

Doctoral Seminar: Corporate Governance

Fall 2010

Tuesdays & Thursdays, 1:30 - 2:50

K-MEC 5-75

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This course surveys leading academic research in selected areas of corporate governance, focusing especially upon boards of directors, institutional investors, and the influence of corporate and securities law upon corporate finance. We will also study governance in organizations such as financial mutuals and non-profits. Some recent working papers will be studied, in order to introduce students to the latest developments in the field and to help identify possible dissertation topics. We will also investigate the strengths and weaknesses of leading on-line databases and other research tools. Course lectures will be held weekly, and the most important readings on each topic are starred (**). Evaluation will be based upon a set of data exercises and referee reports assigned periodically throughout the course.

What's not covered: Perhaps the largest topic in corporate governance is *executive compensation*. That area, defined broadly to include incentives from ownership and dismissal, is treated separately in my own companion doctoral course that was offered most recently in Spring 2010 and will hopefully be offered again soon. We will also not cover much of the area of Law & Finance, which involves governance-related topics in corporate finance and securities regulation.

Overview surveys

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Jensen, M., and W. Meckling, 1976, "Theory of the Firm: Managerial Behavior, Agency

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** Fama, E., and M. Jensen, 1983, “Separation of Ownership and Control,” *Journal of Law and Economics* 26, 301-325.

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Karpoff, J., 2001, “Public vs. Private Incentives in Arctic Exploration: The Effects of Incentives and Organizational Structure,” *Journal of Political Economy* 109, 38-78.

Theories of Boards

Noe, T., and M. Rebello, 1997, “The Design of Corporate Boards: Composition, Compensation, Factions, and Turnover,” Unpublished manuscript, Tulane University.

Warther, V., 1998, “Board Effectiveness and Board Dissent: A Model of the Board’s Relationship to Management and Shareholders,” *Journal of Corporate Finance* 4, 53-70.

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** Faleye, O., 2007, "Classified Boards, Firm Value, and Managerial Entrenchment," *Journal of Financial Economics* 83, 501-529.

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Bankers and Lawyers on Boards

** Ramirez, C., 1995, "Did J.P. Morgan's Men Add Liquidity? Corporate Investment, Cash Flow, and Financial Structure at the Turn of the Twentieth Century," *Journal of Finance* 50, 661-678.

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** Gilson, S., 1990, “Bankruptcy, Banks, Boards, and Blockholders: Evidence on Changes in Corporate Ownership and Control When Firms Default,” *Journal of Financial Economics* 27, 355-387.

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