

Dear CEFS newsletter subscriber,  
you will find two short descriptions of CEFS projects and a selection of CEFS news in this issue of our newsletter.  
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## CEFS-Speaker-Series with Stephen A. Schwarzman



Stephen A. Schwarzman gave a speech on 'Financial Contagion and Private Equity' within the CEFS-Speaker-Series on October 15th, 2008.

He is Chairman, CEO and Co-Founder of Blackstone and the Chairman of the board of directors of its general partner, Blackstone Group Management L.L.C., and has been involved in all phases of the firm's development since its founding in 1985. Within his speech as well as the Q&A session Mr. Schwarzman gave insights into the latest development of financial markets and put an emphasis on the role of private equity. The event was followed by a reception and attended by about 600 guests, most of which were students and guests affiliated with CEFS.

Prof. Ann-Kristin Achleitner, Stephen A. Schwarzman, Prof. Kaserer  
(left to right). Foto: TU München

## News

### **Prof. Ann-Kristin Achleitner is member of the technical advisory group of the World Economic Forum's Global Education Initiative - Entrepreneurship Education**

The World Economic Forum's Global Education Initiative (GEI), launched in 2003, has made significant progress in its overall objective of raising awareness and supporting the implementation of relevant, sustainable and scalable education programs. One special project focuses on entrepreneurship education, as it is considered as one of the key areas of opportunity for promoting economic development. The Technical Advisory Group (TAG) will play a key role in helping to deliver this initiative, by providing technical advice, resources and advocacy for the Entrepreneurship Education project. Members of the TAG are leading experts in entrepreneurship education, drawn from different professional backgrounds across different geographies in the world.

### **Study on Executive Compensation in Germany published**

Dr. Marc Steffen Rapp (CEFS) and his collaborator Dr. Michael Wolff (Universität Karlsruhe (TH)) conducted the thitherto largest study on compensation of executive board members in German firms.

The two researchers collected compensation data for some 330 German Prime Standard firms for years 2005 to 2007 and examined the size and design of different compensation components: fixed salary, bonus and stock-based incentives. The study summarizes their results in some 90 figures emphasizing differences between industries and index membership (DAX, MDAX, SDAX, TecDAX).

The study, which is edited by Professor Christoph Kaserer (CEFS) and Professor Hagen Lindstädt (Universität Karlsruhe (TH)), received significant media coverage (e.g. Süddeutsche Zeitung, Bild, handelsblatt.com, manager-magazin.de). For further information about the study and how to order a copy please contact Dr. Marc Steffen Rapp at [marc.rapp@cefs.de](mailto:marc.rapp@cefs.de).

### **CEFS Members at the 12th Annual Interdisciplinary Entrepreneurship Conference G-Forum 2008**

Various CEFS members were invited to present their research at the G-Forum taking place in Dortmund on November 6th and 7th. Stephanie Schraml and Florian Tappeiner gave insights into family businesses and their usage of private equity. Barbara Roder presented her work on reporting in social entrepreneurship. Prof. Ann-Kristin Achleitner showed her results of the study on private equity investments in the German stock market, which was executed in collaboration with André Betzer and Christian Andres from the University of Bonn. Markus Ampenberger and Thomas Schmid shared their results on "Founding family ownership, corporate control and risk aversion".

[Link to the conference](#)

## News

### **Prof. Ann-Kristin Achleitner appointed as Visiting Professor at Universität St. Gallen (HSG)**

In spring term 2009 Prof. Ann-Kristin Achleitner will be a Visiting Professor at Universität St. Gallen (HSG) / Switzerland and teach on „Social Entrepreneurship“. This professorship is sponsored and organized by the Student Union of HSG.

### **New CEFS-Working Paper to be published in Public Finance Analysis (FinanzArchiv)**

In a new CEFS-Working Paper Marc Steffen Rapp and his co-author Bernhard Schwetzler examine the impact of a flat withholding tax on capital income (dividends, interest, and capital gains) as will be introduced in Germany from 2009 onwards. In their theoretical model the authors show that if taxation is used as a policy tool to transfer wealth from capital market participants to non-market participants, the level of the statutory tax rate is reflected in security prices and taxation affects households portfolio decisions, which in turn may affect investment decisions by firms. The paper is accepted for publication in Public Finance Analysis (FinanzArchiv).

[Paper download \[pdf\]](#)

### **Paper „Stand der de facto-Konvergenz von IFRS und US-GAAP“ accepted for publication in zfbf**

The paper by Nina Günther (CEFS) and Dr. Michael Dobler (LMU) examines the level of de facto-convergence of IFRSs and US-GAAP based on Form 20-F reconciliations for all EU companies that filed with the SEC in 2005. An analysis of the reconciling items reveals that de facto-differences between IFRS and US-GAAP are heterogeneous and often material in both net income and shareholder's equity. The paper will be published in the December issue of zfbf. [Paper download \[pdf\]](#)

### **Dr. Eva Nathusius receives Johannes B. Ortner Prize in December**

We are proud to announce that Dr. Eva Nathusius was selected to receive one of the prizes for young scholars of TUM awarded by the Johannes B. Ortner Stiftung in December 2008. She receives the award for the research project "European Venture Capital Market: Scaling Beyond Current Boundaries" which was a cooperation project

### **Prize for best junior researcher awarded to Marc Steffen Rapp**

On Saturday, July 26th, Marc Steffen Rapp was honoured as best junior researcher at HHL - Leipzig Graduate School of Management in 2006. The prize was awarded in recognition of his academic contributions in the area corporate finance where Marc studied the effect of taxation on security prices and methods of corporate valuation.

