
 Download This Paper (Delivery.cfm/SSRN\_ID2850195\_code525456.pdf?abstractid=1572797&mirid=1)

Open PDF in Browser (Delivery.cfm/SSRN\_ID2850195\_code525456.pdf?abstractid=1572797&mirid=1&type=2)

 Add Paper to My Library

Share:    

## Quiet Life No More? Corporate Bankruptcy and Bank Competition

*Journal of Financial and Quantitative Analysis (JFQA), Forthcoming*

49 Pages

Posted: 19 Mar 2010

Last revised: 20 Nov 2016

Todd A. Gormley ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=525456](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=525456))

Washington University in St. Louis; National Bureau of Economic Research (NBER); European Corporate Governance Institute (ECGI)

Nandini Gupta ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=268385](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=268385))

Indiana University - Kelley School of Business - Department of Finance

Anand Jha ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=370664](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=370664))

Indiana University - Kelley School of Business - Department of Business Economics & Public Policy

Date Written: October 9, 2016

### Abstract


Pursuing delinquent borrowers requires considerable effort, and creditors may lack the incentive to exert this costly effort in uncompetitive banking sectors. To examine this, we use a uniquely large dataset of public and private corporate bankruptcy filings spanning a banking-sector reform that deregulated bank entry across different regions of India. We find that increased banking competition is associated with more firms seeking a stay on assets, a decline in bankruptcy duration, and a shift towards workouts rather than liquidations. The results are consistent with creditors exerting greater effort to pursue delinquent firms and resolve bankruptcies more quickly when competition increases.

**Keywords:** Bankruptcy, creditor rights, bank competition, managerial incentives

**JEL Classification:** G21, G23, G28, G38

[Suggested Citation](#) >

[Show Contact Information](#) >

 Download This Paper (Delivery.cfm/SSRN\_ID2850195\_code525456.pdf?abstractid=1572797&mirid=1)

Open PDF in Browser (Delivery.cfm/SSRN\_ID2850195\_code525456.pdf?abstractid=1572797&mirid=1&type=2)

## 0 References

Fetch References

## 0 Citations

Fetch Citations

Do you have a job opening that you would like to promote on SSRN?

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](https://www.elsevier.com/legal/cookiepolicy) (<https://www.elsevier.com/legal/cookiepolicy>)

[Policy](https://www.elsevier.com/legal/cookiepolicy) (<https://www.elsevier.com/legal/cookiepolicy>)

[Cookie Settings](#)

[Accept all cookies](#)

ABSTRACT VIEWS 5,527

RANK 62,597

16 Citations

32 References

PlumX Metrics



([https://plu.mx/ssrn/a/?ssrn\\_id=1572797](https://plu.mx/ssrn/a/?ssrn_id=1572797))  
**Related Journals**

American Finance Association Meetings (AFA) ([https://papers.ssrn.com/sol3/JELJOUR\\_Results.cfm?form\\_name=journalBrowse&journal\\_id=239868](https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=239868))

Follow ⓘ

The Wharton School, University of Pennsylvania Research Paper Series ([https://papers.ssrn.com/sol3/JELJOUR\\_Results.cfm?form\\_name=journalBrowse&journal\\_id=1942054](https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1942054))

Follow ⓘ

[View more >](#)

**Recommended Papers**

Debt Enforcement Around the World ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=953000&rec=1&srcabs=1572797&pos=1](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=953000&rec=1&srcabs=1572797&pos=1))

By Simeon Djankov ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=793](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=793)), Oliver Hart ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=20286](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=20286)), ...

Debt Enforcement Around the World ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=955240&rec=1&srcabs=1572797&pos=2](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=955240&rec=1&srcabs=1572797&pos=2))

By Simeon Djankov ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=793](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=793)), Oliver Hart ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=20286](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=20286)), ...

The Costs of Bankruptcy ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=868568&rec=1&srcabs=1572797&pos=3](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=868568&rec=1&srcabs=1572797&pos=3))

By Arturo Bris ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=139592](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=139592)), Ivo Welch ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=418](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=418)), ...

[View more >](#)

Feedback

[Submit a Paper > \(https://hq.ssrn.com/submission.cfm\)](https://hq.ssrn.com/submission.cfm)

SSRN Quick Links

SSRN Rankings

About SSRN

(<https://www.facebook.com/SSRNcommunity/>)

([https://www.linkedin.com/company/493409?](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

[trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany\\_493409%2Cidx%3A0](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

(<https://twitter.com/SSRN>)

Copyright (<https://www.ssrn.com/index.cfm/en/dmca-notice-policy/>)

Terms and Conditions (<https://www.ssrn.com/index.cfm/en/terms-of-use/>)

Privacy Policy (<https://www.elsevier.com/legal/privacy-policy>)

All content on this site: Copyright © 2024 Elsevier Inc., its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the relevant licensing terms apply.

We use cookies to help provide and enhance our service and tailor content.

To learn more, visit [Cookie Settings](#).



(<http://www.relx.com/>)

(<https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true>)