



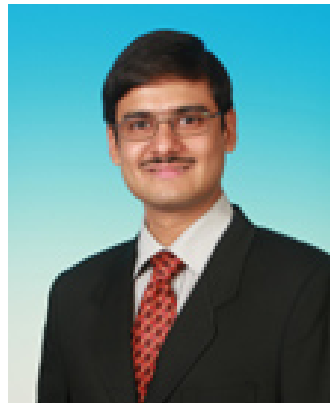
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FAKULTÄT FÜR BETRIEBSWIRTSCHAFT
MUNICH SCHOOL OF MANAGEMENT
INSTITUT FOR ACCOUNTING, AUDITING, AND ANALYSIS
(AAA)
PROF. DR. THORSTEN SELLHORN



Accounting Research Workshop (ARW) - ST2016

- Speaker:** Rik Sen
- University:** Assistant Professor of Finance Department, Hong Kong University of Science and Technology
- Research:** Corporate Governance, Executive Compensation, Insider Trading, and Behavioral Corporate Finance.
- Date:** May 17, 2016
- Topic:** “Inside Brokers”
- Abstract:** “We identify the stock broking house that firm's insiders trade through, and show that analysts employed at such “inside brokers” have a distinct information advantage over other analysts, even after the trade is publicly disclosed. This advantage of the “inside analyst” is stronger for firms that are smaller, more opaque, and with greater disagreement about their future. Unlike many other sources of analyst comparative advantage, the effect we show is stronger after Regulation Fair Disclosure. We show that one source of advantage of the broker is the knowledge of the nature of the trading instruction, which facilitates inference about the trade’s information content. Our results have important implications for regulations needed to deal with information asymmetry that arises from the process of trading by insiders.”



We are very pleased that we had the possibility to take part in the interesting presentation of Prof. Sen who we invited in our Accounting Research Workshop. We wish him all the best for his research project.