

FIN 423
IPO Cases, 1992-present

Some cases are for IPOs that have already happened, some are "real-time"

Teams are assigned to represent either management or underwriters

Two phases:

- negotiation occurs
- valuation report prepared

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Some years, the negotiation pairings are assigned (bilateral monopoly)

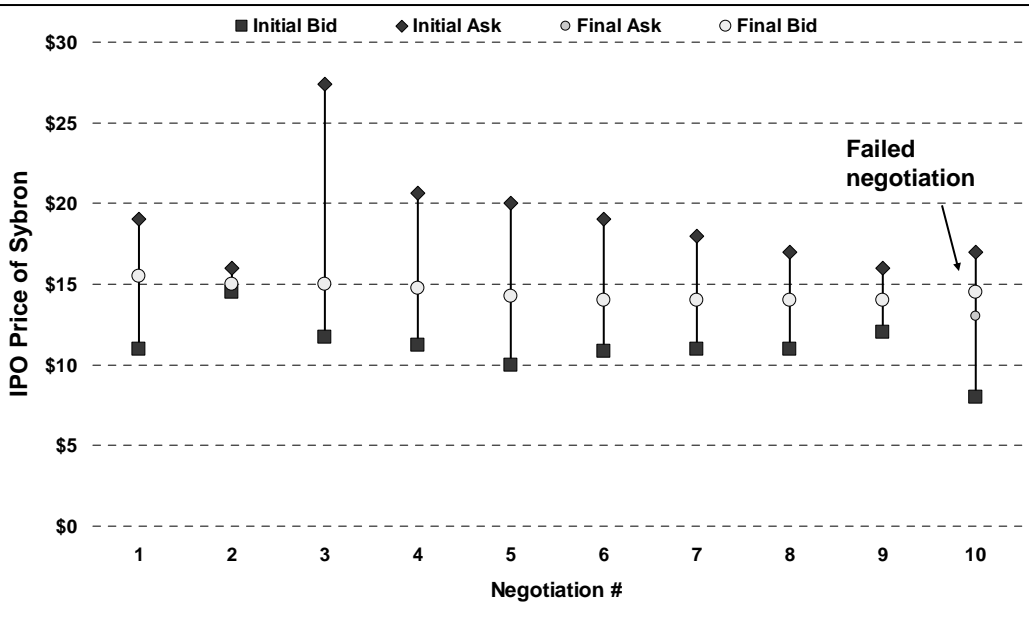
Other years, teams are allowed to find any team on the other side of the case (competition)

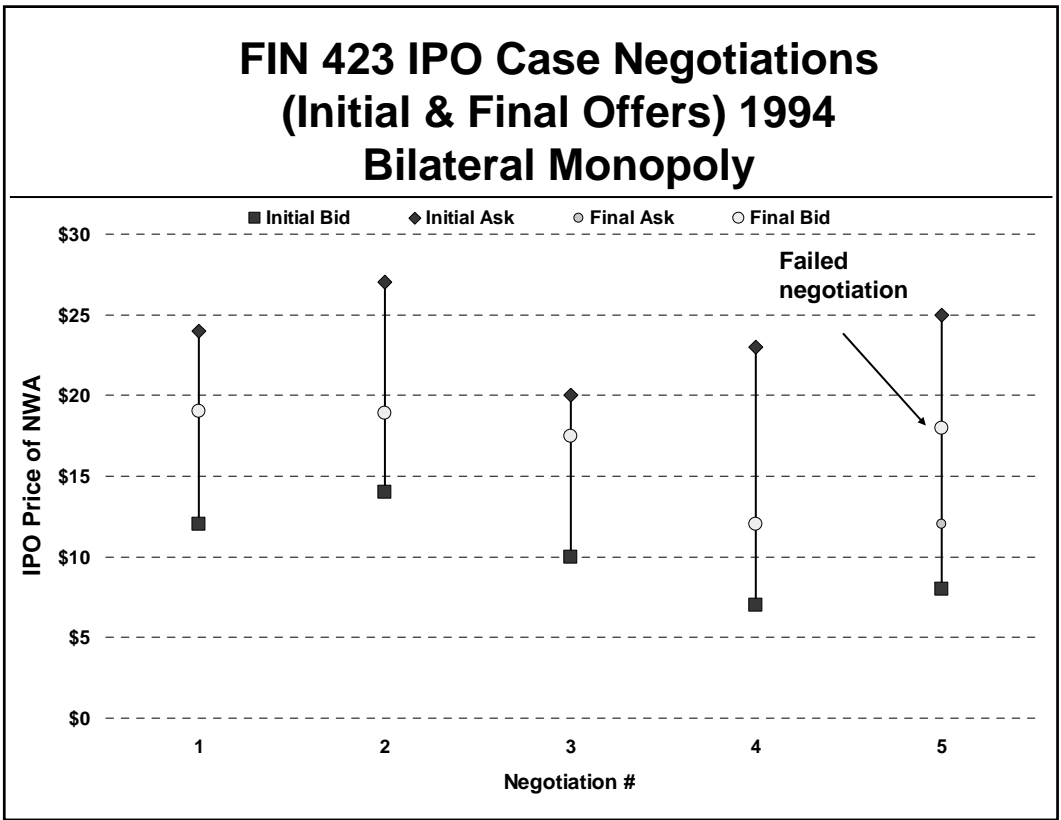
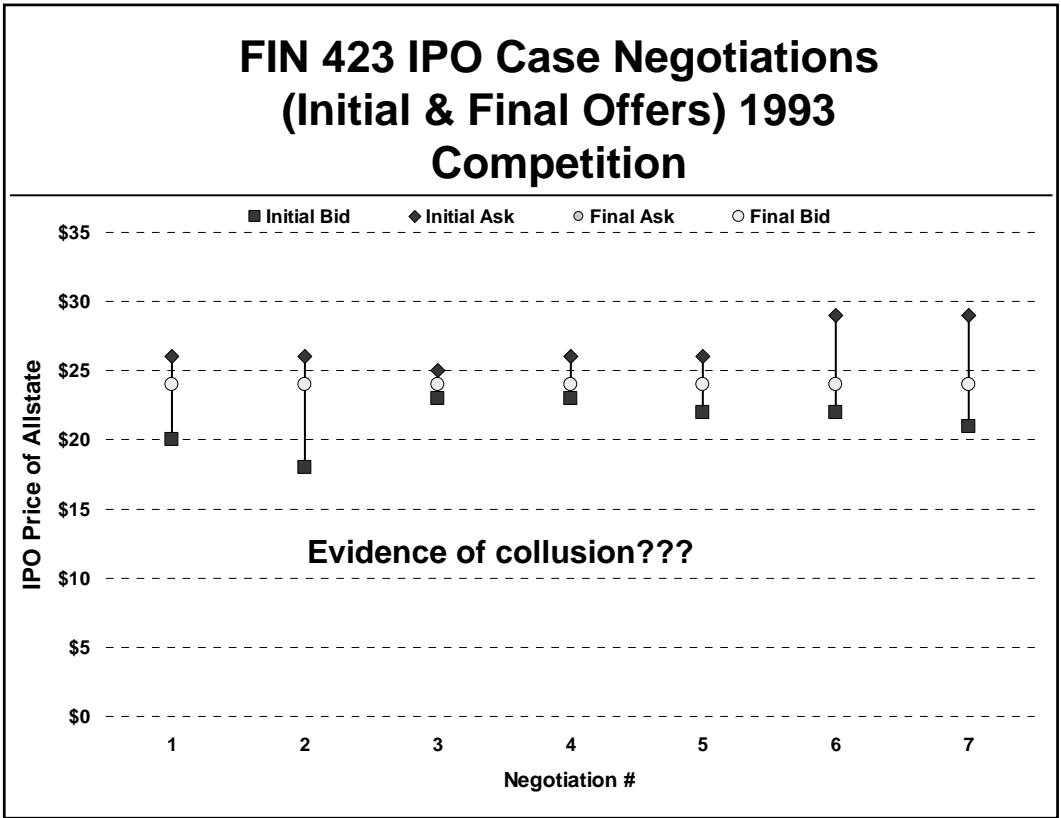
FIN 423 IPO Cases, 1992-present

