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FAKULTÄT FÜR BETRIEBSWIRTSCHAFT
MUNICH SCHOOL OF MANAGEMENT
INSTITUT FÜR UNTERNEHMENSRECHNUNG UND CONTROLLING
(IUC)
PROF. DR. CHRISTIAN HOFMANN



Accounting Research Workshop (ARW) – winter 2021

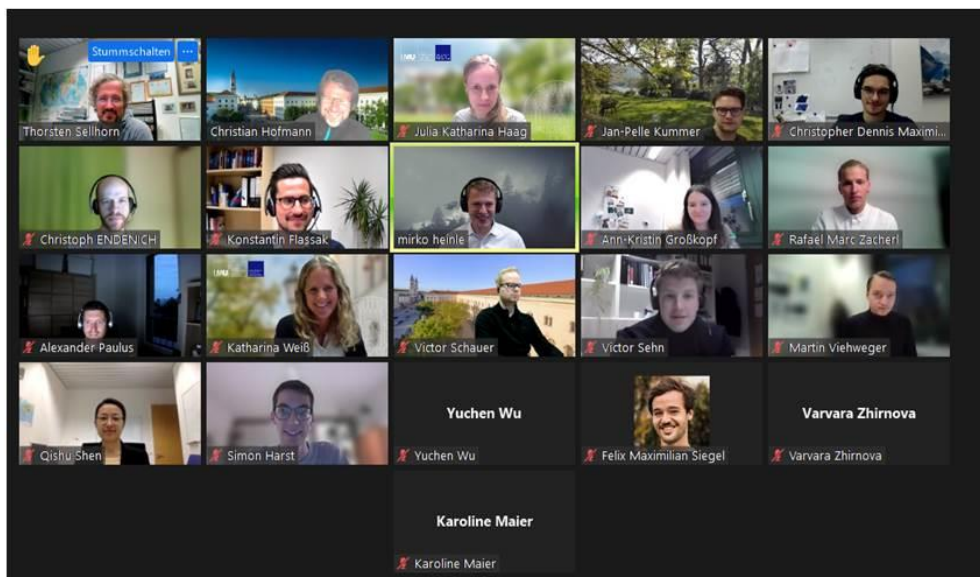
Speaker: Mirko S. Heinle

University: Associate Professor of Accounting, The Wharton School, The University of Pennsylvania

Date: October 26, 2021

Topic: „Asset pricing and externalities“

Professor Mirko Heinle’s talk gives an overview of his own work but also the work of others for how externalities affect the pricing of assets. He sheds light on the changing role of ESG in today’s world. Thereby he rises several interesting questions. For example: What does the market learn from such ESG disclosures? What do investors want: Firms that try to do good or perform well? Is it possible to regulate disclosures in a beneficial way? Additionally, he presents attempts in current research to tackle those questions. For example, in his own work he allows for the possibility that investors value firms’ non-cash activities such as investments in corporate social responsibility (see Friedman and Heinle (2016), Taste, information, and asset prices: implications for the valuation of CSR. Review of Accounting Studies 21:740-767). The paper documents several interesting results (see abstract): “First, investor taste differences provide a basis for investor clientele effects that are endogenously determined by the shares demanded by different types of investors. Second, because the market must clear at one price, investors’ demands are influenced by all dimensions of firm output even if their preferences are only over some dimensions. Third, information releases cause trading volume, even when all investors have the same information. Fourth, investor taste provides a rationale for corporate spin-offs that help firms better target their shareholder bases. Finally, individual social responsibility can lead to corporate social responsibility when managers care about stock price because price reacts to investments in CSR activities.”



We are very delighted that Mirko Heinle followed our invitation to speak about his recent work as part of our Accounting Research Workshop. We wish him all the best for this and other upcoming projects.