Propositions

Belonging to the PhD thesis

Essays in Financial Economics

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1. Staged financing, whereby financing is unconditional in the early stages and becomes more performance-sensitive in later stages, alleviates moral hazard in the development of innovative projects (Chapter 2).
2. Agency conflicts can lead to optimal short- and long-termism in corporate policies and, depending on past performance and characteristics, the same firm can exhibit optimal short- or long-termism (Chapter 3).
3. In a dynamic principal-agent model, the delegation of contracting with the agent to an intermediary generates additional incentives to the intermediary to monitor the agent. (Chapter 4).
4. Token security features --- such as cash flow or dividend rights attached to crypto tokens --- trigger endogenous network effects and stimulate the adoption of a token-based platform (Chapter 5).
5. Even with over-collateralization, a fixed exchange rate of a stablecoin to a reference currency is fragile and not credible. (Chapter 6).
6. Stablecoins that are backed by both user collateral and platform reserves are more resilient to market turmoil than algorithmic stablecoins.
7. The conflicts of interests between the users of cryptocurrencies and speculators shape the design and volatility of cryptocurrencies, possibly amplifying cryptocurrency price volatility.
8. Price volatility limits cryptocurrencies' function as means of payment and transaction medium, thereby limiting widespread adoption of cryptocurrencies.
9. The rise of Decentralized Finance platforms and applications (DeFi) has increased the risk and fragility of cryptocurrency markets as well as of the broader financial market.
10. Raising money via Special Purpose Acquisition companies mitigates the adverse selection problem in the process of taking a firm public.
11. A theory in finance that can perfectly describe financial markets changes financial markets to the point it becomes obsolete and useless.