[Press link](#)

### **Prize for best PhD project awarded to Tobias Berg**

The prize for the best PhD project was awarded to Tobias Berg (CEFS) on the 15th Annual Meeting of the German Finance Association (DGF). The prize was awarded for the presentation 'The Term Structure of Equity Risk Premia' from his PhD project 'Risk Premia on Equity and Debt Markets'. The paper analyses the behaviour of (equity) risk premia during the Subprime turmoil. In particular, it is shown that short-term risk premia have increased considerably during the turmoil while long-term risk premia have remained almost unchanged.

## People

### **We welcome Bernd Mühlfriedel as our new CEFS colleague**



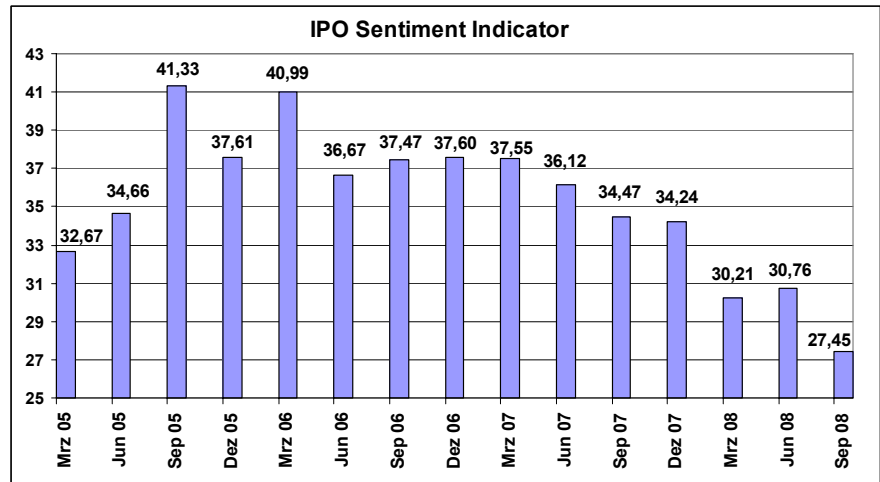
Bernd has almost 10 years of entrepreneurial experience as co-founder and former CFO of 12snap. Before that he worked for McKinsey as a senior consultant. He graduated with a Diploma in Business Administration from Friedrich-Alexander-Universität Erlangen-Nuremberg, holds an MBA from the University of Georgia and is a CFA Charterholder. We are happy that Bernd has joined our team.

## IPO Sentiment Indicator (ISI) for Fall 2008

The IPO Sentiment Indicator (ISI) has declined against Q2/2008. It has dropped from 30.76 to 27.45 points thereby reaching its lowest level since introduction of the survey. This all-time low can be considered as a consequence of the current financial crisis.

The survey shows that the participants expect a further drop in stock levels leading to a further decline in IPO activity in Q4/2008.

The ISI is a mood barometer for the primary market developed by Deutsche Börse AG joint with Prof. Kaserer (CEFS). It consists of two components, namely the IPO Climate and the perceived underpricing, and is expressed in a point value.



All data as of 10.10.2008

[More information on the indicator.](#)

## Publications

### New publications available via the social science research network (SSRN):

Achleitner, A.-K.; Schraml, S.; Tappeiner, F.: Private Equity Minority Investments in Large Family Firms: What Influences the Attitude of Family Firm Owners? (November 2008).

Available at SSRN: <http://ssrn.com/abstract=1299573>

Achleitner, A.-K.; Betzer, A.; Gider, J.: Investment Rationales of Hedge Funds and Private Equity Funds in the German Stock Market (October 2008).

Available at SSRN: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1292896](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1292896)

Achleitner, A.-K.; Allmendinger, J.; Grupp, H.; Harhoff, D.; Luther, J.; Soete, L.; Schmoch, U.; Stenke, G.: Research, Innovation and Technological Performance in Germany (2008). EFI Report.

Available at SSRN: <http://ssrn.com/abstract=1260763>

Dobler, M.; Günther, N.: De Facto Convergence of IFRSs and U.S. GAAP - An Empirical Analysis of Form 20-F Reconciliations of EU Companies (October 2008). Schmalenbachs Zeitschrift für betriebswirtschaftliche Forschung (zfbf), Vol. 60, No. 12, pp. 809-845, 2008. Available at SSRN: <http://ssrn.com/abstract=1292901>

Stange, S.; Kaserer, C.: The Impact of Order Size on Stock Liquidity - A Representative Study (October 2008).

Available at SSRN: <http://ssrn.com/abstract=1292304>

Stange, S.; Kaserer, C.: Why and How to Integrate Liquidity Risk into a VaR-Framework (October 2008).

Available at SSRN: <http://ssrn.com/abstract=1292289>

Kaserer, C.; Klingler, C.: The Accrual Anomaly Under Different Accounting Standards Lessons Learned from the German Experiment. Journal of Business Finance & Accounting, Vol. 35, No. 7-8, pp. 837-859, September/October 2008. Available at SSRN: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1276753](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1276753)

### Publications newly available via the social science research network (SSRN):

Achleitner, A.-K., Poech, A.; Burger-Calderon, M.: Private Equity in Family Firms: An Empirical Analysis of Psychological Aspects in Transaction Decisions (Private Equity in Familienunternehmen: eine empirische Untersuchung zu psychologischen Aspekten der Transaktionsentscheidung) (2005). Finanz Betrieb, Vol. 7, No. 5, pp. 289-295, 2005. Available at SSRN: <http://ssrn.com/abstract=1164830>