

PhD

INTERNATIONAL FINANCIAL MARKETS

Instructors

Professor Kishore Tandon, Ph.D

Office: NVC 10-244
Office hours: available in person by appointment and via e-mail
E-mail: Kishore.Tandon@baruch.cuny.edu

Professor Jay Dahya, Ph.D

Office: NVC 10-271
Office hours: available in person by appointment and via e-mail
E-mail: Jay.Dahya@baruch.cuny.edu

Course Description

Corporate finance decisions such as financing, investments, valuation, payout and mergers and acquisitions all entail an international dimension. In today's constantly evolving global economy, such decisions are rendered more complex and challenging than before. In particular country-level differences in investor protection, regulation, taxation, exchange risk, political risk, culture, and corporate governance quality, among others, all impact the manner in which corporations make financial decisions.

Hence, the primary objective of this course is to provide students with the knowledge and skills necessary to understand and analyze the relationships among corporate financial policy, corporate governance, and international financial markets to create shareholder value. In this context, the course will focus on raising capital overseas via cross-listings, investing capital through cross-border mergers and acquisitions, raising/investing international venture capital and conducting IPOs, payout/repurchase decisions around the world, and understanding how corporate governance mechanisms at the firm- and country-levels might potentially curb management misappropriation and/or dominant investors' ability to expropriate minority investors (through excessive perquisites and compensation, overinvestment, cronyism, self-dealing, diversion of corporate resources for personal consumption, and outright theft). In short, the course will examine investment, financing, and payout decisions in the international context.

The course will be team-taught by two instructors to present and discuss empirical findings and theoretical frameworks on international corporate finance and governance, and share knowledge gleaned from practical experience in international financial markets. Students will gain a strong understanding on how foreign firms raise and invest capital; how and why foreign firms cross-list in the U.S.; how foreign firms grow through international venture financing and cross-border mergers; how firm- and country-level corporate governance can impact corporate performance; and why many countries around the world are moving to mandate *best*

corporate governance practices.

Course Organization

The course will entail a mix of lectures, classroom open dialogue and discussions as well as in-class presentations by both instructors and students. Sessions are organized into 12 content modules, a midterm exam, a final takehome exam, and a comprehensive term paper – please see a description of the term paper at the end of this syllabus.

Learning Outcomes

By the end of the course, students should be equipped to:

1. Knowledge and Understanding

- Understand the motivations and process of raising capital overseas and cross-listing stocks;
- Describe the key pros and cons of listing and delisting ADRs;
- Understand international corporate governance terminology, the structure of the multinational firm, and the shareholder view of the firm;
- Appreciate the significance of the conflicts of interests that arise from a separation of ownership and control in firms around the world;
- Identify the key drivers of the conflicts of interests and provide remedies that might seek to alleviate the asymmetries and reduce agency costs at the country- and firm-level;
- Describe the various tools and mechanisms at the firm- and country-level employed to mitigate agency costs in different countries;
- Describe the role of investor protection and culture in mitigating expropriation;
- Explain why firms undertake cross-border takeovers and their economic significance to acquirers;
- Identify the primary means by which insiders and controlling shareholders can divert resources for personal consumption and explain how these can be mitigated in firms domiciled in weak investor protection environments;
- Appreciate the significance of the international venture capital market and its role in stimulating economic development;
- Appreciate the significance of payout policy across countries;
- Recognize the role of regulatory bodies and corporate governance reform around the world in instilling the trust of investors and thus, creating corporate value.
- Appreciate the importance of natural/quasi experiments to alleviate endogeneity and causality concerns that are rife in studies conducted in international financial markets, international corporate finance and governance.

2. Skills

- *Practical skills*: apply financial and management concepts of valuation to assess the effectiveness of cross-listing, cross-border M&A, and alternative international corporate governance mechanisms; identify relevant data sources that might be employed to evaluate cross-listing, cross-border M&A and internal and external governance mechanisms; pinpoint examples of flawed cross-listings, cross-border M&A and international governance systems, and present better practice recommendations; produce comprehensive evaluations on the various internal and external mechanisms of corporate governance in firms domiciled in a country that gives investors a high (and low) level of legal investor protection; be able to identify resource diversion and corruption in international firms; produce research reports and be able to critically evaluate academic research papers; and undertake economic and financial analysis on corporate finance decisions in the international setting.
- *Intellectual skills*: discuss the limitations of cross-listing, delisting, cross-border M&A and governance around the world; identify instances when internal mechanisms of governance may prove more effective than external mechanisms at the country level; critically review the effectiveness of alternate mechanisms of governance; challenge existing governance mechanisms and their effectiveness; discuss the options available to firms encountering difficulties in raising capital and securing investor confidence in overseas markets.
- *Transferable skills*: perform case analysis and report writing; undertake data analysis and evaluation; and interact with members in a group to conduct presentations and produce reports for academic review under time and data constraints.

