

**FISS 2010 – Financial Institutions Summer School**

**University of Victoria, 18 – 21 June 2010**

**READING LIST**

**ARNOUD BOOT**

- Levine, R. (2005), “*Finance and Growth: Theory and Evidence*”, in: Handbook of Economic Growth, Eds. Philippe Aghion and Steven N. Durlauf, Elsevier North Holland, p. 866-934.
- Boot, A.W.A., and Thakor, A.V. (2010), “*The Accelerating Integration of Banks and Markets and its Implications for Regulation*”, in: *The Oxford Handbook of Banking*, Oxford University Press, p. 58-89.
- Boot, A. W.A. (2010), “*Financial innovation: economic growth versus instability in bank-based versus financial market driven economies*”, working paper, draft, June 8
- Brunnermeier, M.K. (2009), “*Deciphering the Liquidity and Credit Crunch 2007–2008*”, Journal of Economic Perspectives, Vol. 23, Number 1, Winter 2009, p. 77–100.
- Mehran, H. and A. Thakor (2010), “*Bank Capital and Value in the Cross-Section*”, RFS Advance Access published online on April 21, 2010, Review of Financial Studies.

**BASMA MAJERBI**

- Ang, James (2008), “*A survey of Recent Developments in the Literature of Finance and Growth*”, Journal of Economic Surveys, Vol. 22, No. 3, pp. 536-576, July 2008.
- Beck, T., Demirgüç-Kunt, A., Levine, R. and Maksimovic, V. (2000), “*Financial Structure and Economic Development: Firm, Industry, and Country Evidence*”, World Bank Policy Research Working Paper No. 2423.
- Levine, Ross (2005): “*Finance and Growth: Theory and Evidence*,” in Handbook of Economic Growth, vol. I., ed. by P. Aghion, and S. Durlauf. Also NBER Working Paper #10766 <http://www.nber.org/papers/w10766>
- Rajan, R., and L. Zingales (1998): “*Financial Dependence and Growth*,” American Economic Review, June 1998, 88(3), 559-86.

**PAUL SCHURE**

Required readings:

- Bolton, P. and D. Scharfstein (1990), "*A Theory of Predation Based on Agency Problem in Financial Contracting*", American Economic Review, 80, 93-106.
- Cestone, G. and L. White (2003), "*Anti-competitive financial contracting: The design of financial claims*", Journal of Finance, 58, 2109-42.
- Cetorelli, N. and P.E. Strahan (2006), "*Finance as a Barrier to Entry: Bank Competition and Industry Structure in Local US Markets*", Journal of Finance, 61(1), 437-461.
- Tirole, J. (2006), "Topics: Product Markets and Earnings Manipulations", Chapter 7 in Tirole, J., "*The Theory of Corporate Finance*", Princeton University Press, Princeton and Oxford.

Recommended readings:

- Brander, J. and T. Lewis (1986), "*Oligopoly and Financial Structure: the Limited Liability Effect*", American Economic Review, 76, 956-970.
- Cetorelli, N. (2004), "*Real Effects of Bank Competition*", Journal of Money, Credit and Banking, 36, 543-558.
- Schure, P., W.D. Scoones, and Q. Gu (2005), "*A Theory of Loan Syndication*", Finance Research Letters, 2(3), 165-172.

**GEOFFREY DUNBAR**

Required readings:

- Mehra, R., and E. Prescott (1985), "*The Equity Premium: A Puzzle*", Journal of Monetary Economics, 15:14561.
- Kocherlakota, N. (1996), "*The Equity Premium: It's Still a Puzzle*", Journal of Economic Literature, 34:4271.
- Mehra, R. and E. Prescott, (2003), "*The Equity Premium in Retrospect*", NBER working paper No. 12434.
- Kocherlakota, N. and L. Pistaferri (2009), "*Asset Pricing Implications of Pareto Optimality with Private Information*", Journal of Political Economy, 117(3), 555-90.

Recommended readings:

- Campbell, John Y., and John H. Cochrane (1999), "*By Force of Habit: A Consumption Based Explanation of Aggregate Stock Market Behavior*", Journal of Political Economy, 107:205251.

- Fama, Eugene F., and Kenneth R. French (2002), “*The Equity Premium*”, *Journal of Finance*, 57: 637-660.
- Dunbar, G. (2009), “*Investing for Excess: Returns-to-Scale and the Equity Premium Puzzle*”, mimeo.

## **ALFRED LEHAR**

### Required readings:

- Allen, Franklin, and Douglas Gale (2000), “*Financial Contagion*”, *Journal of Political Economy* 108, 134.
- Cifuentes, Rodrigo, Hyun Song Shin, and Gianluigi Ferrucci (2005), “*Liquidity Risk and Contagion*”, *Journal of European Economic Association* 3, 556.
- Adrian, Tobias, and Markus K. Brunnermeier (2010), CoVaR, working paper, Princeton University.

