# FINANCE AND STRATEGY

#### EDITED BY

### **BELEN VILLALONGA**

Leonard N. Stern School of Business, New York University, New York, NY, USA

United Kingdom - North America - Japan India - Malaysia - China

#### **CONTENTS**

LIST OF CONTRIBUTORS

INTRODUCTION: CORPORATE FINANCE AND STRATEGY

#### PART I: HOW EXTERNAL MARKETS SHAPE CORPORATE DECISIONS AT THE INTERSECTION OF FINANCE AND STRATEGY

INVESTMENTS IN RECESSIONS

Eirik Sjdhoim Knudsen and Lasse B. Lien

THE EFFECT OF INSTITUTIONAL FACTORS ON THE VALUE OF CORPORATE DIVERSIFICATION Venkai Kuppuswamy, George Serafeini and Beien Villalonga

TERMINATION PAYMENT PROVISIONS IN ACQUISITIONS: AN INFORMATION ECONOMICS PERSPECTIVE Cheng-Wei Wa and Jeffrey J. Reuer

CAN YOU BELIEVE IT? MANAGERIAL DISCRETION AND FINANCIAL ANALYSTS' RESPONSES TO MANAGEMENT EARNINGS FORECASTS

Guoli Chen and Craig Cross/and

VI CONTENTS

## PART II: HOW CAPITAL AND OWNERSHIP STRUCTURES SHAPE STRATEGY

FINANCIAL HEALTH AND PARTNER	
ATTRACTIVENESS IN THE MARKET FOR INTER-	
FIRM COLLABORATION	
Fabio Zambulo, M. V. Shyam Kumar and	147
Jonathan P. O Brien	
A CTIVE INVOLVENCE OF PRIVATE FOURTY	
ACTIVE INVOLVEMENT OF PRIVATE EQUITY	
FIRMS IN PORTFOLIO COMPANIES AND ITS	
PERFORMANCE EFFECTS	105
Christian Landau	185
WHEN DO VENTURE CAPITALISTS BECOME	
BOARD MEMBERS IN NEW VENTURES?	
Haemin Dennis Park and H. Kevin Steensma	231
OWNERSHIP EFFECTS ON UNRELATED	
DIVERSIFICATION: AN INSTITUTIONS'	
PERSPECTIVE	
Nikolaos Kavadis and Xavier Castaner	253
DADE HA HOW CED ATECA CHARGE CARRELL AND	
PART III: HOW STRATEGY SHAPES CAPITAL AND OWNERSHIP STRUCTURES	
OWNERSHII STRUCTURES	
HOW INNOVATION CAN AFFECT OWNERSHIP	
STRUCTURE: THE CASE OF TRANSIENT AND	
DEDICATED INSTITUTIONAL INVESTORS	
Abdullah A. Alshwer and Edward Levitas	291
HOW INNOVATION SHAPES A FIRM'S SURVIVAL	
PROFILE: TAKEOVERS, REGULATORY AND	
VOLUNTARY DELISTINGS	
Silvio Vismara and Andrea Signori	321
Suvio vismara ana Anarea Signori	341
THE ROLE OF R&D IN ENTREPRENEURIAL	
FINANCE AND PERFORMANCE	
Alicia Robb and Robert Seamans	341