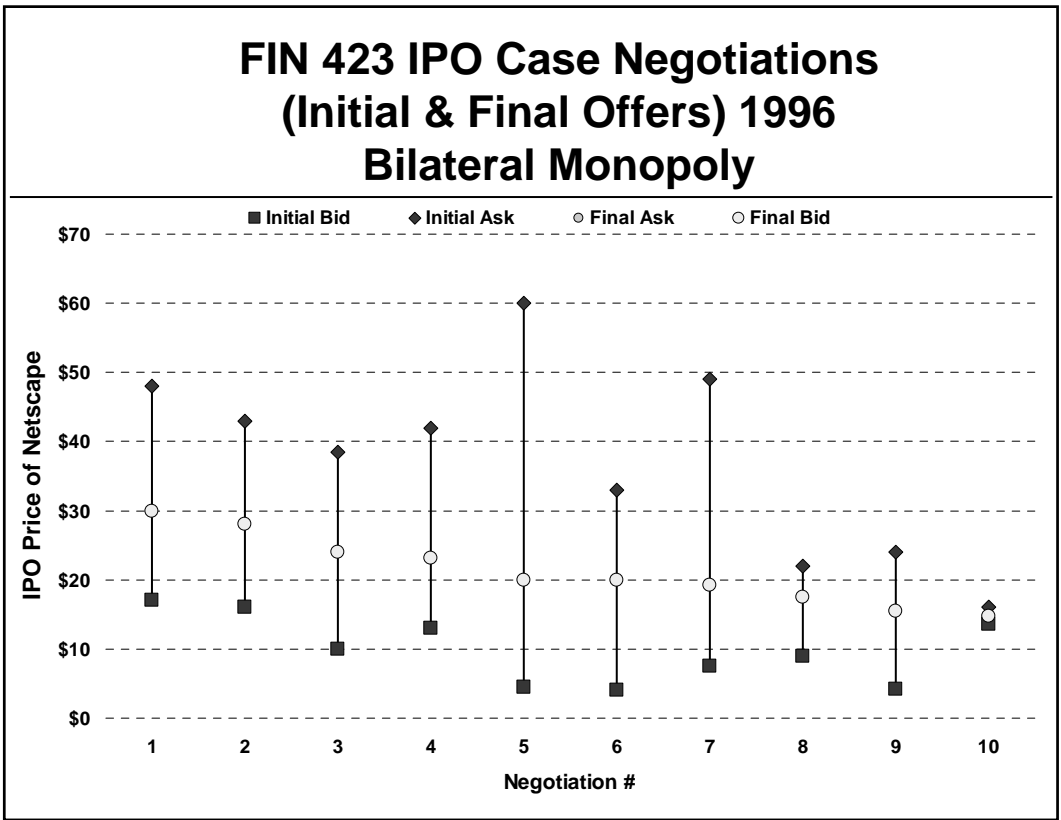
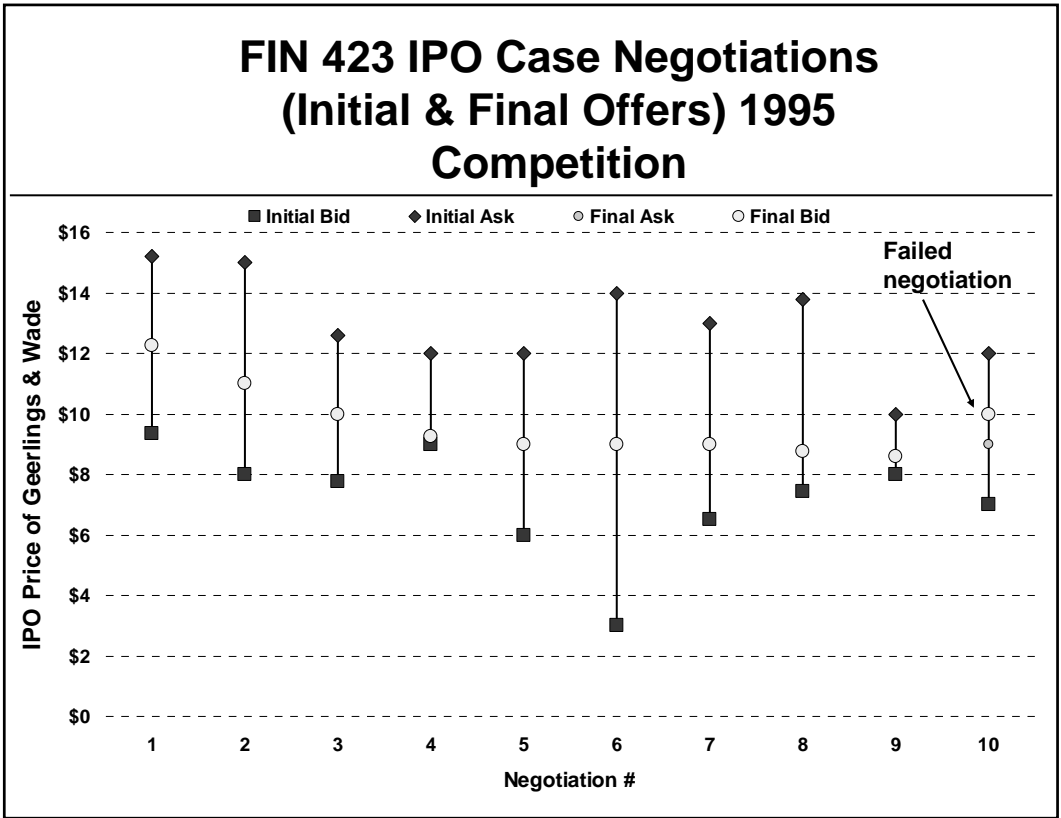
Lessons:

