

# Pawel Bilinski

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## *Education*

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- 2005–2008      PhD researcher in the Manchester Accounting and Finance Group, Manchester Business School, University of Manchester.  
Courses attended: Finance Theory, Corporate Finance and Econometrics (cross-sectional and time series).
- 2003–2005      MSc in Industrial and Financial Economics  
Graduate Business School, Göteborg University, Göteborg, Sweden.  
Graduated 2<sup>nd</sup> in a class of 30 students.
- 2002–2004      MSc in Management and Marketing (awarded together with MSc in International Management, CEMS Master Programme),  
Warsaw School of Economics, Warsaw, Poland
- 1998–2002      Degree in International Economics and Political Relations,  
Warsaw School of Economics, Warsaw, Poland

## *Research*

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My existing research interests are in empirical asset pricing, market based accounting research and financial econometrics. I am particularly interested in extending my research to model analyst behaviour, conflicts of interest and investment banking relations.

### *PhD thesis*

**Underperformance following seasoned equity offerings: myth or reality? Three essays on long-run performance of seasoned equity issues.**

Supervised by Prof. Norman Strong and Prof. Weimin Liu.

Due for submission on 15.09.2008.

## **Thesis Abstract**

The thesis comprises three essays that test alternative explanations for the underperformance following seasoned equity offerings (SEOs). The first uses a latent information framework to show that the market underreacts to the negative SEO signal up to six months after the offering. In the second study, I provide evidence that a lower sensitivity to liquidity risk following the offering explains the previously documented underperformance of seasoned issuers beyond six months. The third study investigates the properties of stocks with high (low) probabilities of issuing equity. Overall, my thesis identifies new explanations for the short- and long-horizon returns following SEOs, which rationalise a previously unexplained anomaly.

## ***Working papers***

Bilinski, P., Liu, W., Strong, N.C., 2008. Long-run returns following seasoned equity offerings: a discount rate effect or underreaction? Working Paper, Manchester Business School.

### *Abstract*

We develop a model to test the prediction of Loughran and Ritter (1995) that investors underreact to the negative new equity issue signal. Using a unique research design, we provide direct evidence of a *short-term* underreaction in post-SEO returns. We show that investors underreact to the private information that managers use in making the issue decision, which pertains primarily to stock overvaluation. The downward price adjustment that follows accounts for 68 percent of SEO underperformance using three-year buy-and-hold abnormal returns and size and book-to-market benchmark stocks. We contrast the underreaction hypothesis with the lower discount rate explanation, which argues that an offering lowers the firm's expected returns, which explains low post-issue SEO performance. We find that the discount rate effect accounts for 32 percent of the three-year buy-and-hold abnormal returns and it dominates following the first six months after the issue.

Bilinski, P., Liu, W., Strong, N.C., 2007. Misvaluation and stock price behaviour following seasoned equity offerings. Working Paper, Manchester Business School.

### *Abstract*

This paper examines the role of liquidity risk in explaining the long-run performance of seasoned equity offerings (SEOs). We show that size and book-to-market matching does not control for the reduction in liquidity risk of SEO firms. Using Liu's (2006) liquidity augmented CAPM we find that issuers have lower exposure to liquidity risk compared to size and book-to-market matched benchmarks, and that the two-factor model explains the long-term performance of SEO firms in all instances we consider.

## ***Conferences and training programmes***

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### ***Forthcoming***

Jun.2008      Presentation at the "Merton H. Miller" Doctoral Seminar, 2008 European Financial Management Association (Greece) (one of less than 20 students selected).

Jun.2008 Presentation at the 2008 FMA European Doctoral Student Consortium (Czech Republic).

May 2008 Presentation at the PhD course on Corporate Finance with Professor Jay Ritter, Aarhus School of Business (Denmark).

### ***Completed***

Feb. 2008 Two day workshop in programming using Matlab, University of Manchester (UK).

Nov. 2007 Presentation at the PhD conference at Manchester Business School (UK).

Aug. 2006 Conference on “Institutions, Liquidity, and Asset Prices” at Stockholm School of Economics (Sweden).

Aug. 2006 CFS Summer School in Empirical Asset Pricing, organised by the University of Frankfurt (Germany).

Dec. 2005 ESRC Advanced Training Programme in Corporate Finance, University Exeter (U.K.).

Dec. 2005 Conference on Mergers and Acquisitions, University of Exeter (U.K.).

### ***Academic distinctions***

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Aug.2006 Deutsche Bank Award to participate at the CFS Summer School in Empirical Asset Pricing, Frankfurt, Germany.

Sept.2005–Sept.2008 Marie Curie Early Stage Fellowship awarded by the E.U..

Jan. 2005 “Malmsten Foundation” Award for Best Master Thesis in Finance; Graduate Business School, Göteborg University, Sweden.

Sep. 1999 – Oct. 2003 Warsaw School of Economics scholarship for outstanding academic record.

Jan. 2002 – June 2002 Scholarship from the Academic Board of the Norwegian School of Economics and Business Administration (NHH), Bergen, Norway.

Sep. 2000 – Dec. 2000 EU Scholarship (Socrates Erasmus) for studies in the Republic of Ireland.

### ***Teaching***

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#### ***Teaching experience***

Sept. – Dec. 2006 Advanced Mathematics (ECON10071), Economics Department, University of Manchester. I conducted weekly tutorials for two groups of approximately 40 undergraduate students. Tutorials involved guiding the students through exercises provided by the course convenor.

### ***Teaching interests***

I am interested in teaching finance theory and corporate finance courses for the first and second year undergraduate students. I could also contribute to research design courses at the undergraduate and postgraduate level. The list of potential courses at Manchester Business Schools includes: Advanced Corporate Finance, Empirical Finance (at undergraduate level) and Research Methods and Methodology in Finance, Corporate finance (at postgraduate level). At PhD level I could develop a course on using SAS software in financial econometrics and contribute to research design courses in empirical finance .

### ***Other work experience***

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May – Aug. 2005 Internship with Buchanan Capital Group GmbH (Germany)  
April – Sep. 2003 Internship with Galwanizer Ltd. (Poland)  
Jan. – Mar. 2003 Internship with Corporate Value Associates (Germany)  
Mar. – June 2001 Internship with Cadbury Wedel Plc. (Poland)

### ***Referees***

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Norman Strong (PhD Thesis Supervisor)  
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Manchester Business School  
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