Corporate Governance

Professor: Andrea Polo
E-mail: andrea.polo@upf.edu
Office hours: by appointment

Course Description
This course is devoted to the study of governance mechanisms and their impact on the real activities of corporations. The emphasis is on the interdisciplinary legal and financial aspects of corporate governance. We will discuss the separation of ownership and control, shareholder activism, the contribution and compensation of executives, the market for corporate control and short-termism. The focus will be primarily on for-profit, publicly traded corporations.

Objectives
After the Global Financial Crisis, many current theories in financial economics have been questioned. The celebrated Anglo-Saxon model of widely held corporations with sophisticated mechanisms of checks and balances, based on shareholder value maximization has failed to protect us from the worst financial meltdown since the 30’s. The course will enable students to think critically about central issues such as the governance of financial institutions.

Methodology
There are 5 three-hour sessions. Lectures are aimed at developing the concepts and methodologies that make up the different items of the course list. Case studies will be discussed within this strong conceptual framework.

There is not a unique textbook to support the course. The course sessions are based on readings that will be posted on line in advance. A set of slides for each session will set out the material more specifically.

Evaluation criteria
To pass, students should get at least 50 points out of 100, according to the following distribution:

- Final exam: 60 points
- Presentation/ class participation: 40 points.
Calendar and Contents (tentative)

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<th>Class</th>
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<tr>
<td>1</td>
<td><strong>Shareholders’ Governance and Investor Activism</strong></td>
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<td>2</td>
<td><strong>The Roles of CEOs and Executive Compensation</strong></td>
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<td>3</td>
<td><strong>Corporate Governance of Banks and the Financial Crisis</strong></td>
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<td>4</td>
<td><strong>Case Study: The Fall of Banco Espirito Santo</strong>&lt;br&gt;<strong>The Market for Corporate Control</strong></td>
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<td>5</td>
<td><strong>Presentation: Models of Corporate Governance</strong>&lt;br&gt;Case study: Sharks in the Water (A &amp; B)&lt;br&gt;Case study: New York Times Co.</td>
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**Reading Materials / Bibliography/ Resources**

Case studies and slides provided by the professor.

**Bio of Professor**

Andrea Polo is an Assistant Professor of Finance at Universitat Pompeu Fabra, an Affiliated Professor at the Barcelona GSE and a CEPR Research Affiliate. He has been an AXA Research Fellow, a fellow at the Rock Center for Corporate Governance at Stanford University, at the Said Business School at Oxford University and at the Oxford Institute for Global Economic Development. His research interests are in corporate finance, banking and governance. His work has been published in the Review of Financial Studies, the Journal of Financial Economics and the Journal of Financial and Quantitative Analysis.