

# Capital allocation and non-cooperative behavior in diversified firms

## Citation for published version (APA):

André, J. F. (2011). *Capital allocation and non-cooperative behavior in diversified firms*. Datawyse / Universitaire Pers Maastricht.

## Document status and date:

Published: 01/01/2011

## Document Version:

Publisher's PDF, also known as Version of record

## Please check the document version of this publication:

- A submitted manuscript is the version of the article upon submission and before peer-review. There can be important differences between the submitted version and the official published version of record. People interested in the research are advised to contact the author for the final version of the publication, or visit the DOI to the publisher's website.
- The final author version and the galley proof are versions of the publication after peer review.
- The final published version features the final layout of the paper including the volume, issue and page numbers.

[Link to publication](#)

## General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal.

If the publication is distributed under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license above, please follow below link for the End User Agreement:

[www.umlib.nl/taverne-license](http://www.umlib.nl/taverne-license)

## Take down policy

If you believe that this document breaches copyright please contact us at:

[repository@maastrichtuniversity.nl](mailto:repository@maastrichtuniversity.nl)

providing details and we will investigate your claim.

Stellingen behorende bij het proefschrift

## **Capital Allocation and Non-Cooperative Behavior in Diversified Firms**

Julius André

*Maastricht, 29<sup>th</sup> of April 2011*

1. Firm-wide equity incentives can improve the efficiency of capital allocation in diversified firms. (Chapter 2)
2. Division managers that lobby for an increase in their compensation alternatively also accept higher capital allocations to their division. (Chapter 2)
3. Repartitioning investment decision rights among division managers can reduce non-cooperative behavior that harms the efficient internal allocation of funds. (Chapter 3)
4. Division managers use renegotiations of budgets for multi-period investment projects to obtain more funds when projects are controlled less. (Chapter 4)
5. Refuting a theoretical model on the grounds of being too abstract is very frequently a lame excuse for one's inability to translate the model's implications into an actual setting.
6. The fact that a host of economic allocation problems are caused by information asymmetries shows that information technology still has a very long way to go.
7. The mechanics of non-cooperative behavior between individual divisions in budgeting situations analyzed in this dissertation can also be applied to federal forms of governmental organizations such as the EU. Unfortunately, incentive contracts for politicians to stimulate cooperation are not readily available.
8. Lobbying is the first step towards corruption. *Yasser Mohy El-Din*
9. Experts that claim to foresee economic crises are like typographic errors in dissertations: They only reveal themselves after the fact, when it is already too late.