

JAN BENA

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LONDON SCHOOL OF ECONOMICS & POLITICAL SCIENCE

DEPARTMENT OF FINANCE

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R418, Financial Markets Group
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DATE OF BIRTH: Oct 18,1976

SEX: Male

CITIZENSHIP: Czech Republic

COMPLETED STUDIES:

2002-2006 Doctorate in Economics, Center for Economic Research and Graduate Education of Charles University (CERGE-EI), Prague, Czech Republic
2000-2002 M.A. in Economics, Center for Economic Research and Graduate Education of Charles University (CERGE-EI), Prague, Czech Republic
1999-2000 M.A. in International Trade, University of Economics, Prague, Czech Republic

CURRENT GRADUATE STUDIES: London School of Economics & Political Science

DATES: Sep 2006-Present

THESIS TITLE: "Access to External Finance and Corporate Budgeting Decisions"

EXPECTED COMPLETION DATE: Jul 2009

THESIS ADVISOR AND REFERENCES:

Professor **Dimitri Vayanos** (Advisor)
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Professor **Patrick Bolton**
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Professor **David Webb**
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London WC2A 2AE, United Kingdom
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DESIRED TEACHING AND RESEARCH:

Primary Fields: Corporate finance theory and empirics

Secondary Fields: Financial intermediation, development, and efficiency; Capital market dysfunctionality

TEACHING EXPERIENCE:

- Graduate Asset Markets (LSE, Main part-time MSc in Finance course for professionals)
Oct 2008-Present, Oct 2007-May 2008, Oct 2006-May 2007
Corporate Finance and Asset Markets (LSE, Main full-time MSc in Finance course)
Oct 2008-Present, Oct 2007-May 2008, Oct 2006-May 2007, Oct 2005-May 2006
Corporate Finance Theory (CERGE-EI, Prague)
Oct 2006-May 2007
Economics of Transition (CERGE-EI, Prague)
Sep-Dec 2002
- Undergraduate Corporate Finance, Investments, and Financial Markets (LSE, BSc in Accounting and
Finance 3rd year course)
Oct 2005-May 2006
Principles of Finance (LSE, Main BSc in Accounting and Finance 2nd year course)
Oct 2005-May 2006, Oct 2004-May 2005
Microeconomics (CERGE-EI, Prague)
May 2002-May 2004
Mathematics (CERGE-EI, Prague)
Jun-Aug 2002
- Beginners Finance (LSE, Summer school intensive course)
Jul 2007, Jul 2006, Jul 2005

RELEVANT POSITIONS HELD:

- 2005-Present Tutorial Fellow, Department of Finance, London School of Economics & Political
Science, London
- 2004-Present Research Assistant, Financial Markets Group, London School of Economics & Political
Science, London
- 2004-Present Junior Researcher, Economics Institute of the Academy of Sciences of the Czech
Republic, Prague
- 2004-2005 Part-Time Teacher, Department of Accounting and Finance, London School of
Economics & Political Science, London

LANGUAGES:

Fluent: Czech (Native) and English

Basic: German

HONORS, SCHOLARSHIPS AND FELLOWSHIPS:

- 2007 Gilbert de Botton Award in Finance Research, 2nd Runner-up
- 2006 Recipient of the American Finance Association Travel Grant, AFA meeting in Chicago
- 2006 Class teacher prize, Accounting and Finance Department, London School of
Economics & Political Science, London
- 2005 Global Development Network (GDN) grant No. RRC VI-68, CERGE-EI, Prague
- 2001-2002 Philip Morris Scholarship for academic excellence, CERGE-EI, Prague

SEMINAR/CONFERENCE PRESENTATIONS:

- 2008 Imperial College Business School, London
American University, Kogod School of Business, Washington, D.C.
Global Development Network (GDN) Annual Conference, Brisbane
- 2007 RICAPE2 Conference, Riga
Bank of England, Centre for Central Banking Studies Seminar, London
SUERF Conference on Financial Markets, Innovation and Growth, Helsinki
European Meeting of the Financial Management Association, Barcelona
Corporate Finance and Risk Management Conference, Solstrand, Norway
- 2006 Annual Czech Economic Society Meeting, Prague
21st Meeting of the European Economic Association, Vienna
Global Development Network (GDN) Workshop, Prague
Workshop on Financial Market Development in the CEE Countries, Prague
The International Symposium on Insurance and Finance, Bergen, Norway
- Seminars at Financial Markets Group, London School of Economics & Political Science, London
Oct 15, 2008; Jul 8, 2008; Oct 11, 2007; Feb 28, 2007; Nov 8, 2006; Oct 25, 2006;
Jan 25, 2006; Nov 26, 2003
- Seminars at CERGE-EI, Prague
Oct 1, 2007; Nov 20, 2006; Apr 25, 2005

JOB MARKET PAPER:

The Effect of Credit Rationing on the Shape of the Competition-Innovation Relationship

Using a dynamic model of a step-by-step innovation race between financially constrained firms, I study how financial constraints affect innovation activity. The novel theoretical results derive from an analysis of the interaction between the incentive effect of competition on innovation and the effect competition has on the degree of credit rationing. I find that the negative effect of financial constraints on firm- and aggregate-level R&D investment is most pronounced at both high and low levels of competition. These predictions are supported by empirical evidence: The competition-innovation relationship has an inverted-U shape in less financially developed systems relative to the benchmark pattern observed in countries with highly developed financial systems. Innovation-enhancing policies implemented through competition reforms ought to be complemented by promoting financial development.

