1
Cross-border venture capital investments [Recurso electrónico] : the impact of foreignness on returns / Axel Buchner ... [et al.]

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 598-600

Abstract: Against the background of the growing internationalization of venture capital (VC) investing, this is the first global comparison of the returns generated by individual domestic and cross-border deals. We examine investments worldwide during 1971–2009 and find that cross-border investments significantly underperform compared with equivalent domestic investments. Returns are negatively affected by geographic distances, cultural disparities, and institutional differences between the home and host countries. Returns on cross-border and domestic deals also decline after the late 1990s. International portfolio diversification and the saturation of domestic markets may explain why VC investors make cross-border investments despite poor expected returns.

Journal of international business studies. -- 2018, v. 49, n. 5, july, p. 575-604

1. Venture capital 2. Cross-border 3. Return 4. IRR 5. PME 6. Foreignness 7. Distance

---

2
Does corporate hedging attract foreign institutional investors? [Recurso electrónico] : evidence from international firms / Massimo Massa and Lei Zhang

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 629-631

Abstract: We study how corporate hedging affects the demand of foreign institutional investors. We collect measures of foreign exchange hedging and interest rate hedging for a comprehensive sample of international companies. We document a strongly positive relationship between foreign institutional demand and corporate hedging. The effect of hedging is concentrated in the demand of non-bank-affiliated investors, whereas bank-affiliated investors are less sensitive to it. The impact of hedging on foreign institutional ownership is higher for less transparent countries, and a low quality of corporate governance amplifies the effect of lower transparency. We address the potential endogeneity of hedging with an instrumental variable specification that exploits the changes in hedging induced by changes in the asset quality of relationship banks. We also show that the pre-IPO hedging policy is positively related to international investor demand after the IPO.

Journal of international business studies. -- 2018, v. 49, n. 5, july, p. 605-632

1. Hedging 2. Foreign exchange hedging 3. Interest rate hedging 4. Foreign ownership 5. International institutional investors

3

Foreign earnings management of US multinational companies [Recurso electrónico] : the role of decision rights / Jing Huang

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 571-572

Abstract: US multinational corporations (MNCs) need to allocate decision rights between parent companies and subsidiaries to manage global operations. This article examines how the allocation of decision rights affects foreign earnings management of MNCs. I find that the extent of foreign earnings management increases when parents retain centralized decision rights. But internal cross-border frictions, between parents and their foreign subsidiaries, and the external local legal environment in which foreign subsidiaries operate can mitigate foreign earnings management despite parents having centralized decision rights. This study provides evidence on how the decision structures of MNCs affect where earnings are managed.

Journal of international business studies. -- 2018, v. 49, n. 5, july, p. 552-574

1. Agency theory 2. Multinational corporations and enterprises 3. International financial reporting 4. Foreign earnings management 5. Headquarters–subsidiary roles and relations

---

4

The impact of climate risk on firm performance and financing choices [Recurso electrónico] : an international comparison / Henry He Huang, Joseph Kerstein and Chong Wang

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 652-654

Abstract: Increasingly adverse climatic conditions have created greater systematic risk for companies throughout the global economy. Few studies have directly examined the consequences of climate-related risk on financing choices by publicly listed firms across the globe. We attempt to do so using the Global Climate Risk Index compiled and published by Germanwatch (Kreft & Eckstein, 2014), which captures at the country level the extent of losses from extreme weather events. As expected, we find the likelihood of loss from major storms, flooding, heat waves, etc. to be associated with lower and more volatile earnings and cash flows. Consistent with policies that attempt to moderate such effects, we show that firms located in countries characterized by more severe weather are likelier to hold more cash so as to build financial slack and thereby organizational resilience to climatic threats. Those firms also tend to have less short-term debt but more long-term debt, and to be less likely to distribute cash dividends. In addition, we find that certain industries are less vulnerable to extreme weather and so face less climate-related risk. Our results are robust to using an instrumental variable approach, a propensity-scorematched sample, and path analysis, and remain unchanged when we consider an alternative measure of climate risk. Finally, our conclusions are invariant to the timing of financial crises that can affect different countries at different times.

Journal of international business studies. -- 2018, v. 49, n. 5, july, p. 633-656

1. Climate risk 2. Extreme weather 3. Earnings volatility 4. Financing choice

5

The role of earnout financing on the valuation effects of global diversification [Recurso electrónico] / Leonidas G Barbopoulos, Jo Danbolt and Dimitris Alexakis

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 547-549

Abstract: This article examines the impact of earnout financing on the value of acquiring firms engaged in cross-border acquisitions (CBAs), using a dataset of UK, US, Canadian and Australian firms from 1992 to 2012. The results show that firms initiating international business operations via earnout-financed CBAs enhance their value more than acquirers in (a) domestic acquisitions and (b) remaining CBAs by established multinational corporations (MNCs). Our findings demonstrate the superiority of earnout financing in CBAs announced by acquirers that have no prior international business experience. The results are robust to the firms' endogenous choice to diversify globally and to the use of earnout financing. We contend that earnouts contribute to the reduction of valuation risk faced by firms acquiring a foreign target firm for the first time. Our empirical findings contribute to the existing debate on the merit of international expansion through CBAs and the role of earnout contingent payment.

Journal of international business studies. -- 2018, v. 49, n. 5, july, p. 523-551

1. Cross-border acquisitions (CBAs) 2. First-time CBAs (FTCBAs) 3. Multinational corporations (MNCs) and enterprises (MNEs) 4. Contingent earnouts 5. Event study