



CEFS Newsletter Quarter 2/2013

03.07.2013

Dear **\$\$academic title\$\$** **\$\$first name\$\$**  
**\$\$last name\$\$**,

in this issue of our newsletter you will find news, information on a selection of current CEFS projects, publications, conference contributions, CEFS member news as well as a variety of announcements. For additional information, please visit our website at <http://www.cefs.de> or contact us at [contact@cefs.de](mailto:contact@cefs.de).

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## NEWS:

### → **Handelsblatt reports about a study of Prof. Kaserer**

The German newspaper Handelsblatt reports about a study of Prof. Kaserer in cooperation with the "Vereinigung der bayerischen Wirtschaft". The study concludes that the refinancing costs for banks will increase because of the EU regulation to prevent further financial crises. This has a serious impact on the real economy. Especially medium-sized companies which do not have access to financial markets and depend on their house banks have to expect higher cost of debt. This might cause a slowdown of new investments.

The whole article (in German) can be found [here](#).



### → **Paper accepted for presentation at AFA Annual Meeting 2014, Philadelphia, USA**

The paper "Production Characteristics, Financial Flexibility, and Capital Structure Decisions" by Sebastian J. Reinartz and Thomas Schmid will be presented at the American Finance Association (AFA) Annual Meeting 2014 which takes place on January 3-5, 2014 in Philadelphia.



The AFA Annual Meeting is considered to be one of the top general finance conferences in the world. CEFS is proud to make a contribution to the conference.

### → **Papers presented at the IFABS 2013 Conference, Nottingham, UK**

Two papers of the Center for Entrepreneurial and Financial Studies

were presented at the 5th International Finance and Banking Society (IFABS) Conference 2013 in Nottingham, UK.

Prof. Kaserer presented his and Wolfgang Lahmann's paper "Banks and the Real Economy - A New Perspective on the Systemic Importance of the Banking Sector" whereas Ingo Stoff presented the paper "Pricing in Private Equity Club Deals".

IFABS is one of the world's leading organisations for the promotion of research and understanding of banking and finance.



## → Paper presented at BCERC 2013 Conference, Lyon, France

Two papers of the Center for Entrepreneurial and Financial Studies were presented at the 33rd Babson College Entrepreneurship Research Conference (BCERC) Conference 2013 in Lyon, France.

Reiner Braun and Maximilian Schmidt presented their current paper "Demystifying the VC Business Model", while Judith Mayer and Barbara Scheck presented their paper "Social Investing - What Matters From The Perspective Of Social Enterprises".

Founded by Babson College in 1981, BCERC is considered by many to be the world's leading entrepreneurship research conference in the world.



## → CPEA – Certified Private Equity Analyst

In times of low interest rates it has become difficult to reach an acceptable return on investment at only a moderate risk. The private equity market constitutes a reasonable alternative in that regard. It is a growing segment which is becoming increasingly attractive both for institutional and for private investors.

Against this background the TUM School of Management introduces the new further education program "Certified Private Equity Analyst (CPEA)", organized by the Executive Education Center of the TUM School of Management in cooperation with the Bundesverband Deutscher Kapitalbeteiligungsgesellschaften (BVK).

This certified program provides a well-founded education in all relevant fields of private equity and venture capital business on the highest academic level.

The TUM School of Management sets new standards in the private equity training and creates a uniform quality framework for advanced training for the naturally heterogeneous group of investment managers. The program is dedicated to managers of funds in private equity firms, buy-out companies and other financial service firms searching for a recognized qualification.

The program is structured in five modules comprising of three days each and starts in September 2013. For all further information please visit [our website](#) or see [our flyer](#).

For further details about registration and schedule please contact:

Dr. Wolfgang Köhler, TUM School of Management, Executive Education Center, Tel. +49.89.289.28479, [wolfgang.koehler@wi.tum.de](mailto:wolfgang.koehler@wi.tum.de)



## PUBLICATIONS:

## → CEFS alumnus co-authors Harvard Business School Case Study

CEFS alumnus Dr. Florian Bitsch is co-author of the newly published Harvard Business School case study "The Kashagan Production Sharing Agreement (PSA)". This study is joint work with Harvard Professor Benjamin C. Esty and has its origin when Florian was a Visiting Fellow at Harvard University.