Required Readings

Readings are assigned for each module and should be read in advance of attending the respective class sessions. Please refer to the reading list at the end of this syllabus for complete references, and to the daily schedule for information regarding which readings are assigned to each session. All readings will be sent either via Blackboard or email to the students prior to the start of the module.

Preparation and Discussion

At the beginning and end of each class session, we will be available in person to discuss the readings assigned for the upcoming session. This will help clarify potential questions in advance, in order to allow you to fully focus on lectures and in-class discussions. These informal discussions are offered as an aid to students who need additional help with the readings; they are not a required or graded component of class participation.

Attendance

You are expected to attend all class sessions. Regular attendance is key because active participation will ensure that you benefit fully from this class, and class participation will be an important part of the final grade. In addition, at the beginning of each session, you will be required to submit a single-page report on each academic paper that will be discussed during the lecture. You are responsible for completing all assignments on time even if you did not

attend class. Attendance will be taken at every class session. It is our policy to assign zero points for participation if a student misses more than 20% of total class time without appropriate documentation.

Learning Environment

Please be considerate of your fellow classmates. It is particularly important that you show up to class on time, turn your cell phone into vibrate/silent mode before you enter the classroom, and that you minimize interruptions by trying not to leave the classroom during class sessions or before the end of regularly scheduled class time. It is also imperative that you come to class prepared to actively participate in discussions.

Evaluation and Grading

Your grade will comprise four components: in-class participation, completion of academic paper reports, midterm exam, takehome final exam, and comprehensive term paper (see below). For each class component, grades will be assigned on the following basis:

A	100%	–	93.0%
A-	92.9%	–	90.0%
B+	89.9%	–	87.1%
B	87.0%	–	83.0%
B-	82.9%	–	80.0%
C+	79.9%	–	77.1%
C	77.0%	–	73.0%
C-	72.9%	–	70.0%
F	69.9%	and below	

The overall class grade will be computed by weighting the numerical values for each component as follows:

In-class participation (oral)	10%
Academic paper reports	10%
In-term exam (in class)	20%
Final exam (takehome)	20%
Term paper	40%
<u>TOTAL</u>	<u>100%</u>

Participation and Classroom Response System

Please participate actively in this class! Active participation includes answering questions posed by other students or the instructor, asking questions yourself (going beyond simple clarifications), participating in class discussions, and sharing your own experiences on a topic. Attendance is a necessary but not sufficient condition for participation. Each student will be required to discuss any of the papers that have been assigned for that session. It is important that you be ready with 4-5 powerpoint slides on each paper so that you can present and discuss your understanding of the papers. We will call on you randomly to present a paper in front of

the class. If you are unable to present a paper then this will result in negative points for class contribution.

Term Paper

The take-home term paper includes both a quantitative and narrative component. For this purpose, you will be required to undertake a comprehensive review of prior research on one of the module topics. You will then be required to identify potential areas of extension on the topic and undertake empirical and theoretical analyses to add to prior work. The term paper will require you to work in gathering and reviewing relevant academic articles, identifying potential shortfalls in your review and proposals on how they can be plugged. The final act of the term paper will involve either empirical analyses or the presentation of a theoretical model that will require sourcing and collating data (if relevant), describing a suitable research method, analyzing the data (if relevant) using statistical and econometric software, and presenting a comprehensive write-up.

The in-class discussions held over the course will prepare you to conduct the necessary analyses for the term paper, so you can commence your selection of a suitable term paper topic after the first few class sessions. It is important that you DO NOT use existing research or materials that you have submitted for other classes as your term paper. The term paper needs to be your own-original effort. A completed term paper is due within one month of the last class session.

Academic Honesty

We fully support Baruch College's policy on Academic Honesty, which states:

“Academic dishonesty is unacceptable and will not be tolerated. Cheating, forgery, plagiarism and collusion in dishonest acts undermine the college's educational mission and the students' personal and intellectual growth. Baruch students are expected to bear individual responsibility for their work, to learn the rules and definitions that underlie the practice of academic integrity, and to uphold its ideals. Ignorance of the rules is not an acceptable excuse for disobeying them. Any student who attempts to compromise or devalue the academic process will be sanctioned.”

In the context of this policy, cheating and plagiarism are defined as follows:

Cheating is the attempted or unauthorized use of materials, information, notes, study aids, devices or communication during an academic exercise.

Examples include but are not limited to:

- Unauthorized collaborating on a take home assignment or examination
- Falsifying attendance lists (signing for someone else or asking someone else to sign for you)
- Submitting substantial portions of the same paper to two classes without consulting both instructors
- Allowing others to research and write assigned papers including the use of commercial term paper services

Plagiarism is the act of presenting another person's ideas, research or writing as your own:

- Copying another person's actual words without the use of quotation marks and footnotes (a functional limit is four or more words taken from the work of another)
- Presenting another person's ideas or theories in your own words without acknowledging them.
- Using information that is not considered common knowledge without acknowledging the source.
- Failure to acknowledge collaborators on homework and laboratory assignment

You are responsible for familiarizing yourself with the information on academic honesty presented on the College's website. Please visit:

http://www.baruch.cuny.edu/academic/academic_honesty.html

and read this information carefully. Also, each student is required to complete the online plagiarism tutorial at

<http://newman.baruch.cuny.edu/help/plagiarism/default.htm>.

Our policy is to give a failing grade to any assignment that has been plagiarized (even in part) including exam or term paper in which you have cheated. Similarly, students who falsify attendance records for themselves or others will receive a grade of 0%. In addition, professors are required by College policy to submit a report of suspected academic dishonesty to the Office of the Dean of Students. This report would become part of your permanent academic file.

Students with Disabilities and Other Special Needs

Baruch College provides reasonable accommodations and modifications for students with disabilities to ensure that no student with a disability is denied the benefits of, is excluded from participation in, or otherwise is subjected to discrimination under the education program or activity operated by the College because of the absence of educational auxiliary aids for students with disabilities. Some people think that a disability has to be visible to be accommodated. This is not the case. There are many disabilities – diabetes, psychological illness, learning disabilities, AIDS, seizure disorders, arthritis, etc., which require accommodations. Examples of possible accommodations include additional testing time; adaptive equipment; and taping of classes.

Baruch College has a process for determining whether a student who identifies as disabled is eligible for a reasonable accommodation in order to complete the student's academic program. This process, as well as the arrangements for adapting class procedures without compromising course content and standards may take time. Therefore, students who require accommodations or modifications should make the necessary arrangements as soon as possible.

If you feel that you may need a reasonable accommodation based on a disability, please contact the staff at the Office of Disability Services, Newman Vertical Campus, Room 2-271, or by phone at (646) 312-4590. We are also available to talk with you before or after this class or during our office hours or by appointment.

Schedule

Session #1: Syllabus and Course Overview (Tandon/Dahya)

Session #2: Introduction to International Financial Markets (Tandon)

Instructor Notes #1 on Globalization and New International Institutions

Session #3: Global Financing and Issues in International Finance (Tandon)

Instructor Notes #2 on Research in Financial Markets. Foreign Exchange Markets; Global Stock and Bonds.

Session #4: Background on ADRs (Dahya)

(1) Andrew Karolyi, 1998, Why Do Companies List Their Shares Abroad? (A Survey of the Evidence and its Managerial Implications), Salomon Brothers Monograph Series, 7/1, New York University.

***(2) Marco Pagano, Ailsa A Röell, and Josef Zechner, 2002, The Geography of Equity Listing: Why Do Companies List Abroad? *Journal of Finance*, 57 (6), 2651–2694.**

(3) Andrew Karolyi, 2004, The role of ADRs in the development of Emerging Equity Markets, *Review of Economics and Statistics*, August 86(3), 670-690.

(4) Craig Doidge, Andrew Karolyi, and Rene Stulz, 2004, Why are foreign firms listed in the US worth more? *Journal of Financial Economics*, 71, 205–238

(5) Stijn Claessens, Daniela Klingebiel, and Sergio Schmukler, 2005, Accessing International Equity Markets: What Firms from Which Countries Go Abroad? Working Paper, World Bank.

***(6) Andrew Karolyi, 2006, The World of Cross-Listings and Cross-Listings of the World: Challenging Conventional Wisdom, *Review of Finance*, 10 (1), 73-115.**

(7) Reena Aggarwal, Sandeep Dahiya and Leora Klapper, 2006, American Depositary Receipts (ADR) Holdings of U.S. Based Emerging Market Funds, *Journal of Banking and Finance*, 36, 96-103.

