Are excess cash holdings more valuable to firms in times of crisis? Financial constraints and governance matters

Yanhao Chang, Karen Benson, Robert Faff

PII: S0927-538X(16)30052-X
DOI: doi: 10.1016/j.pacfin.2016.05.007
Reference: PACFIN 843

To appear in: Pacific-Basin Finance Journal

Received date: 5 November 2015
Revised date: 6 April 2016
Accepted date: 22 May 2016

Please cite this article as: Chang, Yanhao, Benson, Karen, Faff, Robert, Are excess cash holdings more valuable to firms in times of crisis? Financial constraints and governance matters, Pacific-Basin Finance Journal (2016), doi: 10.1016/j.pacfin.2016.05.007

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.
Are Excess Cash Holdings more Valuable to Firms in times of Crisis? 
Financial Constraints and Governance Matters

Yanhao Chang, Karen Benson and Robert Faff
UQ Business School, The University of Queensland

Abstract

This study examines the impact of cash holdings on firm value before and during the 2008 financial crisis, conditional on financial constraints and corporate governance. We show that the equity market places a higher value on corporate cash holdings during the financial crisis and cash holdings are more valuable to constrained firms, compared to unconstrained firms. However, the triple-interaction of cash with constraints and crisis shows the crisis value effect for constrained firms is weaker than for unconstrained firms. Further, the triple-interaction of excess cash with governance and constraints shows that a positive governance effect on corporate cash holdings is more pronounced for firms that are financially constrained.

Keywords: cash holdings; firm value; financial crisis; financial constraints; corporate governance.
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات