

# FINANCE RESEARCH GROUP

PhD Program in Economics and Finance

Bicocca University – Catholic University of Milan

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# Group members

- Elena Beccalli, Catholic University (Banking)
- Vittoria Cerasi, Bicocca University (Banking)
- Ettore Croci, Catholic University (Corporate Finance)
- Alessandro Sbuelz, Catholic University (Asset Pricing)
- Andrea Signori, Catholic University (Corporate Finance)
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# COURSES

- Prof. Vittoria Cerasi – "Banking"
  - Prof. Andrea Signori - "Corporate Finance"
  - Prof. Alessandro Sbuelz - "Asset Pricing Theory"
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- Prof. Elena Beccalli - "Empirical Banking"
  - Prof. Ettore Croci - "Advanced Corporate Finance"
  - Prof. Andrea Tarelli - "Advanced Asset Pricing and Portfolio Management"

# Publication outlets

- Journal of Business Finance & Accounting
- Journal of Financial Services Research
- European Accounting Review
- Journal of Financial Intermediation
- International Journal of Central Banking
- Journal of Financial Stability
- Journal of Banking and Finance
- Journal of Corporate Finance
- Journal of Empirical Finance
- Journal of Economic Dynamics and Control
- Management Science
- Quantitative Finance

**Banking**

**Corporate  
Finance**

**Asset Pricing**

**Banking**

mergers &  
acquisitions

Optimal  
executive  
compensation

bank/firm  
cross-  
shareholdings

**Corporate  
Finance**

**Banking**

accounting  
principles & bank  
management

earnings  
management

analysts  
forecasts

**Corporate  
Finance**

**Banking**

resale value of  
collateralized  
assets

**Corporate  
Finance**

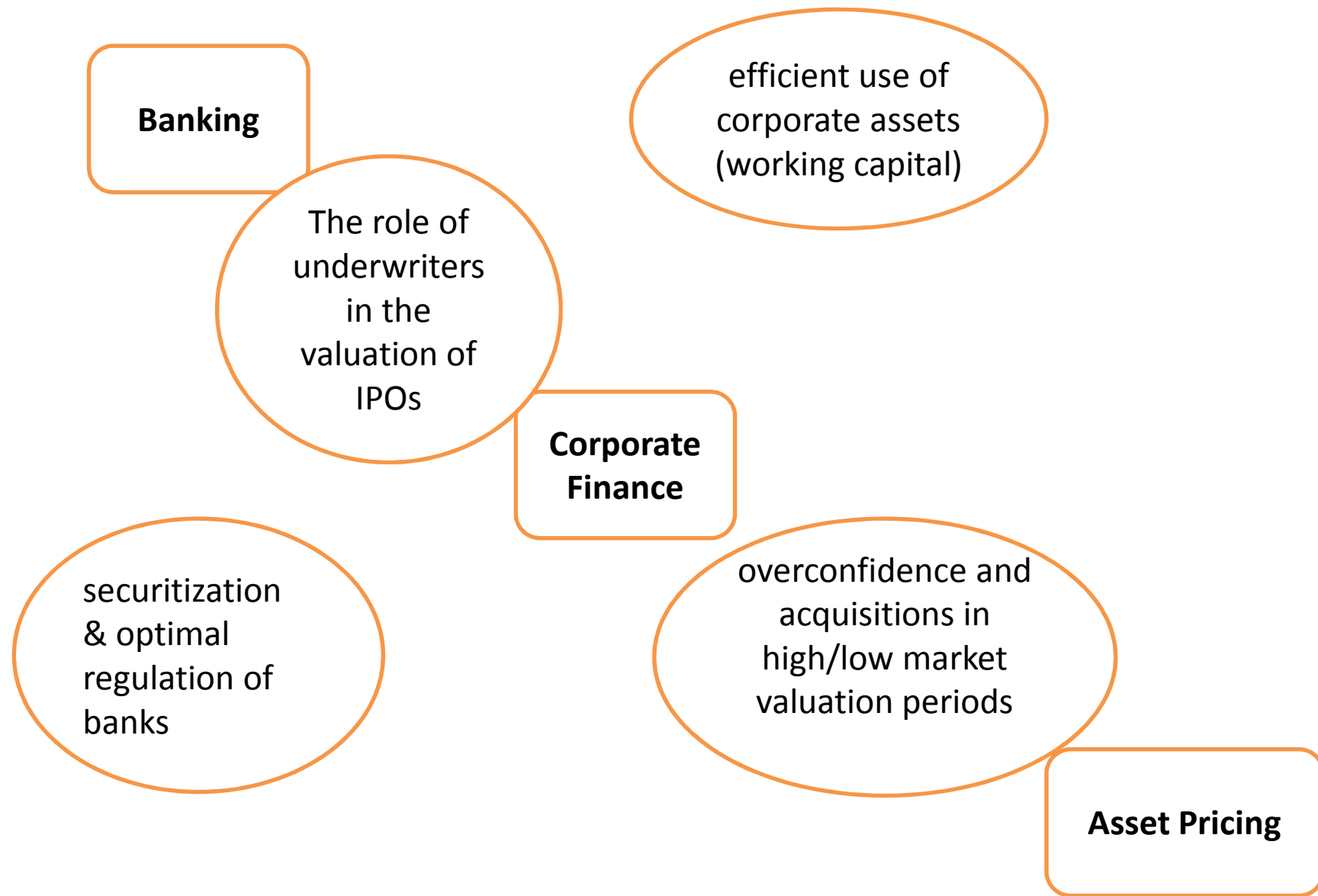
Endogenous-  
default risk  
models

Optimal  
liability mix for  
banks &  
resolution

Equity-  
based  
default risk  
models

**Asset Pricing**





**Banking**

Diversification and  
incentives to  
monitor

deregulation and  
bank market  
structure

**Corporate  
Finance**

Role of family  
control in  
acquisitions  
decisions

Family firms'  
response to the  
financial crisis

**Asset  
Pricing**

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graph TD; A[Asset Pricing] --- B(Pricing long-run risks); A --- C(Dynamic portfolio choice); A --- D(Commodity spot/derivative markets);
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Pricing long-run  
risks

Dynamic portfolio  
choice

Commodity  
spot/derivative  
markets

# Empirical Banking

- Economies of scale and scope in banking
- leverage procyclicality
- mergers & acquisitions
- lending policies
- supervision and prudential regulation of banks

# Empirical Banking

- Interfaces between accounting principles and bank management
- earnings management and conservatism
- analysts forecasts

# **The Industrial Organization of Banking**

- Models of monopolistic competition for banks
- models of bank branching and entry
- mergers & acquisitions in the banking sector
- deregulation and bank market structure.

# Theory of Financial Intermediation

- Diversification and incentives to monitor
- multiple lending
- bank/firm cross-shareholdings



# Micro Prudential Regulation of Banks

- Macro shocks and capital regulation
- securitization and optimal regulation of banks
- optimal executive compensation in banks.

# **Industrial Organization and Corporate Finance (Debt Contracts with Collateral)**

- Credit and product market competition
- resale value of collateralized assets.

# Corporate Governance & Shareholder Activism

- Examination of the impact of European corporate raiders; hedge fund activism
- interlocking directorates and firm value
- determinants of the Voting Premium in Italy
- relationship between the target firm's minority shareholders' returns and a country's stock market development in deals in which controlling shareholders increase their ownership stakes
- executive compensation

# Family firms

- Family control and acquisition decisions
- family control and financing decisions
- family firms' response to the financial crisis
- impact of family control and institutional investors on CEO pay packages in Continental Europe

# M&A

- Role of family control in acquisitions decisions
- overconfidence and acquisitions in high and low market valuation periods
- asymmetric information and target firm returns; the role of CEO risk-taking incentives in acquisition investments
- going-private transactions
- political contributions and acquisitions.

# **Working capital management**

- Working capital management and firm value
- efficient deployment of corporate assets and executive compensation

# Initial Public Offerings (IPOs)

- The drivers of IPO activity over time: recent trends in U.S. and Europe
- The role of underwriters in the valuation of IPOs
- A private firm's exit choice between IPO and acquisition
- Link between IPOs and M&As: going public to acquire/get acquired

# **Corporate Capital structure with endogenous default**

- Studying the transmission mechanisms from default-free rates to corporate bond prices within structural models of endogenous default risk
- Studying the optimal liability mix for banks that face bail-in-type resolution frameworks



# Credit Risk

- Equity-based credit risk models take as primitive the most liquid and observable part of a public firm's capital structure.
- They depart from reduced-form models and help overcoming a number of problems suffered by structural models in credit-risk management, pricing, and hedging applications

# Asset Pricing with Long-Run Risks

- Equilibrium models that generate linearity in log dividend strip values can generate a non-linearity in the stock's log price-dividend ratio that is increasing in the persistence of the fundamental factors
- The ability of such models to entail countercyclical stock volatility and convex countercyclical risk premia is also studied

# Dynamic Portfolio Choice

- Models of intertemporal asset allocation are used to examine why rational non-myopic investors may take conspicuous levered exposures to default risk
- The impact of the joint presence of default risk and systemic risk on optimal dynamic multi-asset portfolio choice is also under analysis

# Derivatives Pricing

- The aim is to extend the standard optimal exercise properties for American options and to examine the exact necessary/sufficient conditions that empower optimal early exercise of an American call with a negative underlying payout rate
- Applications include the implicit options of popular secured loans and some relevant capital budgeting problems

# Commodities Futures Pricing

- The term structure of commodities futures prices contains important information about the equilibrium stochastic discount factor