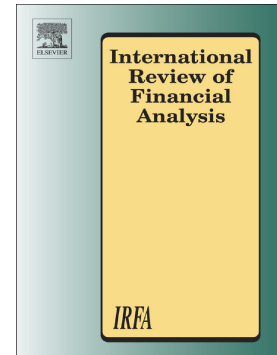


Accepted Manuscript

Top-tier financial advisors, expropriation and Chinese mergers & acquisitions

XiaoGang Bi, Danni Wang



PII: S1057-5219(18)30171-6
DOI: doi:[10.1016/j.irfa.2018.03.002](https://doi.org/10.1016/j.irfa.2018.03.002)
Reference: FINANA 1199

To appear in: *International Review of Financial Analysis*

Received date: 22 April 2016
Revised date: 27 February 2018
Accepted date: 14 March 2018

Please cite this article as: XiaoGang Bi, Danni Wang , Top-tier financial advisors, expropriation and Chinese mergers & acquisitions. The address for the corresponding author was captured as affiliation for all authors. Please check if appropriate. *Finana*(2017), doi:[10.1016/j.irfa.2018.03.002](https://doi.org/10.1016/j.irfa.2018.03.002)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

Top-tier Financial Advisors, Expropriation and Chinese Mergers & Acquisitions

XiaoGang BI*

Nottingham University Business School (China)

Email: x.bi@nottingham.edu.cn

Danni WANG

Nottingham University Business School (China)

Email: danni.wang@nottingham.edu.cn**Abstract**

The empirical literature contains mixed evidence regarding the relationship between advisor reputation and returns in mergers and acquisitions (M&As). However, very few studies consider the detrimental effect of expropriation by controlling shareholders and value creation role of top-tier financial advisors. We revisit the role of financial advisors in M&As by examining whether and why top-tier advisors affect acquisition quality in the Chinese market, finding that they generate substantial value for acquiring shareholders, though value creation is lower for high expropriation-possibility acquirers. We also show that top-tier financial advisors help improve operating performance and reduce bid premiums. The results contribute to the takeover literature by shedding new light on the role of financial advisor in acquisitions.

Keywords: investment banking; financial advisors; mergers & acquisitions; expropriation; value creation

JEL Code: G24; G34

* Corresponding author: XiaoGang BI, Department of Finance and Accounting, Nottingham University Business School (China), 199 Taikang East Road, Ningbo, P. R. China, 315100; Tel: (86) 574 88180362; Email: x.bi@nottingham.edu.cn

Download English Version:

<https://daneshyari.com/en/article/7355685>

Download Persian Version:

<https://daneshyari.com/article/7355685>

[Daneshyari.com](https://daneshyari.com)