Financial Systems around the World, Spring 2012  
[Offered in English in seven weeks, two meetings each week]

Prof. Yishay Yafeh, Room 5127, Tel: 02-5883081, yishay.yafeh@huji.ac.il  
Office Hours: Wednesdays, 17-18, please schedule an appointment in advance.

The course offers an overview of several major topics in financial economics on the basis of international comparisons of financial systems across countries and time periods. Among the topics discussed are the emergence and evolution of financial systems; the law and finance paradigm and corporate governance; the debate on universal banking and the optimal regulation of banking systems and financial intermediaries; venture capital, private equity and the financing of innovative firms; business groups, family firms and the recent regulation of pyramids and “economic concentration” in Israel.

Course requirements: Regular class attendance and participation are required. There will be one short problem set (15%), a final exam (60%) and a "referee report" you will have to write on an academic article related to the course material which is not discussed in class (25%). Assignments must be handed in on time, unless a request for an extension is made before the date in which the assignment is due.

Prerequisites: For visitors: basic knowledge of finance, micro-economics and statistics is assumed. For Hebrew University students: the course is aimed for MBA students specializing in Finance and for students in the Financial Economics Program. Other students should verify that they have the appropriate background before registering.

Reading list: Single-starred articles are useful surveys; double-starred articles are papers you are expected to read and know. Many of the topics are summarized also in the Handbook of the Economics of Finance which is available in the library, where you will also be able to find material on additional (important) topics which are not covered in this course (e.g. capital structure, dividend policy and more).

Topic 1: Basic Concepts: Information and Agency Problems, and Corporate Governance


Topic 2: Law and Finance: Property Rights and the Development of Financial Systems


Topic 3: Financial Intermediation, Conflicts of Interest and Universal Banking


Topic 4: Venture Capital and Private Equity Funds around the World


Topic 5: Family Firms, Business Groups, and Regulation


(See also – report and slides of the government-appointed committee for the regulation of business groups and competition in Israel).