EMFI

Master in Economics and Finance

Rafael Repullo and Andres Almazan

Spring 2018

CORPORATE FINANCE

Course outline and reading list

1. The Irrelevance of Financial Structure [Slides1] [Notes 1]

Duffie, D. (1992): "Modigliani-Miller Theorem, " in P. Newman et al. (eds.), *The New Palgrave Dictionary of Money and Finance*, vol. II, MacMillan, 715-718.

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2. The Static Trade-off Theory of the Financial Structure [Slides 2] [Notes 2]

Berens, J., and C. Cuny (1995): "The Capital Structure Puzzle Revisited," *Review of Financial Studies*, 8, pp. 1185-1208. **[PDF]**

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3. Asymmetric Information Theories of the Financial Structure **[Slides 3]** **[Notes 3]**

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Leland, H., and D. Pyle (1977): “Informational Asymmetries, Financial Structure and Financial Intermediation,” *Journal of Finance*, 32, 371-387 **[PDF]**.

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Ross, S. (1977): “The Determination of Financial Structure: The Incentive Signalling Approach,” *Bell Journal of Economics*, 8, 23-40 **[PDF]**.

Tirole, J. (2006): *The Theory of Corporate Finance*, Princeton University Press, Chapter 6.

4. Agency Theories of the Financial Structure

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Jensen, M., and W. Meckling (1976): “Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure,” *Journal of Financial Economics*, 3, 305-360 **[PDF]**.

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5. Security Design Theories of the Financial Structure

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6. Debt Policy and Debt Structure

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7. Product Market/Capital Market Interactions

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8. Behavioral Corporate Finance

Baker M. R. Ruback and J. Wurgler (2007) “Behavioral Corporate Finance: A Survey,” Handbook of Empirical Corporate Finance, Vol. 1 Chapter 4, 145-186.

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9. Corporate Governance I: The Market for Corporate Control

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10. Corporate Governance I: Other Mechanisms of Governance

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Last modified: Thursday, 3 May 2018, 8:27 AM