(8) Miguel Ferreira and Pedro Matos, 2008, The Colors of Investors' Money: Which Firms Attract Institutional Investors From Around the World? *Journal of Financial Economics*, 88(3), 499-533.

***(9) Craig Doidge, Andrew Karolyi and Rene Stulz, 2009, Has New York Become less Competitive in Global Markets? Evaluating Foreign Listing Choices over Time, *Journal of Financial Economics*, 91, 253-277.**

***(10) Joon Woo Bae, Redouane Elkamhi, Mikhail Simutin, 2019, The Best of Both Worlds: Accessing Emerging Economies via Developed Markets, *Journal of Finance*, 74/5, 2579-2617.**

Session #5: Listing and Delisting ADRs (Dahya)

(11) Darius Miller, 1999. The market reaction to international cross-listings: evidence from depositary receipts, *Journal of Financial Economics*, 51, 103-123

(12) Andrew Karolyi and Stephen Foerster, 2000, The Long-run Performance of Global Equity Offerings, *Journal of Financial and Quantitative Analysis*, 35/4, 499-528

(13) Sergei Sarkissian and Michael Schill, 2004, The Overseas Listing Decision: New Evidence of Proximity Preference, *Review of Financial Studies*, 17/3, 769-809.

***(14) Nuno Fernandes and Miguel Ferreria, 2008, Does International Cross-listing Improve the Information Environment, *Journal of Financial Economics*, 88, 216-244.**

(15) Andras Marosi and Nadia Massoud, 2008, You can Enter but You Cannot Leave: US Securities Markets and Foreign Firms, *Journal of Finance*, 63(5), 2477-2506.

(16) Luzi Hail and Christian Leuz, 2009, Cost of Capital and Changes in Growth Expectations Around U.S. Cross-Listings, *Journal of Financial Economics*, 93(3), 428-454.

(17) Nuno Fernandes, Ugur Lel and Darius Miller, 2010, Escape from New York: The Market Impact of SEC Rule 12h-6 on Foreign Private Issuers, *Journal of Financial Economics*, 95, 129-147.

(18) Craig Doidge, Andrew Karolyi and Rene Stulz, 2010, Why do Foreign Firms Leave US Equity Markets? *Journal of Finance*, 65, 1507-1553.

***(19) Sergei Sarkissian and Michael Schill, 2016, Cross-Listing Waves, *Journal of Financial and Quantitative Analysis*, 51/1, 259-306.**

(20) Craig Doidge, Andrew Karolyi and Rene Stulz, 2017, The U.S. listing gap, *Journal of Financial Economics*, 123, 464-487.

***(21) Chinmoy Ghosh and Fan He, 2017, The diminishing benefits of U.S. cross-listing: economic consequences of SEC Rule 12h-6, *Journal of Financial and Quantitative Analysis*, 52/3, 1143-1181.**

***(22) Patrick Augustin, Feng Jiao, Sergei Sarkissian, and Michael J. Schill, 2020, Cross-Listings and the Dynamics between Credit and Equity Returns, *Review of Financial Studies*, 33/1, 112-154.**

Session #6: International Corporate Governance - Review (Dahya)

U.S. Corporate Governance

(23) Luigi Zingales, 1997, Corporate Governance, New Palgrave Dictionary of Law and Economics

(24) Diane Denis, 2001, Twenty Five Years of Corporate Governance Research and Counting, *Review of Financial Economics*, 10, 191-212

(25) Marco Becht, Patrick Bolton and Ailsa Roell, 2003, Corporate Governance and Control, Chapter 1, Handbooks of the Economics of Finance, Edited by GM Constantinides, M Harris and R Stulz, Elsevier Publishing

(26) Benjamin Hermalin, 2005, Trends in Corporate Governance, *Journal of Finance*, 65/5, 2351-2384

***(27) Joseph, McCahery, Zacharias Sautner, Laura Starks, 2016, Behind the Scenes: The Corporate Governance Preferences of Institutional Investors, *Journal of Finance*, 71/6, 2905-2932.**

Cross-Country Corporate Governance

***(28) Diane Denis and John McConnell, 2003, International Corporate Governance, *Journal of Financial and Quantitative Analysis*, 38/1, 1-35**

(29) Stijn Claessens and Joseph Fan, 2003, Corporate Governance in Asia: A Survey, Working Paper, World Bank

(30) Durnev, Art, and E. Han Kim, 2005, To steal or not to steal: firm attributes, legal environment, and valuation, *Journal of Finance*, 60(3), 1461-1493.