### Recommended readings:

- Acharya, Viral, Joao A.C. Santos, and Tanju Yorulmazer, forthcoming, “*Systemic Risk and Deposit Insurance Premiums*”, *Federal Reserve Bank of New York Economic Policy Review*.
- Acharya, Viral V., Lasse H Pedersen, Thomas Philippon, and Matthew Richardson (2010), “*Measuring Systemic Risk*”, Working paper, New York University.
- David, Alexander, and Alfred Lehar (2009), “*Systemic Risk as Renegotiation Breakdown*”, working paper.
- Elsinger, Helmut, Alfred Lehar, and Martin Summer (2006), “*Risk Assessment for Banking Systems*”, *Management Science* 52, 1301- 1314.

## **MANJU PURI**

### Required Readings

- Drucker, Steve, and Manju Puri (2007), “[Banks in Capital Markets.](#)” chapter in *Empirical Corporate Finance*, ed. by E. Eckbo, *Handbooks in Finance*, North-Holland Publishers, 189-232.
- Drucker, Steve, and Manju Puri (2005), “*On the benefits of concurrent lending and underwriting*”, *Journal of Finance*, 60(6), 2763-2800.

- Hellmann, Thomas, Laura Lindsey, and Manju Puri (2008), "[Building relationships early: Banks in venture capital.](#)" *Review of Financial Studies*, 21(2), 513-541.
- Petersen, Mitchell A., and Raghuram G. Rajan (1994), "*The Benefits of Lender Relationships: Evidence from Small Business Data*," *Journal of Finance*, March, Volume 49, pp. 3-37.
- Mehran, Hamid and Rene Stulz (2007), "[The economics of conflicts of interests in financial institutions.](#)", *Journal of Financial Economics*, v85 (2) 267-296.

### Recommended Readings

- Berger, A., and G. Udell (1995), "*Relationship Lending and Lines of Credit in Small Firm Finance*", *Journal of Business*, 68, 351-381.
- Diamond, D. (1991), "*Monitoring and Reputation: The Choice Between Bank Loans and Directly Placed Debt*", *Journal of Political Economy*, 99, 689-721.
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- Fama, E. (1985), "*What's Different About Banks?*", *Journal of Monetary Economics*, 15, 29-39.
- Iyer, Rajkamal and Manju Puri, "[Understanding Bank Runs: The Importance of Depositor-Bank Relationships and Networks.](#)" Working paper, 2008, NBER.
- Rocholl, Jorg and Manju Puri (2008), "[On the importance of retail banking relationships.](#)" *Journal of Financial Economics*, 89(2), 253-267.

## **THOMAS HELLMANN**

### Required readings:

- Bottazzi, Laura, Marco Da Rin and Thomas Hellmann (2008), "*Who are the active investors? Evidence from venture capital*", [Journal of Financial Economics](#), 89(3), 488-512.
- Hellmann, Thomas (2006), "*IPOs, Acquisitions and the Use of Convertible Securities in Venture Capital*", [Journal of Financial Economics](#), 81(3), 649-679.
- Hsu, David (2004), "*What Do Entrepreneurs Pay for Venture Capital Affiliation?*", [Journal of Finance](#), 59: 1805-1844.

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- Lerner, Josh, and Antoinette Schoar (2005), “*Does Legal Enforcement Affect Financial Transactions?: The Contractual Channel in Private Equity*”, Quarterly Journal of Economics, 120, 223-246.

Recommended readings:

- Kaplan, Steven, and Per Strömberg (2004), “*Characteristics, Contracts, and Actions: Evidence from Venture Capital Analyses*”, Journal of Finance 59, 2177-2210.
- Sorensen, Morten (2007), “*How smart is the smart money? A two-sided matching model of venture capital*”, Journal of Finance 62:6, 2725-62.
- Hellmann, Thomas and Manju Puri (2002), “*Venture Capital and the Professionalization of Start-up Firms: Empirical Evidence*”, The Journal of Finance, 57(1), 169-197
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- Gompers, Paul A., and J. Lerner (2001), “*The Venture Capital Revolution*”, Journal of Economic Perspectives 15.
- Kortum, Samuel and Josh Lerner (2000), “*Assessing the Contribution of Venture Capital to Innovation*”, Rand Journal of Economics 31: 674-692.

**VIRAL ACHARYA**

- Acharya, Viral V., Lasse H Pedersen, Thomas Philippon, and Matthew Richardson (2010), “*Measuring Systemic Risk*”, Working paper, New York University.  
[http://pages.stern.nyu.edu/~sternfin/vacharya/public\\_html/acharya\\_pedersen\\_philippon\\_richardson.pdf](http://pages.stern.nyu.edu/~sternfin/vacharya/public_html/acharya_pedersen_philippon_richardson.pdf)
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