

PROMOTION RECOMMENDATION  
University of Michigan  
Stephen M. Ross School of Business

Approved by the Regents  
May 20, 2010

Amiyatosh K. Purnanandam, assistant professor of finance, Stephen M. Ross School of Business, is recommended for promotion to associate professor of finance, with tenure, Stephen M. Ross School of Business.

Academic Degrees:

Ph.D.	2005	Cornell University, Finance, Ithaca
M.S.	2003	Cornell University, Finance, Ithaca
PGDM	1995	Indian Institute of Management, Lucknow
B. Tech.	1993	Indian Institute of Technology, Electrical Engineering, Kharagpur

Professional Record:

2005 – present	Assistant Professor of Finance, Stephen M. Ross School of Business, University of Michigan
2004 – 2005	Lecturer, Stephen M. Ross School of Business, University of Michigan

Summary of Evaluation:

Teaching: Professor Purnanandam is a very good teacher and has taught a variety of courses at the Ross School including the core finance course for undergraduates, the core finance course for MBAs, an elective course on valuation for our MBA students, and a doctoral course on corporate finance. His evaluations across all three levels have consistently been around a 4.6 on a five-point scale. Professor Purnanandam's contributions to teaching have been acknowledged by Ross School students as he was nominated for the MBA teacher of the year award in 2007 and PhD teaching excellence award in 2009. He clearly demonstrates his teaching prowess in the classroom and his combination of theoretical rigor and practical experience enables him to excel in our strategy of "Leading in Thought and Action."

Research: Professor Purnanandam, in a very short period of time, has built an impressive research record in the areas of corporate finance and financial intermediation. An independent and original thinker, Professor Purnanandam has developed a coherent research program that examines firms' financial policies in the presence of market frictions. While his initial work focuses on risk management, over time he has broadened into other areas such as financial intermediation, external financing policies, as well as asset pricing. In addition to fellow academics, his research has received growing attention from policy makers and the media. Since joining the Ross School in 2004, he has published (or forthcoming) seven articles in the top-tier finance journals *Journal of Financial Economics* and *Review of Financial Studies*, as well as one article in *Journal of Monetary Economics*, which is a top field journal in macroeconomics. He has several other invited papers and an excellent research pipeline including two papers in first and second round reviews and several additional working papers. In the area of finance, this is an impressive output as most leading researchers average about one paper a year in top journals. In addition, Professor Purnanandam has been invited to present his research at major conferences around the world, as well as universities and other institutions (e.g., FDIC, Federal Reserve). His exemplary progress to date suggests a very bright and productive scholarly career.

#### Recent and Significant Publications:

- Amiyatosh Purnanandam and Sudheer Chava, "The effect of banking-crisis on bank-dependent Borrowers," forthcoming, *Journal of Financial Economics*, 2009.
- Amiyatosh Purnanandam and Sudheer Chava, "CEOs vs. CFOs: Incentives and corporate policies," forthcoming, *Journal of Financial Economics*, 2009.
- Amiyatosh Purnanandam and Sudheer Chava, "Is default risk negatively related to stock returns?" forthcoming, *Review of Financial Studies*, 2009.
- Amiyatosh Purnanandam, Sudheer Chava and Dmitry Livdan, "Do shareholder rights affect the cost of bank loans?" *Review of Financial Studies*, 2009, Vol. 22, pp. 2973-3004.
- Amiyatosh Purnanandam, "Financial distress and corporate risk management: Theory and evidence," *Journal of Financial Economics*, 2008, Vol. 87, pp. 706-739.
- Amiyatosh Purnanandam, "Interest rate derivatives at commercial banks: An empirical Investigation," *Journal of Monetary Economics*, 2007, Vol. 54, pp. 1769-1808.
- Amiyatosh Purnanandam and Sudheer Chava, "Determinants of the floating-to-fixed rate debt structure of firms," *Journal of Financial Economics*, 2007, Vol. 85, pp. 755-786.
- Amiyatosh Purnanandam and Bhaskaran Swaminathan, "Are IPOs really underpriced?" *Review of Financial Studies*, 2004, Vol. 17, pp. 811-848.

Service: Consistent with our policy for typical non-tenured faculty, Professor Purnanandam spends most of his time on research and teaching. Nonetheless, he has contributed to the finance area, the Ross School, and the profession in a variety of ways. Professor Purnanandam has played a unique role in the intellectual life of the finance area by initiating and streamlining the corporate finance reading group, which has become a permanent part of the area's research culture. He also has served twice on the organizing committee of the annual Mitsui Life Center Finance Conference. He has chaired one PhD committee and served on another one. He was invited to present his views on the financial crisis at the Michigan Legislative Council in January 2009. In addition, Professor Purnanandam has been serving as an associate editor for the *International Review of Finance* and as a referee for leading journals in finance.

#### External Reviewers:

Reviewer A: "I was always impressed at the breadth of his interest and the depth of his understanding of mainstream issues in corporate finance. I consider Amiyatosh as an excellent researcher in corporate finance. Overall, I am very impressed with the quality, imagination, and competence of Amiyatosh's research. Through more than a dozen interesting papers Amiyatosh has established himself as a key researcher in the areas of corporate default, financial distress, and related areas. I recommend him strongly for a tenured position on your faculty."

Reviewer B: "He is very productive and has already published a number of papers in the very best journals in finance. Frankly, this should be a very easy case, and I strongly support his promotion...I see an extremely strong case for promotion. Purnanandam is quite productive and works on a range of important questions. His work is already widely-cited and I expect that influence to grow. I think the real question you ought to be discussing is what you are prepared to do to retain him once his work has a bit more time to diffuse."

Reviewer C: "In short, I am extremely bullish on Professor Purnanandam. He is a talented...researcher with ample upside, and from all indications he is also an asset in the classroom. His record would merit tenure at virtually all the top research schools in the country. I think this should be an easy decision for you."

Reviewer D: "In a short few years, he has managed to publish extensively in the top journals in the finance profession. His research track record makes it easy to justify a tenure case, in my opinion."

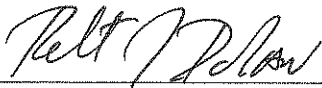
Reviewer E: "My overall impression is that Professor Purnanandam is a productive... researcher. He has 6 papers in top tier finance journals... This rate of publication is good, especially with the long times to publication in the reputed finance journals. Professor Purnanandam is a productive researcher with energy and potential."

Reviewer F: "... Prof. Purnanandam is a solid candidate for tenure. He certainly has been very productive in his time at Michigan, and has succeeded in placing essentially all of his published papers in top-tier journals."

Reviewer G: "... I am impressed with Amiyatosh's skills, his ideas, and the breadth of his interests... we would be very pleased to have him as a colleague."

Summary of Recommendation: The outside reviewers' comments and the placement of his work in the top journals in the field attest to the quality of Professor Purnanandam's research. He does impactful research that has broad reach and implications. Professor Purnanandam's ability to exploit the strength of his work in order to maximize its impact is steadily growing. He adds considerable value to the finance area's research portfolio and teaching capabilities.

Professor Purnanandam's case for promotion is made by the quality of his research contributions, and his outstanding teaching. With this in mind, the Executive Committee and I strongly recommend Professor Amiyatosh K. Purnanandam's promotion to associate professor of finance, with tenure, Stephen M. Ross School of Business.



---

Robert J. Dolan  
Edward J. Frey Dean of Business  
Stephen M. Ross Professor of Business  
Stephen M. Ross School of Business

May 2010