
CORPORATE OWNERSHIP & CONTROL

VOLUME 15, ISSUE 1, FALL 2017

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Bruce Dehning, Charu Sinha, Praveen Sinha

Enterprise Resource Planning (ERP) systems have become widely adopted by companies to fulfil various purposes. ERP systems make information flow more transparent and timelier. From a capital markets perspective, an interesting question is whether the implementation of ERP systems reduces earnings management. The authors examine the question of changes in earnings management brought about by ERP system implementation using an alternate measure of earnings management and earnings quality – a firm’s likelihood of a GAAP violation. The findings are that the probability of a GAAP violation decreases significantly after the implementation of ERP systems, but less for larger firms, and more for high growth firms.

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Sebastian Kuhlmann, Joachim Rojahn

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Daniela Coluccia, Stefano Fontana, Elvira Anna Graziano, Matteo Rossi, Silvia Solimene

The paper addresses a central question: What is an alternative measure of risk that estimates the banking risk-taking behaviour, also considering their risk culture? By analysing a panel of the thirty Global Systematically Important Banks (G-SIBs) from 2006 and 2013, the study provides empirical evidence that the presence of a Risk Committee, the size of the Risk Committee and the number of the Risk Committee’s meetings have a positive impact on a bank’s volatility. Using multiple regression analysis on panel data, the authors verify the relationship between the bank asset risk and explicative variables that measure risk governance, banks’ size and traditional banks’ risk indicators.

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Marcelo Gonçalves, Andre Carvalho

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IPOS, THE LEVEL OF PRIVATE EQUITY ENGAGEMENT AND STOCK PERFORMANCE MATTERS: EMPIRICAL EVIDENCE FROM GERMANY 72*Andreas Oehler, Tim A. Herberger, Matthias Horn, Henrik Schalkowski*

Research on IPOs commonly focuses on the relation between firms’ pre IPO ownership structure and subsequent stock performance. The paper extends the literature by additionally focusing on companies’ post IPO ownership structure, in particular, private equity capital engagement, to analyse IPOs stock performance matters. For this purpose, the authors employ a unique dataset on German IPOs from 2004 to 2014 that allows identifying companies’ ownership structures before and after the IPO. The authors compute stocks’ market-adjusted returns and information ratios for the first 200 trading days to answer two research questions. First, do stocks of companies that were (partially) owned by private equity investors prior the IPO show a different performance after the IPO than stocks of companies without prior investments of private equity investors? Second, does the extent of private equity investors’ involvement at the IPO (i.e. their pre and post IPO shareholdings) influence the stock performance following the IPO?

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TURN-OF-THE-MONTH EFFECTS IN EUROPEAN STOCK MARKETS BEFORE AND AFTER THE FINANCIAL CRISIS – AN EVOLUTIONARY FINANCE PERSPECTIVE 90*Thomas Holtfort, Andreas Horsch, Steffen Hundt*

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Pierluigi Santosuosso

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Fabio Quarato

Despite family business is the most widespread ownership structure worldwide, there is a lack of evidence on the impact of external growth strategies on their capital structure. Although most researches showed that the risk of losing control leads family firms to a lower level of debt, this paper sheds new light on debt maturity structure and innovation investments when family firms embrace an acquisition path. The author analyses acquisitions carried out in the period 2000-2013 by all Italian companies with turnover exceeding 50 million Euros, and the results support the long term perspective of family firms. In particular, family firms will use less bank debt to finance acquisitions, avoiding cutting research investments and relying on a more balanced debt maturity structure.

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Alessandro Capodaglio, Giuseppina Iacoviello, Gianpaolo Neri

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Muttanachai Suttipun

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Byungcherl Charlie Sohn, Ling Zhou

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