(31) Craig Doidge, Andrew Karolyi, and René M. Stulz, 2007, Why do countries matter so much for corporate governance? *Journal of Financial Economics*, 86(1), 1-39.

(32) Reena Aggarwal, Isil Erel, Rene Stulz, and Rohan Williamson, 2009, Differences in Governance Practices between U.S. and Foreign Firms: Measurement, Causes and Consequences, *Review of Financial Studies*, 22, 3131-3169.

(33) Reena Aggarwal, Isil Erel, Miguel Ferreira, and Pedro Matos, 2011, Does Governance Travel Around the World? Evidence from Institutional Investors, *Journal of Financial Economics*, 100, 154-182.

***(34) Peter Iliev, Karl Lins, Darius Miller, and Lukas Roth, 2015, Shareholder voting and corporate governance around the world, *Review of Financial Studies*, 28/8, 2168-2202.**

(35) Jean-Claude Cosset, Hyacinthe Y. Somé, and Pascale Valéry, 2016, Does competition matter for corporate governance? The role of country characteristics, *Journal of Financial and Quantitative Analysis*, 51/4, 1231-1267.

***(36) Erwan Morellec, Boris Nikolov, and Norman Schürhoff, 2018, Agency Conflicts around the World, *Review of Financial Studies*, 31/11, 4232-4287**

Session #7: International Corporate Governance Mechanisms (Dahya)

Media

(37) Alexander Dyck, Natalya Volchkova and Luigi Zingales, 2008, The Corporate Governance Role of the Media: Evidence from Russia, *Journal of Finance*, 63/3, 1093-1136.

(38) Joel Peress, 2014, The media and the diffusion of information in financial markets: Evidence from newspaper strikes, *Journal of Finance*, LXIX, 5, 2007-2043.

***(39) Tung Lam Dang, Fariborz, Moshirian, and Bohui Zhang, 2015, Commonality in news around the world, *Journal of Financial Economics*, 116, 82-110**

Ownership

(40) Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer, 1999, Corporate ownership around the world, *Journal of Finance* 54, 471-517.

(41) Morten Bennesen and Daniel Wolfenzon, 2000, The Balance of Power in Closely Held Corporations, *Journal of Financial Economics*, 58, 113-139

(42) Mara Faccio and Larry Lang, 2002, The Ultimate Ownership of Western European Corporations, *Journal of Financial Economics*, 65, 365-395

(43) Stijn Claessens, Simeon Djankov, Joseph Fan and Larry Lang, 2002, Disentangling the Incentive and Entrenchment Effects of Large Shareholdings, *Journal of Finance*, 57/6, 2741-2771

(44) William Reese and Michael Weisbach, 2002. Protection of minority shareholder interests, crosslistings in the United States, and subsequent equity offerings, *Journal of Financial Economics*, 66, 65– 104.

(45) Kee-Hong Bae, Jae-Seung Baek, Jun-Koo-Kang, and Wei-Lin Liu, 2012, Do Controlling Shareholders' Expropriation Incentives Imply a Link Between Corporate Governance and Firm Value? Theory and Evidence, *Journal of Financial Economics*, 105, 412-435.

(46) Julian Franks, Colin Mayer, and Hideaki Miyajima, 2014, The ownership of Japanese corporations in the 20th Century, *Review of Financial Studies*, 2014, 27/9, 2580-2625.

(47) Kristian Rydqvist, Joshua Spzman, and Ilya Strebulaev, 2014, Government Policy and Ownership of Equity, *Journal of Financial Economics*, 111, 70-85.

***(48) Jan Baya, Miguel Ferreira, Pedro Matos, and Pedro Pires, 2017, Are foreign investors locusts: The long-term effects of foreign institutional ownership, *Journal of Financial Economics*, 126, 122-146.**

(49) Hoang Luong, Fariborz Moshirian, Lily Nguyen, Xuan Tian, and Bohui Zhang, 2017, How do foreign institutional investors enhance firm innovation? *Journal of Financial and Quantitative Analysis*, 52/4, 1449-1460.

(50) Jan Bena, and Ting Xu, 2017, Competition and ownership structure of closely held firms, *Review of Financial Studies*, 30/5, 1583-1626.

