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DISTINGUISHED SPEAKER SERIES

Professor Tarcisio Barroso da Graça
University of Quebec in Outaouais

Tarcisio da Graça is a professor of economics and finance in the department of administrative sciences at the University of Quebec in Outaouais. He was awarded a PhD in economics by Cornell University (U.S.A) for his research in industrial organization. He is a Chartered Financial Analyst member of the CFA Institute. His current research interest is in corporate finance in topics such as mergers and acquisitions and corporate governance. On the methodological side, he has applied and improved event-study methodologies. Prior to his academic position, he served as a senior economist at the Competition Bureau.

Earlier still, he worked as a senior economist in a private consulting firm in Washington DC that specializes in matters related to merger and acquisitions, among other business practices. His publication record includes papers in the *Review of Accounting and Finance*, the *Review of Economics and Finance*, the *Journal of Empirical Finance*, among others.

***Topic: «Corporate governance and abnormal returns from
M&A: A structural analysis»***

Abstract:

A structural event study methodology accounts for the interaction of two M&A effects: synergy (total value) and dominance (bargaining power). This interaction jointly (simultaneously) determines the parties abnormal returns. We propose an instrumental variable approach. An application in corporate governance illustrates of our methodology. We posit that M&A synergy effects correspond to changes in agency costs between target's management and target's shareholders; and the dominance effect corresponds to balance of power between acquirer and target during negotiations.

Structural estimates indicate that more stable or entrenched directors generate higher value during normal operations but are softer negotiators when their firm becomes an acquisition target.

TIME: 10.30 -12.00 noon, Wednesday , March 12, 2014
PLACE: Desmarais, Room 6160

**For more information, please, contact Ludmila Pauk at CGA - Canada AGRC
room 7102 or pauk@telfer.uottawa.ca**