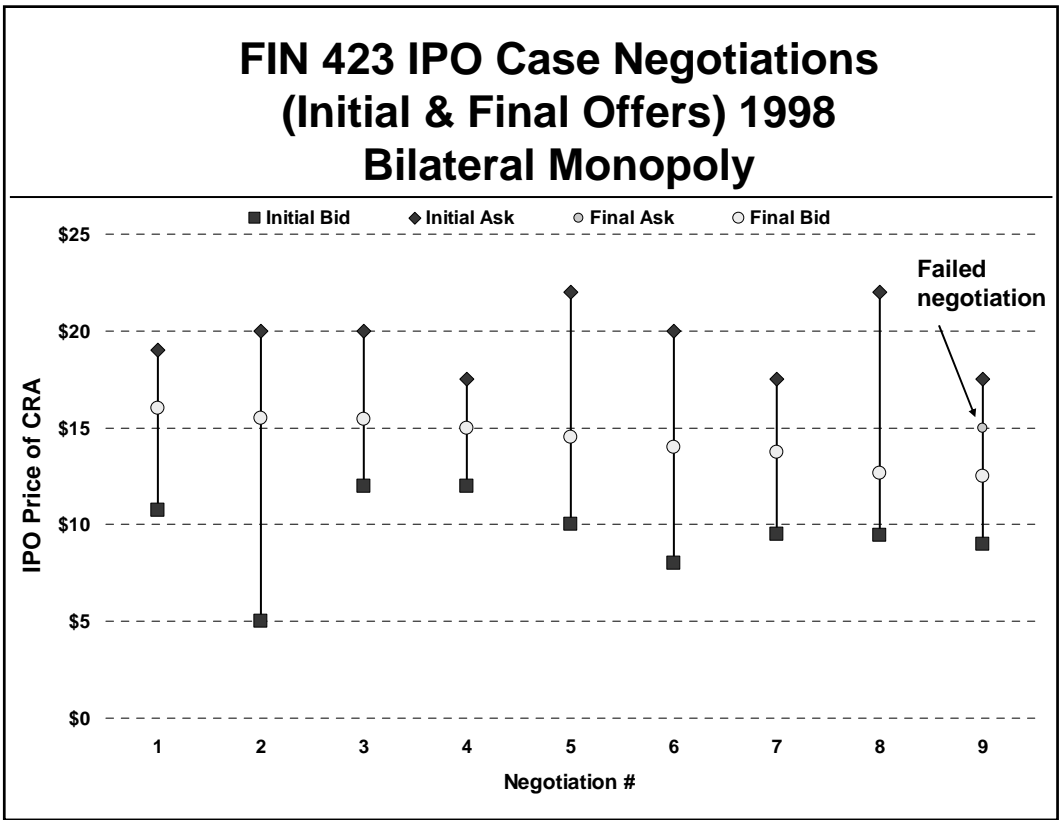
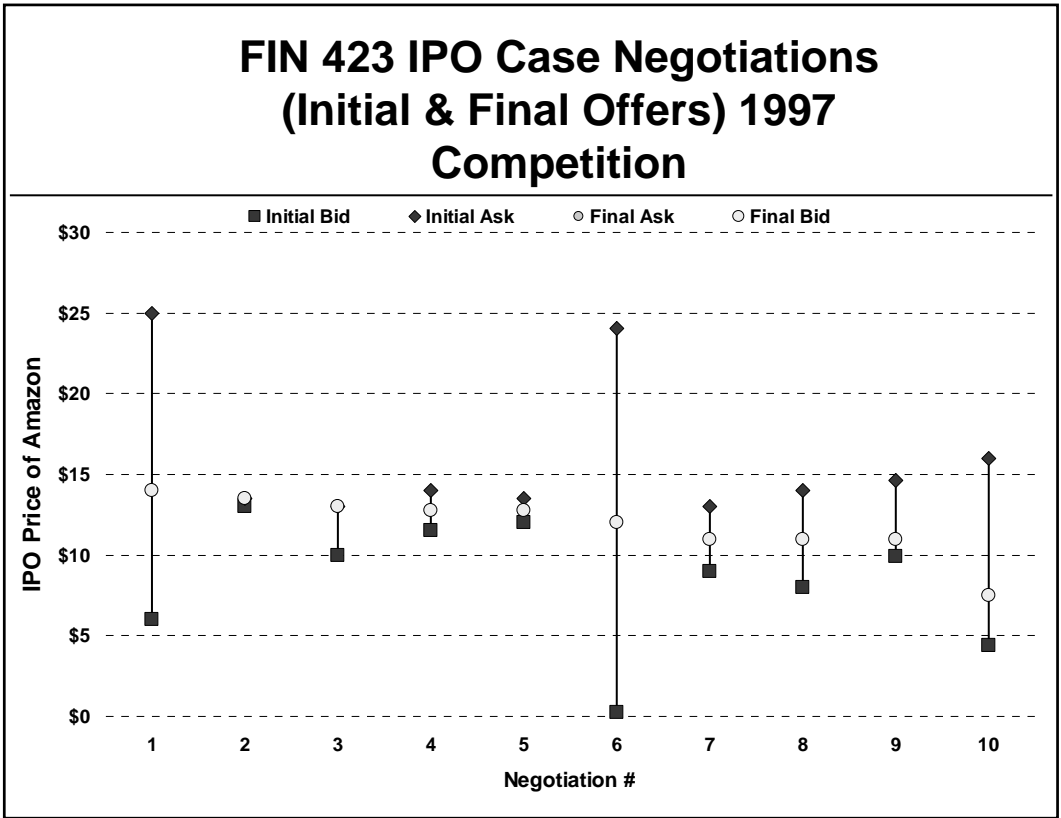
- systematic bias in valuation results as a function of the incentives
- initial position (bid or ask) seems to be unrelated to final price
- competition seems to have a stabilizing effect on prices
- negotiation success is not always related to the quality of the reports