The case describes the development of the Kashagan oil field in Kazakhstan. Hereby, it outlines mechanisms that can occur in financing decisions of large-scale oil, gas and infrastructure projects. Issues that are covered include contract design, renegotiation as well as allocation of risk and return amongst project partners such as governments and multinational corporations.

Professor Benjamin C. Esty is professor of Business Administration and Head of the Finance Unit at Harvard Business School. Amongst others, he has an outstanding scholarship in publishing and teaching on project finance, infrastructure finance and large-scale investments.

The profile of Professor Esty can be found [here](#).

The case study can be read [here](#).

## → Paper accepted for publication by the Journal of Derivatives

The paper "Extracting the Equity Premium from CDS Spreads" by Tobias Berg and Christoph Kaserer was accepted by the Journal of Derivatives.



The authors propose a new approach to extract the equity premium using CDS spreads and structural models of default. Their estimates yield equity premia of 6.50% for the U.S., 5.44% for Europe and 6.21% for Asia based on 5-year CDS spreads from 2003-2007. Due to some conservative assumptions these estimates are upper limits for the equity premium. Using 3-, 7- and 10-year CDS maturities yields similar results and offers an opportunity to estimate the term structure of risk premia. Although the estimator is developed in a Merton framework it is robust with respect to model changes.

The Journal of Derivatives is the leading analytical yet practitioner-oriented research journal in the area of derivatives.

## AWARDS AND SCHOLARSHIPS:

### → Students of the Chair for Financial Management and Capital Markets on 5th rank of Postbank Finance Awards

The five students Georg Stricker, Lars Maurath, Nicolas Keller, Robert Hager and Florian Weingärtner were awarded for their contribution to the Postbank Finance Award 2013. Their paper - developed in cooperation with Prof. Christoph Kaserer - was ranked fifth in the competition.

The Postbank Finance Award is one of the most prestigious university competitions in Germany. This year the topic was "Bank der Zukunft, eine Branche im Zeichen der Vertrauenskrise" (bank of the future, an industry in a crisis of confidence). The five members of the TU Investment Club investigated the economic differences in valuing universal and splitted banks. The contribution received a cash prize of 2500 € whereas 70% goes to the Department of Financial Management and Capital Markets and 30% to the students.

CEFS congratulates for the excellent performance.





From left to right: Laudator Prof. Dr. Dominik Georgi, Robert Hager, Nicolas Keller, Florian Weingärtner and Lars Maurath. Not in the picture: Georg Stricker.

## CEFS MEMBER NEWS:

### → CEFS congratulates Dr. Eva Lutz on her professorship at the Heinrich-Heine-Universität Düsseldorf

Dr. Eva Lutz, former CEFS Managing Director, has been named Professor for Entrepreneurship, especially formation and growth financing at the Heinrich-Heine-Universität Düsseldorf. In her new role, she will continue her research in the field of entrepreneurial finance, in particular dealing with topics related to venture capital and private equity as well as financing of family firms.



### → CEFS welcomes Patrick Bielstein

The Department of Financial Management and Capital Markets welcomes Patrick Bielstein as a new research assistant. Patrick joined the team on April 1st, 2013. His research focuses on implied cost of capital.

Patrick studied economics with a focus on finance and econometrics at the University of Mannheim and at Queen's University in Kingston, Canada. After graduation he spent two years working for an internet start-up in Vancouver, Canada. This was followed by a position in the investment controlling division within the Allianz Group in Munich.



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**Impressum**

Center for Entrepreneurial and Financial Studies (CEFS)  
TUM School of Management | Technische Universität München (TUM)  
Arcisstraße 21 | 80333 Munich | Germany  
E-mail: [contact@cefs.de](mailto:contact@cefs.de) | Tel: +49-89-289-25489 | Web: <http://www.cefs.de>

