

**European Summer Symposium in Financial Markets
Studienzentrum Gerzensee, 12/23 July 1999**

Final Programme

Monday 12 July

- 08.15 - 08.30 **Opening Remarks**
- 08.30 - 09.45 **The Forward Premium Puzzle: Different Tales from
Developed and Emerging Economies**
Magnus Dahlquist (Stockholm School of Economics and CEPR)
- Discussant: Andreas Grünbichler (Swiss Institute of Banking and Finance)
- 09.45 - 11.00 **Consumption, Aggregate Wealth and Expected Stock
Returns**
Martin Lettau (Federal Reserve Bank of New York and CEPR)*
Sydney Ludvigson (Federal Reserve Bank of New York)
- Discussant: Todd Milbourn (London Business School)
- 20.30 - 21.30 **Delegation of Control Rights, Ownership Concentration, and
the Decline of External Finance**
Holger Müller (Universität Mannheim)
- Discussant: Zsuzsanna Fluck (New York University)

Tuesday 13 July Focus Session on Legal Rules and Corporate Structures

- Organizer: Lucian Bebchuk (Harvard Law School)
- 08.30 - 10.15 **Legal Rules and Corporate Structures: Rent-Protection,
Agency Costs, and Path Dependence Theories**
Lucian Bebchuk (Harvard Law School)
- 10.15 - 10.35 Coffee
- 10.35 – 12.15 **Legal Rules and Corporate Structures: The Empirical Work**
Rafael La Porta (Harvard University)
Florencio López-de-Silanes (Harvard University)*

Wednesday 14 July

08.30 - 09.45 **Privatization and Institutions: A Cross-Country Analysis**
Bernardo Bortolotti (Università di Torino, FEEM)*
Marcella Fantini (Fondazione Eni Enrico Mattei)
Domenico Siniscalco (Università di Torino, FEEM)
Serena Vitalini (Fondazione Eni Enrico Mattei)

Discussant: Luigi Zingales (University of Chicago and CEPR)

09.45 - 11.00 **What Do State Owned Firms Maximise? Evidence from the Italian Banks**
Paola Sapienza (Northwestern University and CEPR)

Discussant: Xavier Freixas (Bank of England, Universitt Pompeu Fabra, Barcelona, and CEPR)

Thursday 15 July Focus Session on Bank Risk Management

Organizer: Josef Zechner (Universität Wien and CEPR)

08.30 - 09.50 **Bank Capital Regulation with Random Audits**
Sudipto Bhattacharya (London School of Economics and CEPR)
Manfred Plank (Austrian National Bank)
Günter Strobl (Universität Wien)
Josef Zechner (Universität Wien and CEPR) *

09.50 - 10.15 Coffee Break

10.15 - 11.15 **Risk Capital and VaR**
Paul Kupiec (Freddiemac, USA)

11.15 - 12.15 **The Dynamics of Capital Allocation**
Neal Stoughton (University of California, Irvine) *
Josef Zechner (Universität Wien and CEPR) *

Friday 16 July

08.30 - 09.45 **Distressed Relationships: Lessons from the Norwegian Banking Crisis (1987 – 1991)**
Steven Ongena (Norwegian School of Management)

Discussant: Jean-Pierre Zigrand (London School of Economics)

09.45 - 11.00 **The Cost of Debt for a Financial Firm**
James Dow (London Business School, European University Institute and CEPR)*
Nathalie Rossiensky (Duke University, Durham, and CEPR)

Discussant: Patrick Bolton (Princeton University and CEPR)

Monday 19 July

- 08.30 - 09.45 **The 'Spark' Spread: Cross-Commodity Equilibrium Restrictions and Electricity**
Chester Spatt (Carnegie-Mellon University)
- Discussant: Peter Schotman (Maastricht University and CEPR)
- 09.45 - 11.00 **Option Pricing with Uncertain Fundamentals**
Alexander David (Board of Governors, Federal Reserve System)
Pietro Veronesi (Graduate School of Business, University of Chicago and CEPR)*
- Discussant: Gabrielle Demange (DELTA and CEPR)
- 20.30 - 21.30 **Financial Contracting Theory Meets the Real World: Evidence from the Venture Capital Contracts**
Steven Kaplan (Graduate School of Business, University of Chicago)
Per Johan Strömberg (Graduate School of Business, University of Chicago and CEPR)*
- Discussant: Francesca Cornelli (London Business School and CEPR)

Tuesday 20 July **Focus Session on Liquidity**

- Organizer: Bengt Holmström (University of Helsinki and CEPR)
- 08.30 - 10.00 **Emerging Markets Crises: An Assets Markets Perspective**
Richard J Caballero (Massachusetts Institute of Technology)
Arvind Krishnamurty (Northwestern University)*
- 10.00 -10.30 Coffee Break
- 10.30 -12.00 **Indexation and Insurance: A Stochastic Model of Credit Cycles**
Nobuhiro Kiyotaki (London School of Economics and CEPR)

Wednesday 21 July

- 08.30 - 09.45 **Imperfect Market Monitoring and SOES Trading**
Thierry Foucault (HEC, School of Management and CEPR)
Ailsa Röell (Princeton University and CEPR)*
Patrik Sandås (Wharton School, University of Pennsylvania)*
- Discussant: Xavier Vives (Institut d'Anàlisi Econòmica (CSIC), Barcelona and CEPR)
- 09.45 - 11.00 **The Enforcement of a Self-Regulatory Organization**
Peter DeMarzo (University of California Berkeley)*
Michael Fishman (Northwestern University)*
Kathleen Hagerty (Northwestern University)

Discussant: Mike Burkart (Stockholm School of Economics and CEPR)

Thursday 22 July

08.30 - 09.45 **Moving Small and Large Securities to Continuous Trading: The Case of Tel-Aviv Stock Exchange**
Avner Kalay (Tel Aviv University and University of Utah)
Li Wei (University of Utah)
Avi Wohl (Bar-Ilan University)*

Discussant: Laurent Germain (London Business School)

09.45 - 11.00 **Is it Better to Give Than Receive? Repudiation of the Gold Indexation Clause in Long-Term Debt During the Great Depression**
Randall Kroszner (University of Chicago, Graduate School of Business)

Discussant: TBA

Friday 23 July **Focus Session on Experimental Finance Markets**

08.30 - 10.15 **Does Money Illusion Matter? An Experimental Examination**
Ernst Fehr (University of Zurich)
Jean-Robert Tyran (University of St Gallen) *

10.15 - 10.30 Coffee Break

10.30 - 12.15 **Risk Allocation in Experimental Financial Markets**
Peter Bossaerts (California Institute of Technology and CEPR)

Organizers: Philippe Bacchetta (Studienzentrum Gerzensee, Université de Lausanne and CEPR)
Bruno Biais (Université des Sciences Sociales and CEPR)
Marco Pagano (Università di Salerno and CEPR)
Ernst-Ludwig von Thadden (Université de Lausanne and CEPR)

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