

Mini course: Industrial Organization and Corporate Finance: How Financing and Ownership Affect Product Market Competition

May 14 and 15, 2018

with

Professor Kristine W. Hankins (Kentucky)

There will be two lectures in the mini-course given on **May 14 (1.15-4 pm)** and **May 15 (1.15-4 pm)** 2018 at the Stockholm School of Economics.

Capital structure is a known factor in product market competition since early work by Brander and Lewis (1986) and Chevalier (1995). However, the intersection of corporate finance and industrial organization extends beyond the strategic use of debt. Institutional ownership, financial flexibility, risk management, and supply relationships all contribute to the boundaries of the firm and its interaction with product markets. This mini-course will focus on two major research areas where the corporate perspective can inform our understanding of competition and IO.

Lecture one will consider the **impact of financial constraints on product market interactions** and we will discuss the roles of leverage, trade credit, and cash on competition. Topics will include strategic entry, exit, and expansion as well as investments in product quality and supply relationships. The second lecture will focus on the **interaction of ownership and governance with the product market**. While the subject of common institutional ownership will be highlighted, we also will explore the impact of mergers, networks, and private equity funding. If time allows, we may discuss different measures of competition.

The course will emphasize not only how the literature has evolved recently but where potential new research avenues exist. Readings will skew heavily towards empirical research featuring novel identification strategies.

Kristine W. Hankins is the William E. Seale Endowed Professor of Finance at the University of Kentucky, where she is an Associate Professor and Director of Graduate (PhD) Studies in Finance. Her research interests include corporate finance, risk management, capital structure, and boundaries of the firm and she has published in *Review of Financial Studies*, *Journal of Financial Economics*, *Management Science*, and *Journal of Corporate Finance*. Her work has been recognized with the Jensen Prize for one of the best papers in Corporate Finance and Organizations published in the *Journal of Financial Economics* as well as Emerald Citation of Excellence Award for one of top 50 highest-impact articles among 15,000 management articles.

The course is open to PhD students or PhD's in economics and finance – subject to approval. The course is free of charge. Register with Ritva Kiviharju (nerk@hhs.se) before May 4. There will be a dinner (free!) for course participants on May 15 and a simple lunch on May 15.

There will be no exam and participation does not give any credits. The course is made possible by a grant from the Swedish Competition Authority.

Welcome!

Richard Friberg

Stockholm School of Economics