

Occasional Seminar Series: Modern Finance - Insights from Academia

“Real options and regulation”

with Gordon Sick, Professor of Finance in the Haskayne School of Business at the University of Calgary

Date and Time: **Wednesday 23rd January 2008, 12.30pm – 2pm** (sandwich lunch provided)

Venue: **RMIT Business, Level 6 (Room 22), 239 Bourke Street, Melbourne**

Professor Gordon Sick is an international expert in capital budgeting with particular expertise in the theory of real options. Professor Sick has investigated complex capital budgeting problems in the area of resource valuations, and in the aerospace and electricity sectors. In his talk to the Melbourne Centre he will address the role of real options in access pricing regulation, including its effects on the cost of capital.

Dr. Gordon Sick has been a member of the Haskayne School of Business since 1988. His current research interests include capital budgeting, cost of capital, the impact of interest tax shields on project valuation, real options, real estate, seasonalities in security returns and the cost of banking services. He is a co-author of numerous corporate finance text books and author of the seminal monograph “Capital Budgeting with Real Options” (Monograph 1989-3, Series in Finance and Economics, Salomon Brothers Center for the Study of Financial Institutions, Leonard N. Stern School of Business, New York University). Published papers include:

- “Pricing Interactions of Baseload Supply Changes and Electricity Demand Shocks,” with Robert Elliott and Michael Stein, Chapter 12 in *Real Options and Energy Management*, ed. Ehud Ronn, Risk Books, London, 2002, 371-391.
- “Valuing Proven Undeveloped Petroleum Reserves Using Real Options,” with John McCormack and Dan Calistrate, Chapter 16 in *Real Options and Energy Management*, ed. Ehud Ronn, Risk Books, London, 2002, 485-503.
- “Real Options and Leader-Follower Strategies” with Tom Cottrell, *Engineering Economist*, 2002, 47(3) 232-263.
- “First Mover (Dis)Advantage and Real Options” with Tom Cottrell, *Journal of Applied Corporate Finance*, Summer 2001 14(2), 8-18.
- “Valuing Real Options: Can Risk Adjusted Discounting Be Made to Work?” with James Hodder and Antonio Mello, *Journal of Applied Corporate Finance*, Summer 2001 14(2).

An upcoming paper is “Real Options, Sequential Bargaining Game and Network Effects in Natural Gas Production” with Yuming Li, March 2007. For more refer <http://www.acs.ucalgary.ca/~sick/SickVita.pdf>.

Dr. Sick consults internationally on real options, risk assessment and derivatives. He was the keynote speaker at the 6th Annual Real Options conference in Cyprus in 2002. He has been an Associate Editor of *Management Science* and is the Book Review Editor for the *Journal of Finance*. He has published articles in the *Journal of Finance*, *Journal of Banking and Finance*, *Journal of Financial and Quantitative Analysis*, *Management Science*, *Financial Management*, *Journal of Real Estate Finance and Economics*, and *Journal of Urban Economics*.

Dr. Sick previously taught at the Yale School of Organization and Management, the University of Alberta and the University of British Columbia. In addition to a PhD and an MSc in Finance, from the University of British Columbia, Dr. Sick also has an MSc in Mathematics from the University of Toronto. He has been a director of the Financial Management Association and the Western Finance Association. Dr. Sick has also served as a president of the Calgary Association for the Mentally Handicapped and as a director for the Alberta Association for Community Living. He is treasurer of the Alberta Centre on Entrepreneurship and Disabilities.

This occasional series of seminars highlighting leading edge financial research is arranged by Melbourne Centre with the objective of facilitating knowledge transfer and improving industry-academia contacts.

Please note that there is a **limit on the number of attendees** but there is no charge. If you are interested in attending and participating, please indicate by an email to info@melbournecentre.com.au with the subject header of “Academic Seminar – Prof Gordon Sick” by **noon on Tuesday 22nd January 2008**.