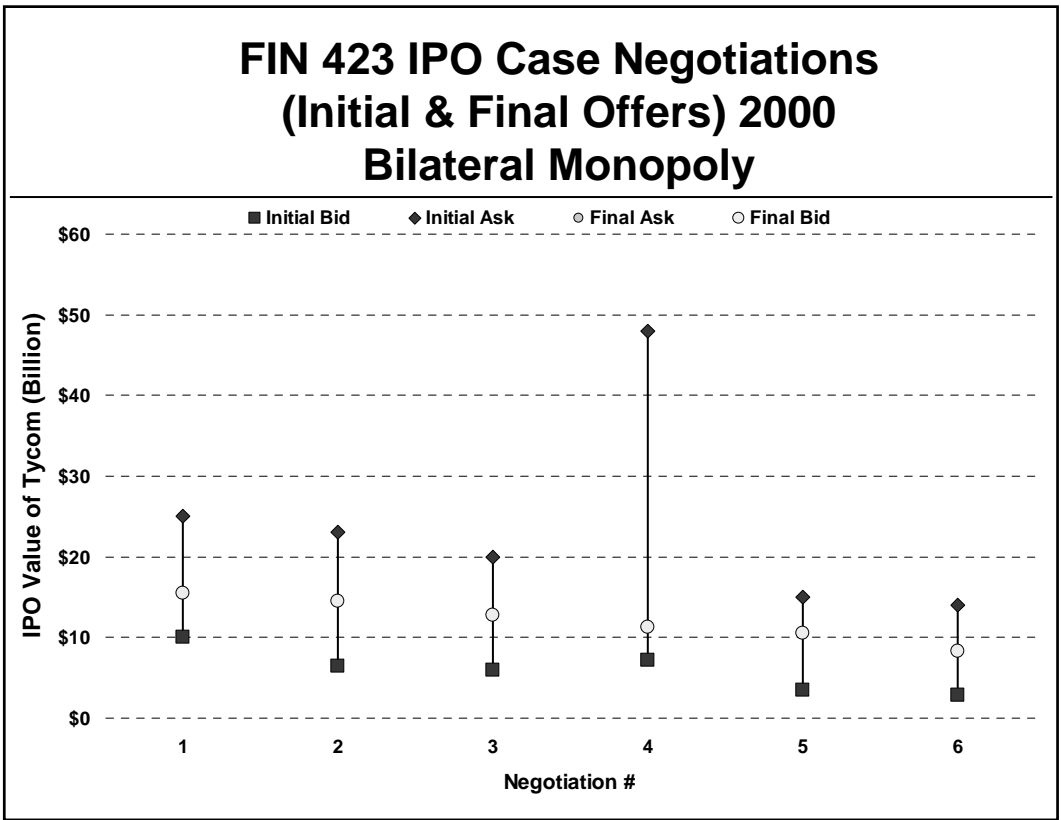
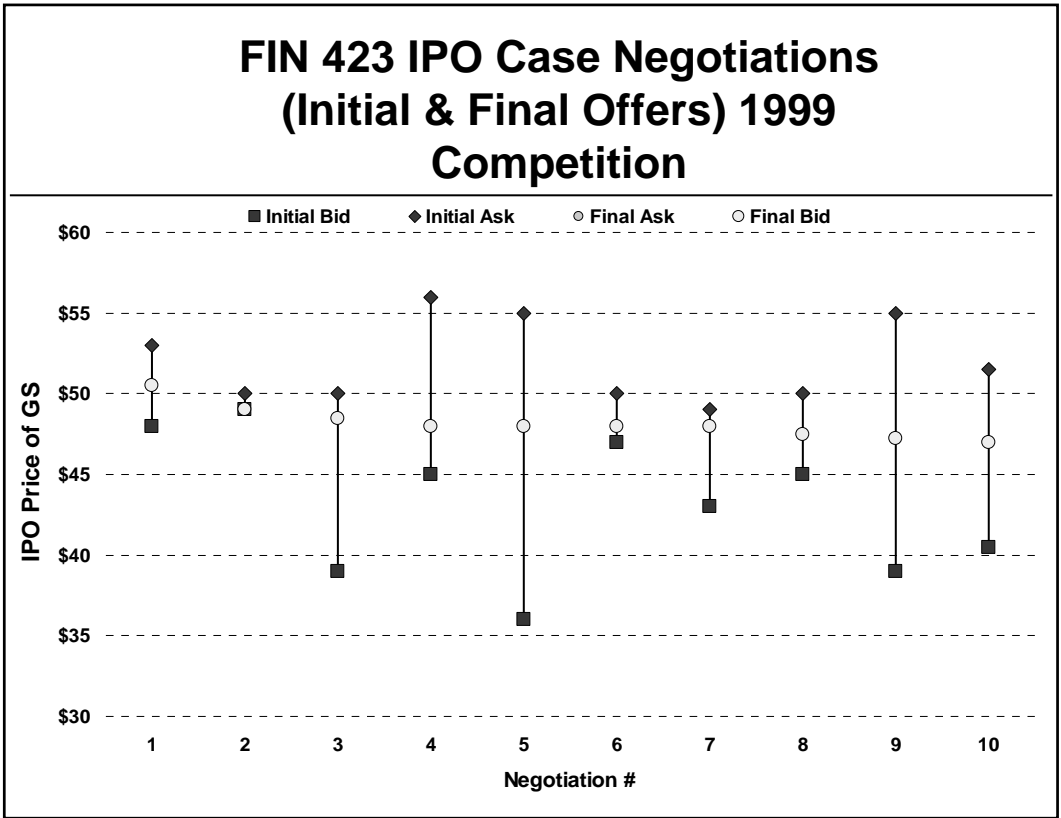
FIN 423 IPO Case Negotiations (Initial & Final Offers) 1992 Bilateral Monopoly