(51) Alexander Dyck, Karl Lins, Lucas Roth, and Hannes Wagner, 2019, Do institutional investors drive corporate social responsibility? International evidence, *Journal of Financial Economics*, 131, 693-714.

Corporate Boards

***(52) Jay Dahya, Orlin Dimitrov and John McConnell, 2008, Dominant Shareholders, Corporate Boards and Corporate Value: A Cross-country Analysis, *Journal of Financial Economics*, 87, 73-100.**

(53) Daniel Ferreira, Miguel Ferreira, and Beatriz Mariano, 2018, Creditor Control Rights and Board Independence, *Journal of Finance*, 73/5, 2385-2423.

Hedge Funds

***(54) Marco Becht, Julian Franks, Jeremy Grant, and Hannes Wagner, 2017, Returns to Hedge Fund Activism: An International Study, *Review of Financial Studies*, 30/9, 2933-2971.**

M&A

(55) Rui Albuquerque, Luis Brandão-Marques, Miguel A. Ferreira, and Pedro Matos, 2019, International Corporate Governance Spillovers: Evidence from Cross-Border Mergers and Acquisitions, *Review of Financial Studies*, 32/2, 738-770.

Session #8: Investor Protection, Diversion and Corruption (Dahya)

(56) Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny, 1997, Legal determinants of external finance, *Journal of Finance*, 52, 1131-1165.

(57) Demirgüç-Kunt, Asli, and Vojislav Maksimovic, 1998, Law, finance, and firm growth, *Journal of Finance*, 53, 2107-2139.

(58) Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny, 1998, Law and finance, *Journal of Political Economy*, 106, 1113-1155.

(59) Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny, 2002, Investor protection and corporate valuation, *Journal of Finance*, 57(3), 1147-1170.

***(60) Simeon Djankov, Raphael La Porta, Florencio Lopez-de-Silanes and Andrei Shleifer, 2008, The Law and Economics of Self Dealing, *Journal of Financial Economics*, 88, 430-465.**

(61) Holger Spamann, 2010, Anti-Directors Rights Index Revisited, *Review of Financial Studies*, 23, 467486.

***(62) R David McLean, Tianyu Zhang, Mengxin Zhao, 2012, Why Does the Law Matter? Investor Protection and its effects on Investment, Finance, and Growth, *Journal of Finance*, 67, 313-350.**

(63) Yangyang Chen, Edward J. Podolski, S. Ghon Rhee, and Madhu Veeraraghavan, 2014, Local gambling preferences and corporate innovative success, *Journal of Financial and Quantitative Analysis*, 49/1, 77-106.

(64) Eric Freidman, Simon Johnson and Todd Mitton, 2003, Propping and Tunneling, *Journal of Comparative Economics*, 273-750

(65) Eric Freidman, Simon Johnson and Todd Mitton, 2003, Cronyism and Capital Controls: Evidence from Malaysia, *Journal of Financial Economics*, 67, 351-382

(66) Sung Joh, 2003, Corporate Governance and Firm Profitability: Evidence from Korea before the Economic Crisis, *Journal of Financial Economics*, 68, 287-322

(67) Jae-Seung Baek, Jun-Koo Kang and Inmoo Lee, 2006, Business Groups and Tunneling: Evidence from Private Securities Offerings by Korean Chaebols, *Journal of Finance*, 61/5, 2414-2449

(68) Yan-Leung Cheung, Raghu Rau and Aris Stouraitis, 2006, Tunneling, Propping and Expropriation: Evidence from Connected Party Transactions in Hong Kong, *Journal of Financial Economics*, 82, 343-386

(69) Thorsten Beck, Chen Lin, and Yue Ma, 2014, Why do firms evade taxes? The role of information sharing and financial sector outreach, *Journal of Finance*, LXIX, 2, 763-817.

(70) Meghana Ayyagari, Asli Demirguc-Kunt, and Vojislav Maksimovic, 2014, Bribe payments and innovation in developing countries: Are innovating firms disproportionately affected? *Journal of Financial and Quantitative Analysis*, 49/1, 51-75.

(71) Jason DeBacker, Bradley Heim, and Anh Tran, 2015, Importing corruption culture from overseas: Evidence from corporate tax evasion in the United States, *Journal of Financial Economics*, 117, 122-138.

