

Evening Sessions
- Anybody who cares to will be able to present their work in the informal evening sessions.
- Presentations: approx. 30 minutes depending on demand
- Bring your slides!

Monday 17 July

Focus Session: CEO Compensation

Chair: TBA

09:00 – 09:30 Does Backdating Explain the Stock Price Pattern Around Executive Stock Option Grants?
Randall Heron (Kelley School of Business, Indiana University)
*Erik Lie (University of Iowa)

09:30 – 10:00 Inside Debt
Alex Edmans (MIT Sloan School of Management)

10:00 – 10:30 You Can’t Take It With You: Sunset Provisions for Equity Compensation When Managers Retire, Resign, or Die
Sandeep Dahiya (Georgetown University)
*David Yermack (New York University)

Discussant: Patrick Bolton (Columbia University)
Tuesday 18 July

Chair: TBA

Session I: Banking

09:10 – 09:50 The Making of an Investment Banker: Macroeconomic Shocks, Career Choice, and Lifetime Income
Paul Oyer (Stanford University)
Discussant: Vicente Cuñat (Universitat Pompeu Fabra)

09:50 – 10:30 Credit Market Constraints and Financial Networks in Late Victorian Britain
Fabio Braggion (Tilburg University)
Discussant: Luc Laeven (IMF and CEPR)

10:30 – 11:00 Coffee Break

11:00 – 11:40 The Impact of Organizational Structure and Lending Technology on Banking Competition
*Hans Degryse (CentER, Tilburg University and Katholieke Universiteit Leuven)
Luc Laeven (International Monetary Fund and CEPR)
Steven Ongena (CentER, Tilburg University and CEPR)
Discussant: Jose Maria Liberti (London Business School)

11:40 – 12:20 The Role of Policies Supporting New Firms: An Evaluation for Germany After Reunification
Susanne Prantl (WZB)
Discussant: Steven Ongena (CentER, Tilburg University and CEPR)
**Wednesday 19 July**

**Focus session:** Politics and Finance (org. Antoinette Schoar)

**Chair:** TBA

09:00 – 09:30  
**Politically-Connected CEOs and Corporate Outcomes: Evidence from France**  
Antoinette Schoar (Massachusetts Institute of Technology, MIT and CEPR)

09:30 – 10:00  
**Fixing Market Failures or Fixing Elections? Agricultural Credit in India**  
Shawn Cole (Massachusetts Institute of Technology, MIT)

10:00 – 10:30  
Coffee Break

10:30 – 11:00  
**Tracing the Impact of Bank Liquidity Shocks: Evidence from an Emerging Market**  
Asim Khwaja (Harvard University)  
*Atif Mian (University of Chicago)

11:00 – 11:30  
**The Role of Party-Politics in Banking: Evidence From Bank Runs**  
Raj Iyer (University of Amsterdam)

Discussant: Serguei Guriev (New Economic School, CEFIR Moscow and CEPR)

**Thursday 20 July**

**The Organization of Finance**

**Chair:** TBA

08:30 – 09:10  
**The Ownership of Ratings**  
Antoine Faure-Grimaud (London School of Economics and CEPR)  
*Eloïc Peyrache (HEC School of Management)  
Lucía Quesada (University of Wisconsin)

Discussant: Jos van Bommel (Said School of Business, Oxford University)

09:10 – 09:50  
**Optimal Regulation of Auditing**  
Marco Pagano (Università di Napoli Federico II and CEPR)  
Giovanni Immordino (Università di Salerno and CSEF)

Discussant: Ulf Axelsson (Swedish Institute for Financial Research)

09:50 – 10:30  
**The Dynamics of Optimal Risk Sharing**  
Patrick Bolton (Columbia)

Discussant: Phillip Bond (University of Pennsylvania)

10:30 – 11:00  
Coffee Break
11:00 – 11:40  The Law and Economics of Self Dealing
Simeon Djankov (World Bank and CEPR)
Rafael La Porta (Dartmouth College)
*Florencio López-de-Silanes (University of Amsterdam)
Andrei Shleifer (Harvard University)
Discussant: Augustin Landier (Stern School of Business, New York University)

11:40 – 12:20  Trusting the Stockmarket
*Luigi Guiso (Ente Luigi Einaudi, Rome and CEPR)
Paola Sapienza (Northwestern University, NBER and CEPR)
Luigi Zingales (Harvard University, NBER and CEPR)
Discussant: Daniel Ferreira (SITE, Stockholm School of Economics)

Friday 21 July
The Microstructure of Bond Markets (org. Bruno Biais)

Chair: TBA

09:00 – 09:30  Dealer Intermediation and Price Behavior in the Aftermarket for New Bond Issues
Richard C. Green (Tepper School of Business, Carnegie Mellon University)
Burton Hollifield (Tepper School of Business, Carnegie Mellon University)
*Norman Schürhoff (Université de Lausanne)