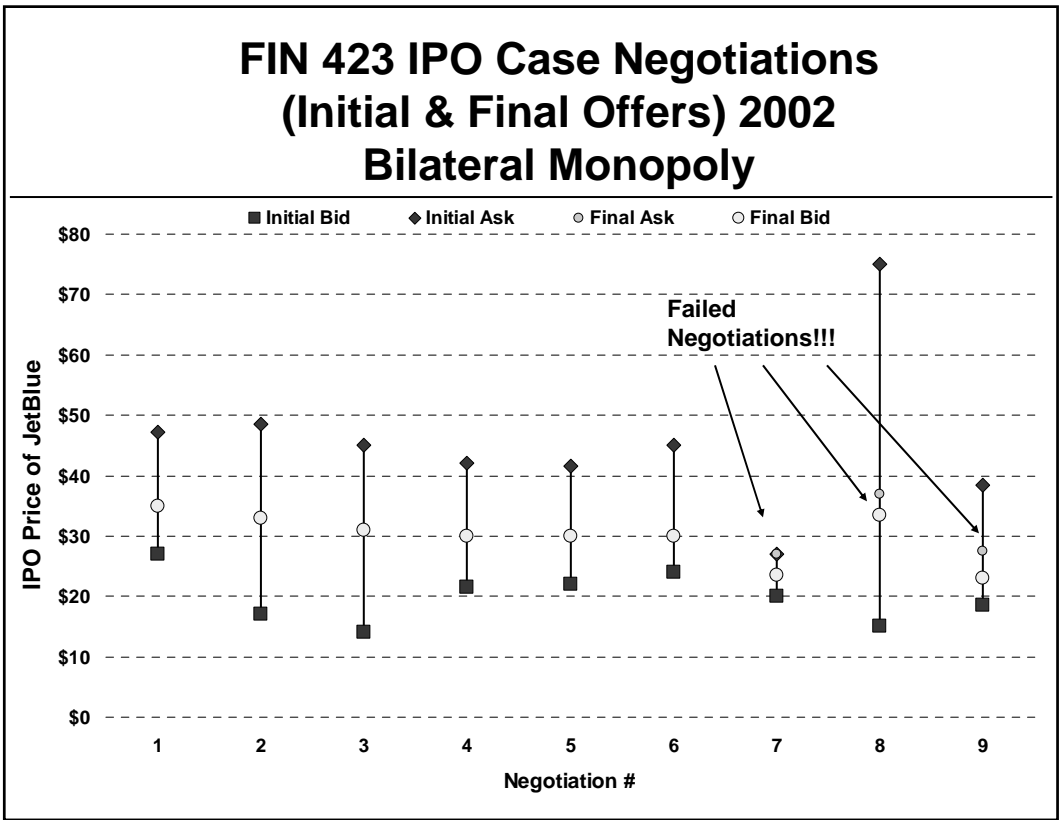
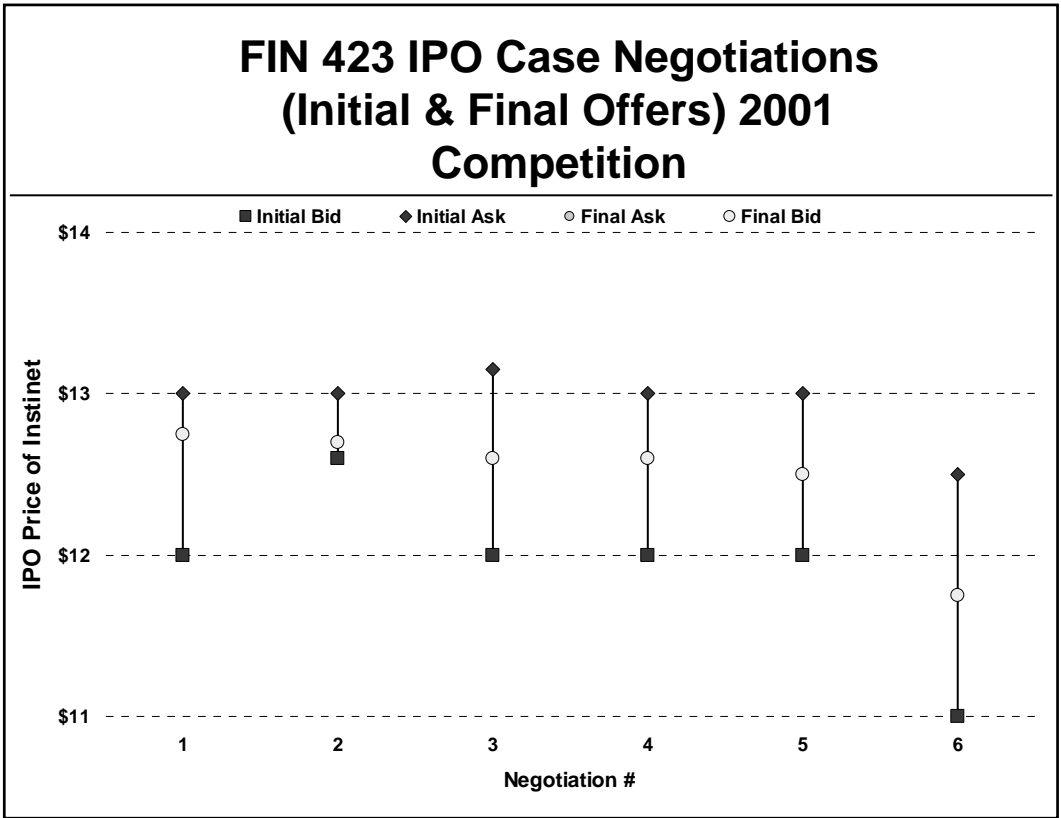


