

Graduate School of Finance, Helsinki
Empirical Corporate Finance/Governance, June 2016
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The papers listed are not necessarily exhaustive and some papers listed will not be covered

Textbooks:

There is no textbook that matches the contents of the course exactly.

There is also no textbook that is the absolute bible for conducting empirical work. I have found the following book to be extremely useful:

- Wooldridge, J. M., *Econometric Analysis of Cross Section and Panel Data*, Cambridge, Massachusetts: The MIT Press, 2002.

Other useful econometrics books are:

- Angrist, J., and Pischke, J.S. (2009) *Mostly Harmless Econometrics*, 1st edition Princeton University Press
- Goldberger, A., *A Course in Econometrics*, Cambridge, Massachusetts: Harvard University Press, 1991.
- Greene, W. H. (2008) *Econometric Analysis*. 6th edition. Pearson.

A useful reference for event studies is chapter 4 of

- Campbell, J. Y., A. W. Lo, and A. C. McKinlay, *The Econometrics of Financial Markets*, Princeton: Princeton University Press, 1997.

Papers:

Starred readings will be discussed at length in lectures.

Links are available for some but not all papers.

Adams, R., Almeida, H., and D. Ferreira, 2009, "Understanding the relationship between Founder-CEOs and Firm Performance," [*Journal of Empirical Finance*](#), 2009, vol. 16, issue 1, pages 136-150.

*Anderson, R., and D. Reeb, 2003, "Founding-Family Ownership and Firm Performance: Evidence from the S&P 500," *Journal of Finance*, 58, 1301-1328.

Link for download available at [JSTOR](#)

Angrist, J., and Krueger, A., 2001, "Instrumental Variables and the Search for Identification: From Supply and Demand to Natural Experiments," *Journal of Economic Perspectives*, 15, 69-85. Link for download available at [JSTOR](#)

Berle, A., and G. Means, *The Modern Corporation and Private Property*, New York: Macmillan, 1932.

Bertrand, M., and S. Mullainathan, 2003, “Enjoying the Quiet life? Corporate Governance and managerial preferences,” *Journal of Political Economy*, 111, 1043-1075.

*Bertrand, M., and S. Mullainathan, 2001, “Do people mean what they say? Implications for subjective survey data,” *American Economic Review, Papers and Proceedings*, 91, 67-72.
Link for download available at [JSTOR](#)

*Chhaochharia, Vidhi, and Yaniv Grinstein, 2012, CEO compensation and board structure—There is an effect after all, *Journal of Finance*, forthcoming.

*Chhaochharia, Vidhi, and Yaniv Grinstein, 2009, CEO compensation and board structure, *Journal of Finance* 64, 231–261.

*Chhaochharia, Vidhi, and Yaniv Grinstein, 2009, Errata: CEO compensation and board structure, *Journal of Finance* 64, 231–261, <http://www.afajof.org/afa/all/Chhaochharia-Grinstein-errata.pdf>.

*Demsetz, H., and K. Lehn, 1985, “The Structure of Corporate Ownership: Causes and Consequences,” *Journal of Political Economy*, 93, 1155-1177.
Available at [JSTOR](#)

Demsetz, H., and B. Villalonga, 2001, “Ownership Structure and Corporate Performance,” *Journal of Corporate Finance*, 7, 209-233.

*Guthrie, Katherine, Jan Sokolowsky, and Kam-Ming Wan, 2012, CEO compensation and board structure revisited, *Journal of Finance* 67, 1149–1168.

*Guthrie, Katherine, Jan Sokolowsky, and Kam-Ming Wan, 2012, Rejoinder to Response CEO compensation and board structure revisited, *Journal of Finance*, forthcoming.

*Hamermesch, D., 2000, “The Craft of Labormetrics,” *Industrial and Labor Relations Review*, 53, 363-380.
Available at [JSTOR](#)

Henderson, G., 1990, “Problems and Solutions in conducting event studies,” *The Journal of Risk and Insurance*, 57, 282-306.

*Himmelberg, C., Hubbard, G., and D. Palia, 1999, “Understanding the Determinants of Managerial Ownership and the Link between Ownership and Performance,” *Journal of Financial Economics*, 53, 353-384.

*Holderness, C., Kroszner, R., and Sheehan, D. 1999 “Were the good old days that good? Changes in managerial stock ownership since the Great Depression.” *Journal of Finance*, 1999, 54(2), pp. 435-469.

Jensen, M., E. Fama, J. Long, Jr., R. Ruback, G. Schwert, C. Smith, Jr., and J. Warner, 1989, “Clinical Papers and Their Role in the Development of Financial Economics,” *Journal of Financial Economics*, 24, 3-6.