PUBLICATIONS:

Rent Extraction by Large Shareholders: Evidence Using Dividend Policy in the Czech Republic
(joint with Jan Hanousek), May 2008, Czech Journal of Economics and Finance, Vol. 58, Issue 3-4, pp. 106-130

Using cross-sectional analysis of corporate dividend policy we show that large shareholders extract rents from firms and expropriate minority shareholders in the weak corporate governance environment of an emerging economy. By comparing dividends paid across varying corporate ownership structures—concentration, type, and domicile of ownership—we quantify these effects and reveal that they are substantial. We find that the target payout ratio for firms with majority ownership is low, but that the presence of a significant minority shareholder increases the target payout ratio and hence precludes a majority owner from extracting rent. In contrast to other studies from developed markets, our unique dataset from the Czech Republic for the period 1996–2003 permits us to take account of endogeneity of ownership.

WORK IN PROGRESS:

Which Firms Benefit More from Financial Development?

(joint with Štěpán Jurajda), Jul 2007, CEPR Discussion Paper No. 6392

We test whether more developed financial systems are better at tackling asymmetric information proxied by firm age and size. Comparing the growth effect of financial development (FD) across firms of different type, we find that FD disproportionately fosters the growth of young companies, while there is little evidence of differences in this effect across medium-sized and large firms. The disproportionate gains from FD for youngest firms are concentrated among firms with lower shares of equity capital on total assets—the firms that rely on external finance availability. Entering firms in low-FD countries have high shares of equity capital; such selective entry process is consistent with limited access to external financing.

Financial Development and Growth in Direct Firm-Level Comparisons

(joint with Štěpán Jurajda), Jul 2007, CEPR Discussion Paper No. 6395

The establishment of the EU-15 ‘single market’ in 1993 brought about a high degree of similarity in firms’ growth opportunities across countries, while substantial diversity existed in the development of national financial markets. We compare within-industry growth rates of similar ‘single-market’ firms facing financial systems of different depth and institutional quality as of 1993. Moving from the least to the most developed financial market within the EU-15 boosts firms’ annual value-added growth by about three percentage points. Our results also suggest that the growth gap due to initially under-developed financial systems was closed by 2003.

PROPRIETARY DATASETS:

Zephyr: Ownership Changes Database

(joint with Christian Fons-Rosen and Peter Ondko)

In this paper we describe Zephyr, the international dataset of ownership changes transactions compiled by Bureau van Dijk (BvD), which covers M&A, IPO, private equity, venture capital, and privatization deals. Zephyr has a unique breadth of cross-sectional coverage. There are 333,914 deals announced between 1997 and 2007 across a large number of industries. Companies involved in these deals come from 160 different countries. The key advantage of Zephyr is that companies are assigned the same identification numbers they have in other BvD datasets such as Amadeus, Orbis or Osiris. This has two consequences: First, detailed balance-sheet, income statement, and ownership information is available for several years before and after a deal appears in Zephyr. Second, firms that undergo ownership changes (‘treatment group’) represent a small fraction of the total number of firms (‘control group’) covered by, e.g., Amadeus. This allows improving on existing empirical research design in this area. We transform the original deal-based data into a clean database of ownership changes transactions that is suitable for academic research. We describe the content and coverage of the resulting database across countries, industries, and time stressing potential benefits over competing databases. Our set of descriptive statistics uncovers the key characteristics and trends of the international market for ownership over the last decade.

European Pyramid Ownership Structures

(joint with Christian Fons-Rosen and Jan Hanousek)

We develop an original algorithm that uses direct ownership links between firms to create a database that describes complex pyramid ownership structures to which firms belong. The statistics include, for example, the depth of pyramids, indirect vs. direct control among the firms within a pyramid, or the wedge between control and cash flow rights of controlling firms. Next, we apply the algorithm on a unique European ownership data based on Amadeus, a firm-level database collected by Bureau Van Dijk (BvD). Since 2001, Amadeus comes with detailed ownership information. Each Amadeus DVD update contains, for each company, only the latest reported ownership structure. We construct the panel of ownership data using multiple DVD updates from 7 consecutive years. The resulting ownership records dataset spans the period 2001-2007 and gives a unique breadth of cross-sectional coverage over time.