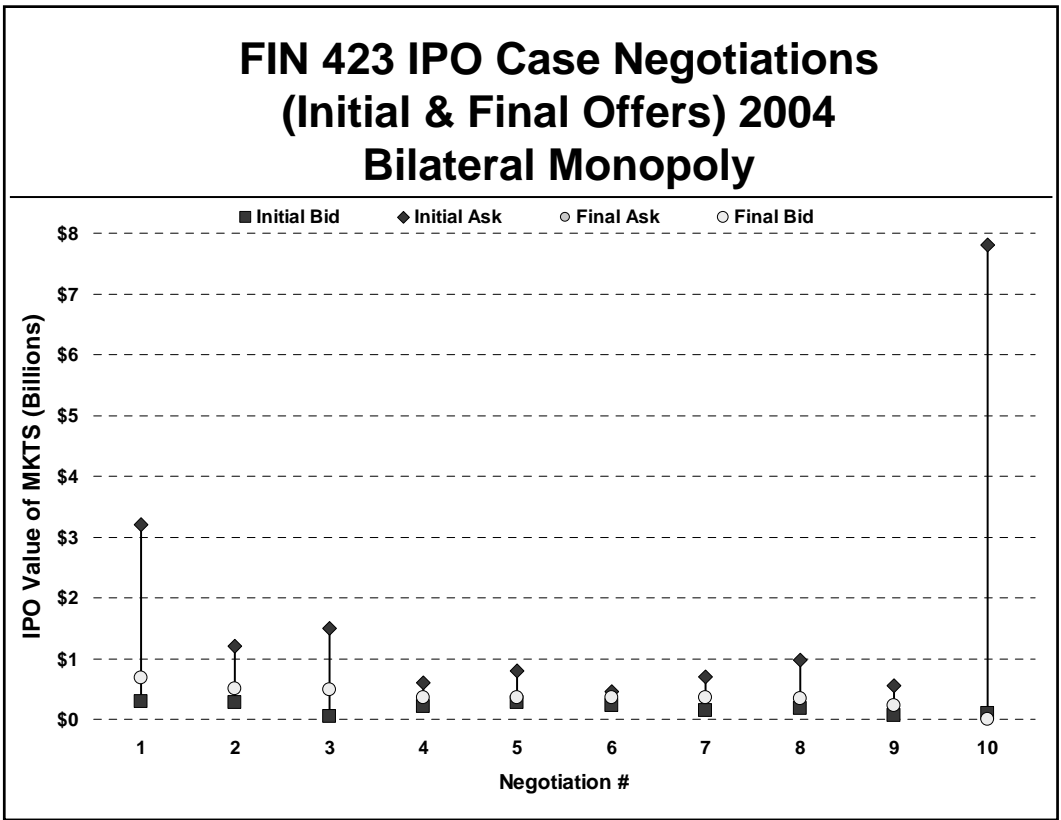
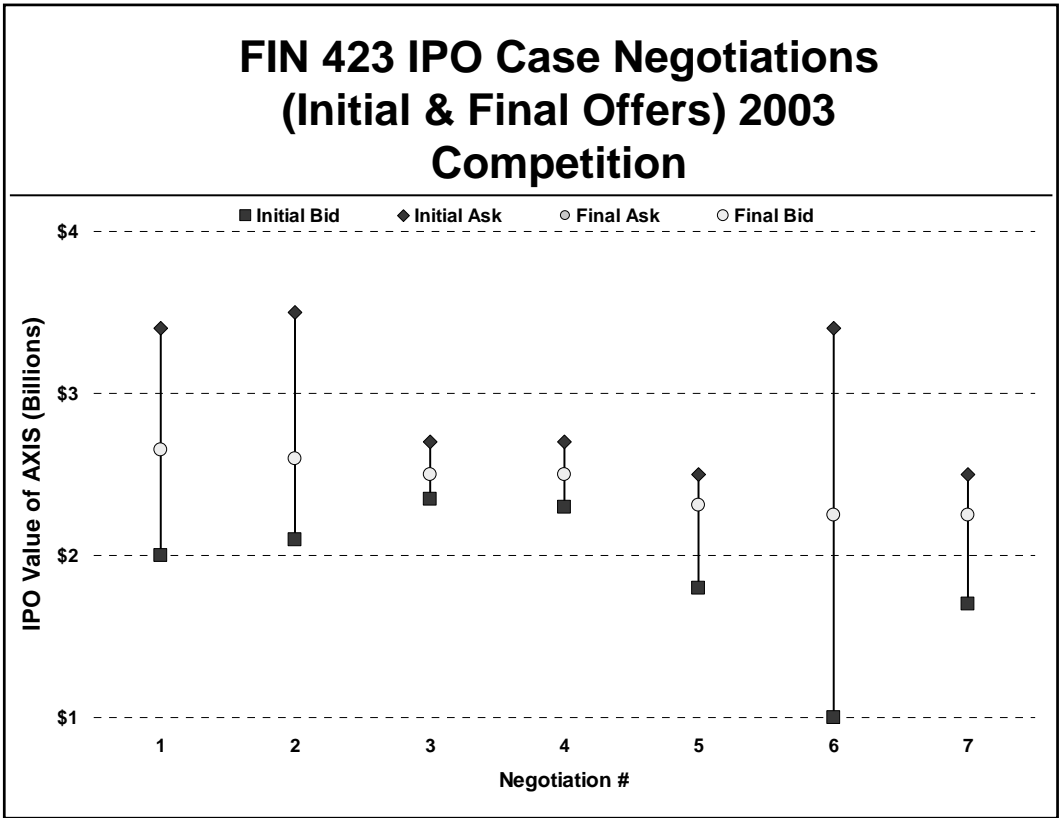


