Roy Shashua

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Contact Information

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Research Interests

Corporate finance, Financial markets, Corporate governance, Decisions under uncertainty

Education

Graduate Studies

PhD, Finance, The Wharton School, University of Pennsylvania, expected 2013
MA, Finance, The Wharton School, University of Pennsylvania, 2012
MBA, Finance, *Distinction,* Tel Aviv University, Israel, 2006

Undergraduate Studies

BSc, Computer Science & Philosophy, Tel Aviv University, Israel, 1998

Research

Shashua, R. (2012). Hidden Ownership, Monitoring, and the Value of the Firm. *Job Market Paper.*

Shashua, R. (2009). Ownership Structure, Takeovers, and the Voting Premium.

Teaching Experience

The Wharton School - Teaching Assistant

FNCE 100 - Corporate Finance, Prof Dana Kiku, 2009
FNCE 101 - Monetary Economics and the Global Economy, Prof. James A. Kahn, 2009
FNCE 602 - Macroeconomics (MBA), Prof. Lukasz Drozd, 2010
FNCE 728 - Corporate Valuation (MBA), Prof. Simon Benninga Oded Sarig, 2010

Tel Aviv University - Teaching Assistant

Options & Futures (MBA), Prof. Avner Kalay, 2006

Awards, Fellowships

University of Pennsylvania Dean's Fellowship for Distinguished Merit, 2006-2010
Daniel Marcus award for exceptional academic achievement, 2005

Professional Experience

Senior Quantitative Analyst, IDB (2004-2006)
Project Manager, Leumi Bank (2002-2004)
Software Team Leader, VI-1 Inc. (2000-2002)

Personal Information

Language: Native Hebrew, fluent English
Computing: C++, Multi-Threading, MATLAB, Mathematica, STATA, VBA

Thesis Committee

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Research Abstracts

Hidden Ownership, Monitoring, and the Value of the Firm (Job Market Paper)

A growing body of literature documents the increasing prevalence of "hidden ownership" - a strategy where an informed trader, such as a hedge fund, employs various derivative instruments to create a position that confers a significant economic exposure while sidestepping current disclosure regulations. I show that the uncertainty regarding the ownership structure introduced by hidden ownership better aligns the CEO's incentives with shareholder interests and increases firm value, even when the CEO is risk neutral. Furthermore, when given the opportunity to avoid disclosure of ownership, existing block holders will take advantage of available liquidity to trade and further increase this measure of uncertainty, making this effect even more dominant.

Ownership Structure, Takeovers, and the Voting Premium

Previous literature documented the existence of a price difference between dual class shares which are identical in all aspects except voting rights. This difference has been traditionally attributed to private benefits accessible by voting class shareholders. I present a model which predicts that the magnitude of the premium paid for voting shares is determined by the ownership structure of the firm. The model employs the Shapley value as a measure of the ownership structure stability and ties higher premia to less stable structures, as voting class shareholders' expectation for a premium paid in the eventuality of a takeover bid depends directly on perceived ex-ante probability of such a bid.