

Graduate School of Finance, June 2018, Helsinki
Empirical Corporate Finance/Governance, 2018
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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 in lectures.

Links are available for some but not all papers.

Adams R. The ABCs of empirical corporate (governance) research. *Corp Govern Int Rev*. 2017;25:461–464. <https://doi.org/10.1111/corg.12229>

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.

Adams, R., Almeida, H., and D. Ferreira, 2004, “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.

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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.

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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](#)

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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.

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