09:30 – 10:00  Transparency and Liquidity: a Controlled Experiment on Corporate Bonds
Michael A. Goldstein (Babson College)
*Edith Hotchkiss (Boston College)
Erik Sirri (Babson College)

10:00 – 10:30  Coffee Break

10:30 – 11:00  Liquidity & Price Discovery in the European Corporate Bond Market
Bruno Biais (IDEI, CRG, GREMAQ, Université de Toulouse and CEPR)
*Fany Declerck (IDEI, CRG, GREMAQ, Université de Toulouse)

11:00 – 11:30  The Microstructure of the Bond Market in the 20th Century
Bruno Biais (IDEI, Université des Sciences Sociales de Toulouse and CEPR)
Discussant: Ailsa Röell (Columbia Business School and CEPR)
Week Two (Asset Pricing)

Sessions Format

Monday, Wednesday, and Friday
- Speaker: 35 minutes
- Discussant: 15 minutes
- Open discussion: 10 minutes

Evening Sessions
- Anybody who cares to will be able to present their work in the informal evening sessions.
- Presentations: approx. 30 minutes depending on demand
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Monday 24 July

08:30 – 09:30 Does Information Drive Trading in Option Strategies?
Rüdiger Fahlenbrach (Ohio State University)
*Patrik Sandás (University of Virginia)
Discussant: Tarun Ramadorai (University of Oxford and CEPR)

09:30 – 10:30 Liquidity Risk Premia in Corporate Bond Markets
*Frank de Jong (Tilburg University)
Joost Driessen (University of Amsterdam)
Discussant: Nicolae Garleanu (Wharton School of Management, University of Pennsylvania)

10:30 – 11:00 Coffee Break

11:00 – 12:00 The Levered Equity Risk Premium, Credit Spreads and Learning: A Unified Framework
*Harjoat Bhamra (University of British Columbia)
Lars-Alexander Kühn (University of British Columbia)
Ilya Strebulaev (Stanford University)
Discussant: Bernard Dumas (INSEAD and CEPR)

Tuesday 25 July

Focus Session: Market Microstructure and Speculative Bubbles
Organizer: Albert Sidney Pete Kyle (Duke University, University of Maryland)

08.30-09.30 Modelling Speculative Trading: Issues for Future Research
*Albert Sidney Pete Kyle (Duke University, University of Maryland)

09.30-10.30 Carry Trades and Speculative Dynamics
*Guillaume Plantin (Carnegie Mellon University)
Hyun Song Shin (Princeton University and CEPR)
10.30-11.00 Coffee Break

11.00-12.00 Risk in Dynamic Arbitrage: Price Effects of Convergence Trading
*Péter Kondor (London School of Economics)

Wednesday 26 July

08:30 – 09:30 Down or Out: Assessing the Welfare Costs of Household Investment Mistakes
Laurent Calvet (HEC School of Management)
John Campbell (Harvard University)
*Paolo Sodini (Stockholm School of Economics)

Discussant: Joël Peress (INSEAD)

09:30 – 10:30 Is the Price of Money Managers Too Low?
*Gur Huberman (Columbia University)

Discussant: Antonio Mele (London School of Economics)

10:30 – 11:00 Coffee Break

11:00 – 12:00 Relative Wealth Concerns and Financial Bubbles
Peter DeMarzo (Stanford University)
*Ron Kaniel (Duke University)
Ilan Kremer (Stanford University)

Discussant: Johan Walden (University of California, Berkeley)

Thursday 27 July

Focus Session: Time-Series and Cross-Sectional Predictability
Organizer: Pietro Veronesi (University of Chicago and CEPR)

08.30-09.30 Cash Flow Risk, Discount Risk, and the Value Premium
*Tano Santos (Columbia Business School)
Pietro Veronesi (University of Chicago and CEPR)

09.30-10.30 The Cross-Section of Foreign Currency Risk Premia and Consumption Growth Risk
*Hanno Lustig (University of Chicago, UCLA)
Adrien Verdelhan (Boston University)

10.30-11.00 Coffee Break

11.00-12.00 Investments and Returns
*Vito Gala (The University of Chicago, GSB)
Friday 28 July

08:30 – 09:30  Ambiguity and Asset Prices: An Experimental Perspective
*Peter Bossaerts (Caltech and CEPR)
Paolo Ghirardato (Università di Torino and Collegio Carlo Alberto)
Serena Guarnaschelli (McKinsey)
William Zame (University of California, Los Angeles)
Discussant: Fabio Trojani (University of St. Gallen)

09:30 – 10:30  Money Illusion and Housing Frenzies
Markus Brunnermeier (Princeton University)
*Christian Julliard (London School of Economics)
Discussant: Otto van Hemert (NYU and SIFR)

10:30 – 11:00  Coffee Break

*denotes Speaker

Organizers: Philippe Bacchetta (Study Center Gerzensee, Université de Lausanne and CEPR)
Magnus Dahlquist (Stockholm Institute for Financial Research and CEPR)
David Thesmar (HEC School of Management and CEPR)