(72) Heitor Almeida, Chang-Soo Kim, and Hwanki Brian Kim, 2015, Internal capital markets in business groups: evidence from the asian financial crisis, *Journal of Finance*, LXX, 6, 2539-2586

***(73) Maxim Mironov, 2015, Should one hire a corrupt CEO in a corrupt country, *Journal of Financial Economics*, 117, 29-42.**

(74) Xioading Liu, 2016, Corruption culture and corporate misconduct, *Journal of Financial Economics*, 122, 307-327.

(75) Stefan Zeume, 2017, Bribes and firm value, *Review of Financial Studies*, 30/5, 1457-1489.

***(76) David Schoenherr, 2019, Political Connections and Allocative Distortions, *Journal of Finance*, 74/2, 543-586**

(77) Lucy Chernykh, and Sergey Mityakov, 2017, Offshore schemes and tax evasion: The role of banks, *Journal of Financial Economics*, 126, 516-542.

(78) Leming Lin, Atanas Mihov, Leandro Sanz, and Detelina Stoyanova, 2019, Property rights institutions, foreign investment, and the valuation of multinational firms, *Journal of Financial Economics*, 134, 214-235.

(79) Morten Bennedsen, and Stefan Zeume, 2018, Corporate Tax Havens and Transparency, *Review of Financial Studies*, 31/4, 1222-1264.

(80) Graeme G. Acheson, Gareth Campbell, and John D. Turner, 2019, Private Contracting, Law and Finance, *Review of Financial Studies*, 32/11, 4156-4195

Session #9: International Corporate Governance Regulation and Firm Policies (Dahya)

(81) Jay Dahya, John McConnell and Nickolaos Travlos, 2002, The Cadbury Committee, Corporate Performance and Top Management Turnover, *Journal of Finance*, 57(1), 461-483.

(82) Jay Dahya and John McConnell, 2007, Board Composition, Corporate Performance, and the Cadbury Committee Recommendation, *Journal of Financial and Quantitative Analysis*, 42(3), 535-564.

(83) Jongmoo Jay Choi, Sae Woon Park and Sean Sehyun Yoo, 2007, The Value of Outside Directors: Evidence from Corporate Governance Reform in Korea, *Journal of Financial and Quantitative Analysis*, 42, 941-962.

(84) Valentina Bruno and Stijn Claessens, 2010, Corporate Governance and Regulation: Can there be too much of a good thing? *Journal of Financial Intermediation*, 19/4, 461-482.

(85) Richard Price, Francisco Roman, and Brian Rountree, 2011, The Impact of Governance Reform on Performance and Transparency, *Journal of Financial Economics*, 99/1, 76-96.

- (86) Bernard Black and Woochan Kim, 2012, The Effect of Board Structure on Firm Value: A Multiple Identification Strategies Approach using Korean Data, *Journal of Financial Economics*, 104/1, 203-226.
- (87) Li Liao, Bibo Liu, Hao Wang, 2014, China's secondary privatization: Perspectives from the Split-Share Structure Reform, *Journal of Financial Economics*, 113, 500-518
- *(88) Ricardo Correa, and Uger Lel, 2016, Say on pay laws executive compensation pay slice and firm valuation around the world, *Journal of Financial Economics*, 122, 500-520**
- *(89) Larry Fauver, Mingyi Hung, and Alavaro Tabaoda, 2017 Board reforms and firm value: Worldwide evidence, *Journal of Financial Economics*, 125, 120-142.**
- (90) Jay Dahya, Andrey Golubov, Dimitris Petmezas, and Nickolaos Travlos, 2018, Governance mandates, outside directors and acquirer performance, *Journal of Corporate Finance*, forthcoming.
- (91) Andrew K. Rose and Tomasz Wieladek, Financial protectionism? First evidence, 2014, *Journal of Finance*, LXIX, 5, 2127-2149
- (92) Po-Hsuan Hsu, Xuan Tian, and Yan Xu, 2014, Financial development and innovation: Cross-country evidence, *Journal of Financial Economics*, 112, 116-135.
- (93) Arturo Bris, Yrjo Koskinen, and Matias Nilsson, 2014, The euro and corporate financing before the crisis, *Journal of Financial Economics*, 114, 554-575.
- (94) Elena Simintzi, Vikrant Vig, and Paolo Volpin, 2014, Labor protection and leverage, *Review of Financial Studies*, 28/2, 562-591.
- (95) David Buchek, Borja Larrain, Francisco Munoz, and Francisco Urzua, 2014, The internal capital markets of business groups: Evidence from intra-group loans, *Journal of Financial Economics*, 112, 190-212.
- (96) Mara Faccio and Jin Xu, 2015, Taxes and capital structure, *Journal of Financial and Quantitative Analysis*, 50/3, 277-300.
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Session #10: Natural Experiments in International Finance and Economics (Dahya)

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***(125) Lamar Pierce, and Jason Snyder, 2018, The Historical Slave Trade and Firm Access to Finance in Africa, *Review of Financial Studies*, 31/1, 142-174.**

(126) John Gathergood, Benedict Guttman-Kenney, and Stefan Hunt, 2019, How Do Payday Loans Affect Borrowers? Evidence from the U.K. Market, *Review of Financial Studies*, 32/2, 496-523.