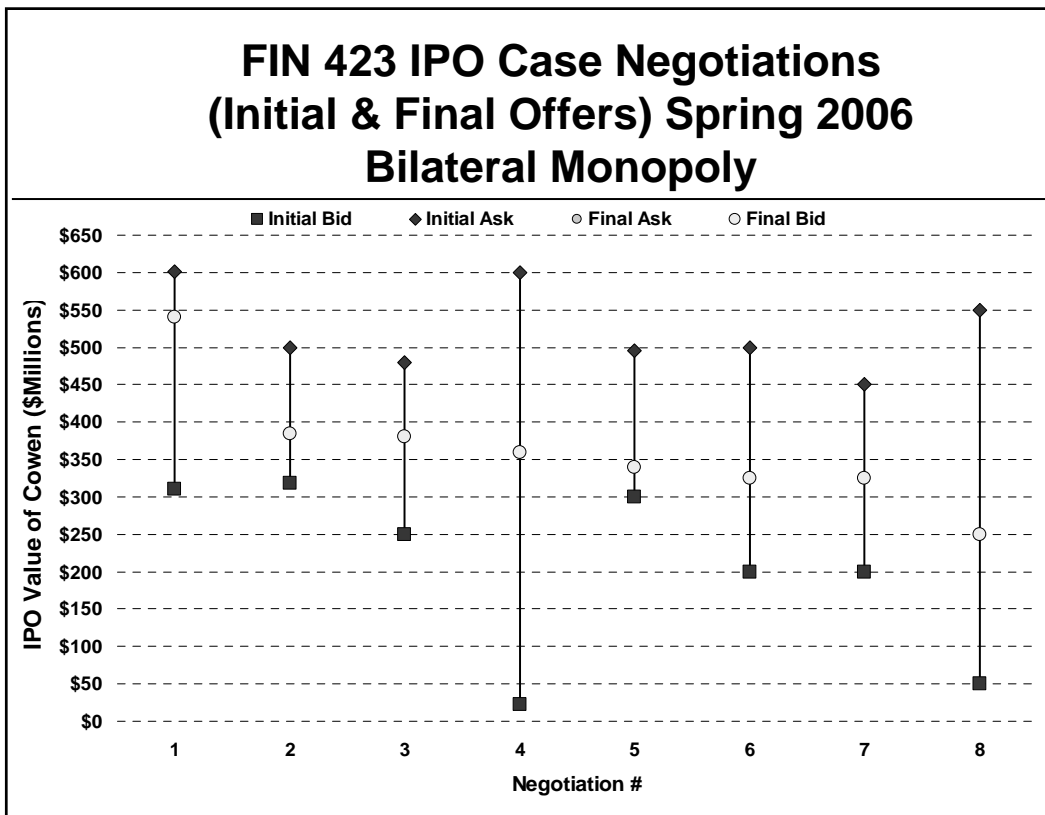
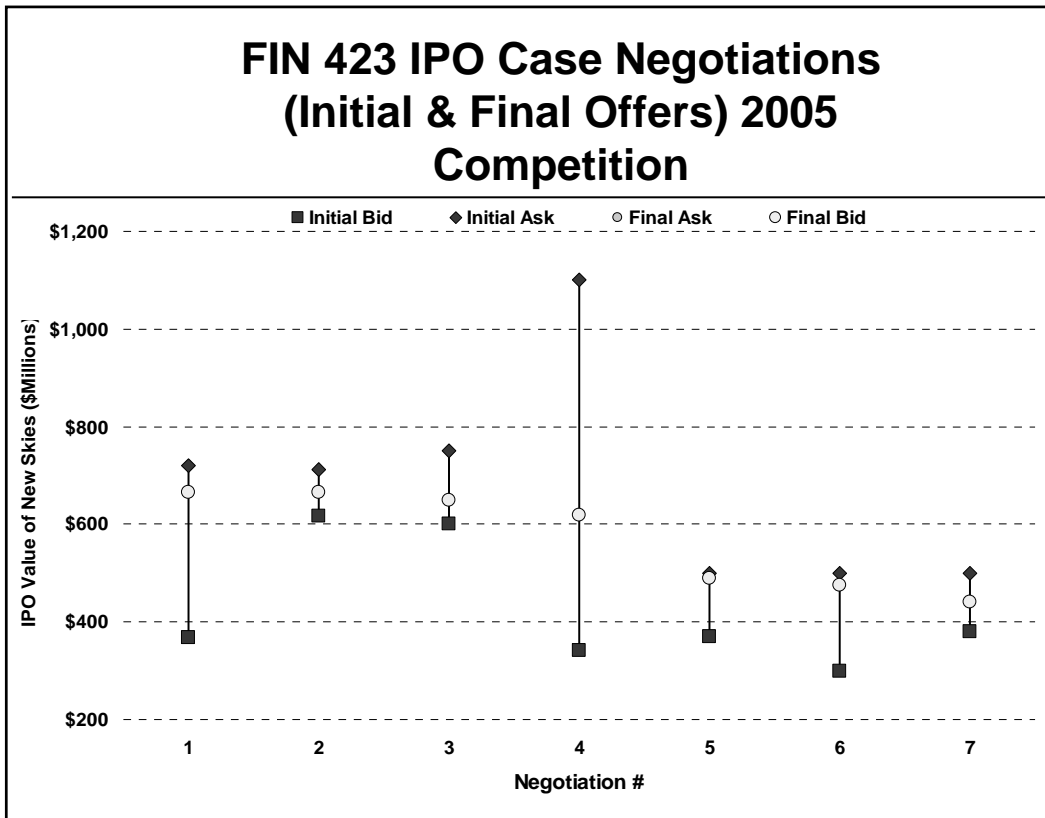


