Propositions attached to the thesis

Raising capital: on pricing, liquidity, and incentives

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I IPO underpricing is positively related to stereotypical industry underpricing (chapter 2).

II The relation between IPO underpricing and stereotypical industry underpricing is stronger for IPOs with more retail ownership (chapter 2).

III Aggregate equity issuance increases after aggregate local stock market liquidity increases (chapter 3).

IV Changes in stock market liquidity are less relevant for equity issuance of firms in financial distress (chapter 3).

V The issuance of contingent convertible bonds by banks is associated with higher risk taking in the loan portfolios (chapter 4).

VI The pricing of new equity issues is not only a result of rational deliberations.

VII Subsidizing the issuance of contingent convertible bonds using government funds leads to overall welfare loss.

VIII A financial system in which shrewd, self-centered, amoral, and insatiable agents – also know as 'rational' agents – operate, requires Bokito-proof regulation to maximize affluence for overall society.

IX Better financial education of an as broad as possible public produces better security prices.

X It is an illusion to think that removing variable compensation resolves incentive issues; it just creates different ones.

XI When pursuing far away goals and without a path in sight to get there, it is important to move, regardless of the size or direction of the movements. Often paths will appear.