- Jensen, M. C., and W. H. Meckling, 1976, "Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure," *Journal of Financial Economics*, 3, 305-360.
- Kothari, S. P., and J. B. Warner, 2005, "The Econometrics of Event Studies," Chapter 1 in Eckbo, B. E. (ed.) *Handbook in Empirical Corporate Finance*, Amsterdam: Elsevier.
- Loderer, C., and K. Martin, 1997, "Executive stock ownership and performance tracking faint traces," *Journal of Financial Economics*, 45(2), 223-255.
- McKinlay, 1997, "Event Studies in Economics and Finance," *Journal of Economic Literature*, 35, pp. 13-39.
- Mobbs, S., and Raheja, C. (2010) "Internal Managerial Promotions: Insider Incentives and Firm Valuation," Working paper.
- *Morck, R., Shleifer, A., and Vishny, R., 1988, "Management Ownership and Market Valuation: An Empirical Analysis." *Journal of Financial Economics*, 1988, 20, pp. 293-315.
- *Palia, D., 2001, "The Endogeneity of Managerial Compensation in Firm Valuation: A Solution," *Review of Financial Studies*, 14, 735-764. Available at [JSTOR](#)
- Pérez-González, F., "Inherited Control and Firm Performance." *American Economic Review* Volume 96, no. 5 (2006): 1559–1588.
- Pérez-González, F., "Inherited Control and Firm Performance." Working paper (2002)
- Perry, T., and Urs, Peyer, 2005, "Board Seat Accumulation by executives: a shareholder's perspective," *Journal of Finance*, vol. 60(4), pages 2083-2123.
- *Petersen, M. A., 2009, "Estimating Standard Errors in Finance Panel Data Sets: Comparing Approaches," *Review of Financial Studies* 22(1), pp. 435-480.
- Schranz, M. S., 1993, "Takeovers Improve Firm Performance: Evidence from the Banking Industry," *Journal of Political Economy*, 101, 299-326.
- Slovin, M., and M. Sushka, 1993, Ownership Concentration, Corporate Control Activity, and Firm Value: Evidence From the Death of Large Blockholders. *Journal of Finance* 48, 1293-1321.
- Stulz, R. M., 1988, "Managerial control of voting rights," *Journal of Financial Economics*, 20, 25-54.
- Tufano, P., 2001, "HBS-JFE conference volume: complementary research methods," *Journal of Financial Economics*, 60, 179-185.
- *Zhou, X., 2001, "Understanding the Determination of Managerial Ownership and its Relationship to Firm Performance," *Journal of Financial Economics*, 62, 559-571.

Other references

A useful reference for event studies is chapter 4 of

- Campbell, J. Y., A. W. Lo, and A. C. McKinlay, *The Econometrics of Financial Markets*, Princeton: Princeton University Press, 1997.

Brown, S., and J. Warner, 1985, "Using Daily Stock Returns: the Case of Event Studies," *Journal of Financial Economics*, 14, 3-32.

Brown, S., and J. Warner, 1980, "Measuring Security Price Performance," *Journal of Financial Economics*, 8, 205-258.

Fahlenbrach, R., 2006, "Founder-CEOs, Investment Decisions, and Stock Market Performance" (September 6, 2006). Dice Center Working Paper No. 2004-20, forthcoming *Journal of Financial and Quantitative Analysis*, Available at [SSRN](#)

Fahlenbrach, R., 2003, "Founder-CEOs and Stock Market Performance," working paper, The Wharton School.

Franks, J., C. P. Mayer, and S. Rossi, 2005, "Spending less time with the family: The decline of family ownership in the U.K.," in Morck, R. K., (ed.) *A History of Corporate Governance Around the World: Family Business Groups to Professional Managers*, Chicago and London: NBER and University of Chicago Press

Gompers, P. A., Ishii, J. L., and A. Metrick, 2003, "Corporate Governance and Equity Prices," *Quarterly Journal of Economics*, 118(1), 107-155, February 2003 Available at [SSRN](#)

Holderness, Cliff, "The Myth of Diffuse Ownership in the United States," *Rev. Financ. Stud.* (2009) 22 (4): 1377-1408.

Johnson, Shane, Theodore Moorman, and Sorin M. Sorescu, 2009, "A Reexamination of Corporate Governance and Equity Prices," *Review of Financial Studies*, 22 (11), 4753-4786.

La Porta, R. F. Lopez-de-Silanes, A. Shleifer, and R. Vishny (1998) "Law and Finance" *Journal of Political Economy*, 106(6), 1113-1155.

Roe M. J., 2005, "Regulatory Competition in Making Corporate Law in the United States— and its Limits," *Oxford Review of Economic Policy*, 21(2), 232-242.

Spamann, Holger, "The Anti-Directors Rights Index Revisited," *Rev. Financ. Stud.* (2010) 23 (2): 467-486.