Abstract:
Using a unique proprietary data set of 460 realized buyouts completed between 1990 and 2005, we examine the risk appetite of private equity (PE) sponsors in different states of the PE market and analyze key determinants of deal-level equity risk. We develop a new approach to mathematically model PE investment equity risk based on the Black-Cox default model. We find higher equity volatilities during boom periods. Further, deals conducted by more reputed PE sponsors have lower equity volatilities as they are unwilling to imperil their reputation by taking excessive risks. In addition, we find that PE sponsors' risk appetite is negatively related to the ownership stake in the buyout target company.
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Urteilsanmerkung / Urteilsbesprechung: 0

Key publication: Nein

Peer reviewed: Ja

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Professional Journal: Nein

Interdisziplinarität: Nein

Leitbild:

Ethics & Sustainability: Nein

Occurrences:
- Einrichtungen > Fakultäten > Fakultät für Wirtschaftswissenschaften > Kompetenzfelder > Finance & Accounting > Lehrstuhl für Entrepreneurial Finance 2 (Prof. Braun) > Key Publications
- Einrichtungen > Fakultäten > Fakultät für Wirtschaftswissenschaften > Kompetenzfelder > Finance & Accounting > Lehrstuhl für Entrepreneurial Finance 2 (Prof. Braun) > Refereed Journal Articles

entries: