



CERF Fellow Report

Please note this information will be published on the CERF website.

1. Personal Details

Name and Faculty:	Bang Dang Nguyen
Date:	Agust 31, 2016
CERF Fellowship Period:	May 2016 – May 2018

2. Research Update

Research Title and Abstract Please tell us your CERF Funded Research Title and Abstract (250 words max)	The Impact of the External Networks of Directors on Firms This project investigates the external social networks of directors and their real impact on firms. Using a social-network based measure of director connections with important outside economic agents such as suppliers, bankers, and powerful politicians in a sample of U.S. firms from 1999 to 2011, we study whether and how these network connections impact firm value, performance, and major corporate financing and investment decisions. We also analyses the extent to which network characteristics such size, closeness, activeness and homophily dertermine network value. Finally, we propose a robust identification to the endogenous relationship between director network connections and firm value.
---	--



<p>Key Research findings to date: (250 words max)</p>	<p>Our first finding is the positive and significant impact of the external networks of directors on firm value. Around the election day, local firms connected to the winner experience a positive and significant average cumulative abnormal return (CAR) of 4.1% above the CAR of local firms connected to a closely defeated contender. It is an increase in firm value of \$211.7 million and \$27.4 million for our sample's average and median firms, respectively. This result remains robust to a battery of robustness tests, including RDD randomness checks, inclusion of various observable variables, alternative samples, different levels of standard error clustering, and alternative specifications in the event windows and in the market models.</p>
--	--

3. Weblinks to your work

We would like to provide CERF Managers with weblinks to the research output of CERF Funded Projects and the following information:

- links to your research outputs
- publications generated during the CERF fellowship
- seminars, conference presentations, press releases and other academic activities



- links to your research outputs

Web Page:

<http://www.jbs.cam.ac.uk/research/faculty/nguyenb.html>

SSRN Author Page:

<http://ssrn.com/author=451382>

- seminars, conference presentations, press releases and other academic activities

http://www.jbs.cam.ac.uk/fileadmin/user_upload/faculty_cvs/nguyenbd_cv.pdf

4. Additional information

Is there any other information you would like to share with us about your work to date?

Please return completed form to The Administrator, admin@cerf.cam.ac.uk