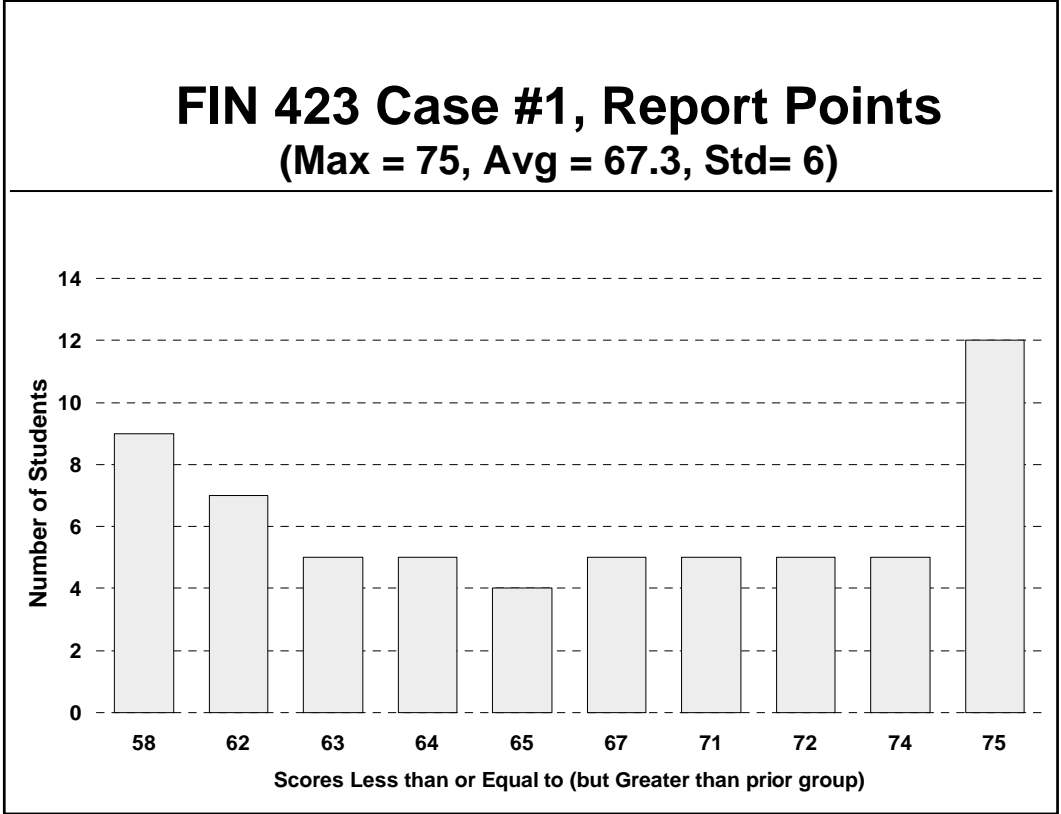
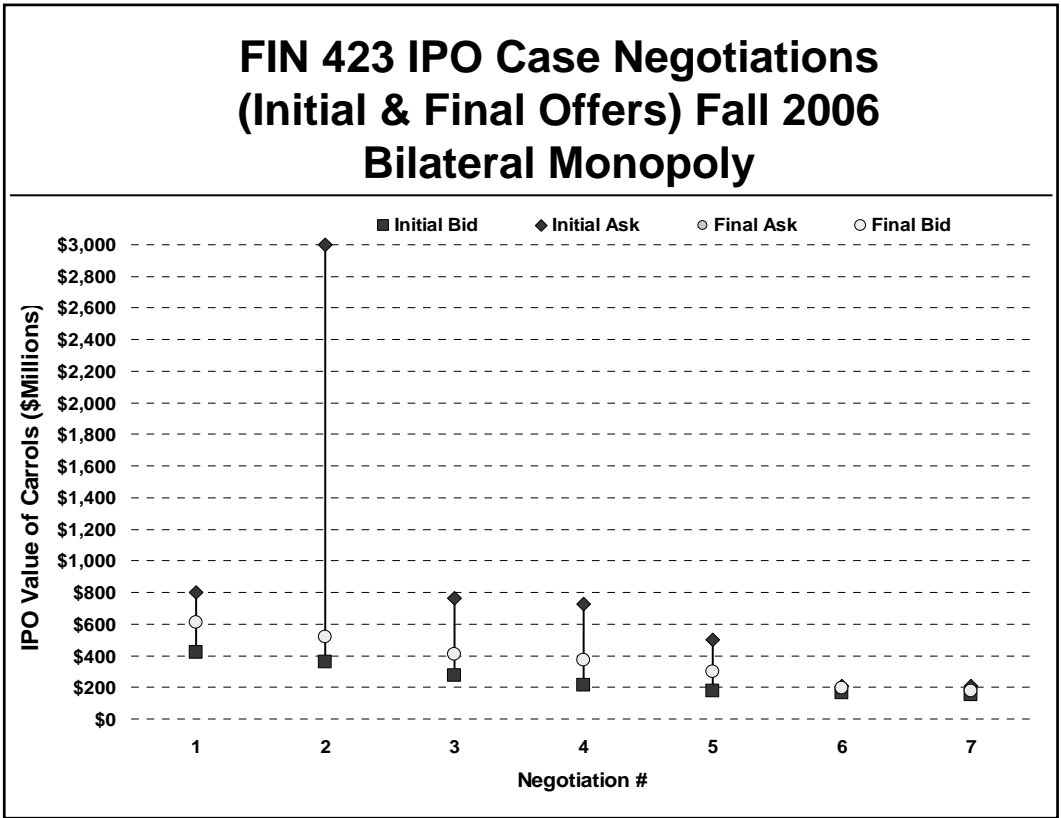


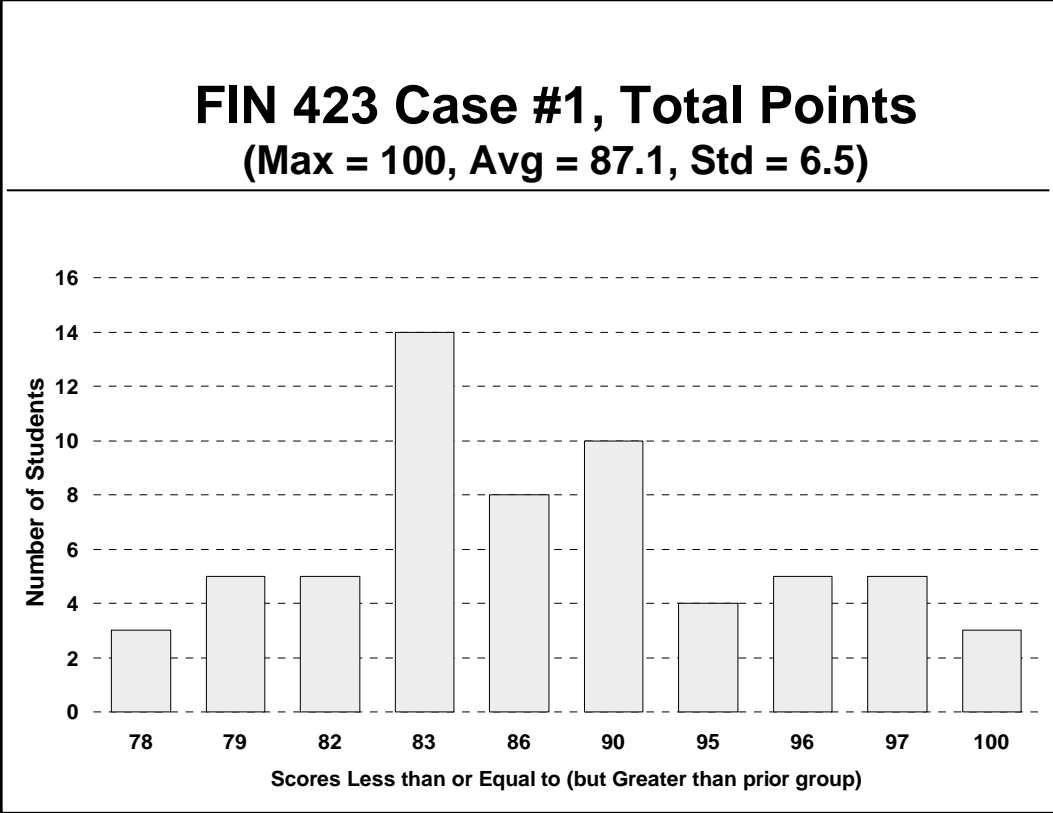












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