**5648 Specialist Class - Corporate Governance**

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* LV-Typ: PI
* Semesterstunden: 4
* Unterrichtssprache: Englisch

Anmeldung: 16.02.2017 bis 28.02.2017

Planpunkt(e) Bachelor

[Spezialisierungslehrveranstaltung - Corporate Governance](https://learn.wu.ac.at/vvz/lvliste-ppfarbe?pp_farbe=6256.843&term_shortname=17s)

"Aktionäre sind dumm und frech. Dumm, weil sie ihr Geld anderen Leuten ohne ausreichende Kontrolle anvertrauen; frech, weil sie Dividenden fordern, also für ihre Dummheit auch noch belohnt werden wollen.“

(Carl Fürstenberg in the 1920’s)

(Shareholders are stupid and bold. Stupid, because they give their money other people without adequate control, bold, because they demand dividends, that is they want to be awarded for their dullness.)

(My translation)

”Corporate Governance deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment. How do the suppliers of finance get managers to return some of the profits to them? How do they make sure that managers do not steal the capital they supply or invest in bad projects? How do suppliers of finance control managers?” (Shleifer and Vishny, 1997, p. 737)

”Corporate Governance involves a set of relationships between a company’s management, its board, its shareholders and other stakeholders. Corporate Governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.” (OECD Principles, Preamble, p. 11)

Language: English

Maximum of 25 participants.

#### Contents

The module gives an overview over the literature on Corporate Governance with special emphasis on the relation between ownership structure and performance. Moreover, macroeconomic consequences are analysed by presenting the main literature on financial markets and economic development. A seminar on the crisis concludes. The topics covered are

1. The Principal-Agent problem and the main agency conflicts (Jensen and Meckling)

2. Mechanisms to solve the basic principal agent problems in corporate governance

3. Does CG create value? Macro: Financial markets and economic development; Micro: Ownership structure and performance

4. Some recent influential studies on CG

5. Some econometrics

6. Seminar

#### Work to do

Exam (60%, minimum 40% at exam); Seminar presentation (25%) in June, Presentation of a firm ownership and control structure (15%)

#### Anrechenbarkeit

4SST; Spezialisierungsfach Bachelor Volkswirtschaftslehre

#### Prerequisites

Intermediate Microeconomics

**Detailinformationen zu einzelnen Lehrveranstaltungseinheiten**

**Einheit Datum Inhalte**

1 15.03.2017 Introduction, Principal agent: Jensen/Meckling

2 22.03.2017 Mechanisms of CG

3 29.03.2017 Mechanisms of CG

4 05.04.2017 Mechanisms of CG

5 03.05.2017 Presentations of an ownership and control structure

6 10.05.2017 Ownership structure and performance

7 17.05.2017 Ownership structure and performance

8 24.05.2017 Financial markets and economic development

9 31.05.2017 Test

10 07.06.2017 Seminar presentations

11 14.06.2017 Seminar presentations

12 21.06.2017 Seminar presentations

13 28.06.2017 Seminar presentations

#### Literature

Gugler K. (ed.), 2001, Corporate Governance and Economic Performance, Oxford: Oxford University Press, 2001.

Mueller, Dennis C. (2003), The Corporation: Investment, Mergers, and Growth, Routledge.

Jensen, M.C., and W.H. Meckling (1976), ["Theory of the firm: managerial behavior, agency costs and ownership structure"](file:///C:\Daten-Privat\kgugler\Klaus\homepage\new\public\jensenmeckling.pdf), Journal of Financial Economics 3:305-360.

Becht/Bolton/Roell, ["Corporate Governance and Control"](file:///C:\Daten-Privat\kgugler\Klaus\homepage\new\public\bechtboltonroell.pdf), ECGI WP.

Levine, Ross, ["Finance and Growth: Theory and Evidence."](file:///C:\Daten-Privat\kgugler\Klaus\homepage\new\public\financeandgrowth.pdf) in Handbook of Economic Growth, Eds:Philippe Aghion and Steven Durlauf, The Netherlands: Elsevier Science, 2005.

Shleifer/Vishny, 1997, ["A Survey of Corporate Goverance"](file:///C:\Daten-Privat\kgugler\Klaus\homepage\new\public\shleifervishny.pdf), Journal of Finance, Vol. 52, 737-783.

Börsch-Suppan, A. und J. Köke, 2002, An Applied Econometrician‘s View of Empirical Corporate Governance Studies, German Economic Review