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Session #11: In-term Exam (Tandon)

Session #12: Global Venture Capital (Tandon)

***(128) Success in Global Venture Capital Investing: Do Institutional and Cultural Differences Matter? by Rajarishi Nahata, Sonali Hazarika, and Kishore Tandon. *Journal of Financial and Quantitative Analysis* 2014.**

***(129) The globalization of angel investments: Evidence across countries by Lerner, Schoar, Sokolinski and Wilson, *Journal of Financial Economics* 2018**

***(130) Venture Capital and new business creation by Popov and Rosenbloom. *Journal of Banking and Finance* 2013.**

(131) Financial development and innovation: Cross country evidence by Hsu, Tian, and Xu. *Journal of Financial Economics* 2014.

Session #13: Culture and Trust in International Financial Markets (Tandon)

***(131) Chakrabarti, R., Jayaraman, N & Gupta-Mukherjee, S., Culture and cross border M&A, *Journal of International Business Studies* 2009.**

(132) Na Dai and Raj Nahatta. Cultural differences and cross-border venture capital syndication. *Journal of International Business Studies*, 2016.

***(133) Duc D Nguyen, Jens Hagendorff and Arman Eshraghi, Does a CEO's cultural heritage affect performance under competitive pressure? *Review of Financial Studies*, 2017, 98-141.**

***(134) Stefan Zeume, Bribes and firm value, *Review of Financial Studies*, 2017, 1457-1489.**

Session #14: International Mergers and Acquisitions (Tandon)

***(135) Determinants of Cross-Border Mergers and Acquisitions by Isil Erel, Rose C. Liao and Michael S. Weisbach., *Journal of Finance* 2012**

***(136) Harold Mulherin, Jeffrey Netter and Annette Poulsen., 2017. Evidence on mergers and acquisitions: A historical and modern report. *The Handbook of the Economics of Corporate Governance* edited by Benjamin Hermalin and Michael Weisbach.**

***(137) International Corporate Governance Spillovers: Evidence from Cross-Border Mergers and Acquisitions by Rui Albuquerque, Luis Brandão-Marques, Miguel A. Ferreira and Pedro Matos Forthcoming *Review of Financial Studies*, 2018**

(138) Venture Capital Investments and Merger and Acquisition Activity around the World—
by Gordon M. Phillips and Alexei Zhdanovz. SSRN 2017

Session #15: Final Exam (take home)

<u>Date</u>	<u>Session</u>	<u>Papers</u>
Mon 27 Jan	#1: Syllabus and Course Overview	Syllabus, report outline
Mon 3 Feb	#2: Introduction to International Financial Markets	Prof Tandon: Lecture note #1
Mon 10 Feb	#3: Global Financing and Issues in International Finance	Prof Tandon: Lecture note #2
Mon 24 Feb	#4: Background on ADRs	2, 6, 9, 10
Mon 2 Mar	#5: Listing and Delisting ADRs	14, 19, 21, 22
Mon 9 Mar	#6: International Corporate Governance	27, 28, 34, 36
Mon 16 Mar	#7: International Corporate Governance Mechanisms and Firm Policies	39, 48, 52, 54
Mon 23 Mar	#8: Investor Protection, Diversion and Corruption	60, 62, 73, 76
Mon 30 Mar	#9: International Corporate Governance Regulation and Firm Policies	88, 89, 106, 108
Mon 6 Apr	#10: Natural Experiments in International Finance and Economics	112, 117, 121, 124, 125
Mon 20 Apr	#11: In-term Exam (in class)	
Mon 27 Apr	#12: Global Venture Capital	128, 129, 130
Mon 4 May	#13: Culture and Trust in International Financial Markets	131, 133, 134
Mon 11 May	#14: International Mergers and Acquisitions	135, 136, 137
Mon 18 May	#15: Final Exam (take home)	

Tandon takes class

Dahya takes class