

**The Paul Woolley Centre for the Study
of Capital Market Dysfunctionality**

Sixth Annual Conference

6 & 7 June 2013

Financial Markets Group, London School of Economics

CALL FOR PAPERS

The Paul Woolley Centre was established at the London School of Economics in September 2007. Research at the centre aims at understanding the workings of capital markets and the social efficiency of allocations these markets achieve. The research departs from the Arrow-Debreu view of frictionless markets, and emphasises the role of financial institutions (e.g. investment banks, mutual, hedge, and pension funds) in influencing prices and allocations. The main themes are:

- Contracts and organisational structure: What contracts should govern the agency relationship between investors and fund managers? How do contracts influence managers' investment policies? What determines the organisational structure of the fund-management industry?
- Market frictions and asset prices: How do frictions such as asymmetric information, market-entry costs, or agency, impact the informational efficiency of prices? What are the implications for market liquidity and for phenomena such as excess volatility or contagion?
- Allocative efficiency and the macro-economy: Frictions can generate allocative inefficiencies, such as imperfect risk sharing and misallocation of capital in the macroeconomy. How important are these inefficiencies and how can they be measured?
- Policy implications: Can regulatory policies mitigate market inefficiencies? For example, can changes in contracts between investors and managers, or the introduction of new assets, generate Pareto-improvements?

The Paul Woolley Centre holds a conference each year based on these broad themes as well as related research questions. The goal is to bring together researchers working on such questions, disseminate their research, and stimulate the development of new ideas. Both empirical and theoretical papers are welcome. The programme of the centre's first five conferences can be found at <http://www2.lse.ac.uk/fmg/researchProgrammes/paulWoolleyCentre/events/conferences.aspx>.

The centre's fifth conference will take place on Thursday and Friday 6-7 June 2013. There will be a conference dinner on Thursday.

Expenses: Travel (economy class round-trip) and accommodation expenses will be covered for presenters and discussants.

Submission: Please email a copy of your paper to cmdcentre.fmg@lse.ac.uk cc fmg.vayanos@lse.ac.uk

Programme Committee: Bruno Biais (University of Toulouse), Georgy Chabakauri (LSE), Amil Dasgupta (LSE), Denis Gromb (INSEAD), Dong Lou (LSE), Christopher Polk (LSE), Dimitri Vayanos (LSE), Michela Verardo (LSE), Kathy Yuan (LSE), Kostas Zachariadis (LSE)

Deadline for submission of papers: 15 March 2013.

The authors of selected papers will be informed by the end of March.