Berlin, March 5, 2020

Application for the NBER Entrepreneurship Research Boot Camp 2020

Dear Organizing Committee,

I am writing to apply for the 13th Entrepreneurship Research Boot Camp. I am currently in the fourth year of the doctoral studies in accounting and finance at ESMT Berlin, with the main research interest in empirical entrepreneurial finance and economics of innovation. Shai Bernstein, who hosted me at Stanford GSB, will provide a recommendation letter for this application.

You can find my motivation and research statement and current CV, which includes all completed PhD courses, following here.

Thank you very much for consideration! I am at your disposal for any further questions regarding my application.

Yours sincerely,



Katja Kisseleva-Scherenberger

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Motivation and research statement

Katja Kisseleva

I will be very grateful for a chance to attend the 13th Entrepreneurship Research Boot Camp. This intensive workshop represents a great opportunity for me to gain and deepen the understanding of entrepreneurship research from multiple angles. Given my accounting- and finance-oriented profile, I am eager to learn more about the economics of entrepreneurship from different perspectives. I look forward to exchange thoughts and ideas, as well as discuss my early-stage research with peer PhD fellows and faculty. Thus, the attendance of the Boot Camp and NBER Entrepreneurship Working Group meeting will be extremely beneficially for my development as a researcher and help me progress on my own research ideas. Being the fourth-year PhD student and because my research interests fit very well to the topic, I believe that I can also engage in helpful discussions with PhD peers, who just started their doctoral studies, and, generally, contribute to the productive environment of the workshop.

My current research portfolio consists of three projects. The most advanced working paper "The Returns to Early-Stage Investment" (with Aksel Mjos, NHH, and David Robinson, Duke University) provides direct measures of the returns from investing in newly established, innovative companies. By exploiting a large and detailed data set provided to us by the Norwegian Tax Authority, we trace out the entire funding and pricing histories of each firm and study performance measures at the transaction, firm and investment levels. We explore the cross-sectional properties of transaction returns across different investor types and transaction types and demonstrate how firm-level returns are divided between different investor types. The picture that emerges from our analysis helps to illustrate the nature of market frictions often associated with early-stage investment in innovation.

My second project "Predicting Young Firms' Profitability" (with Erik Johannesson, Baruch College, and Per Olsson, ESMT Berlin) reverts a widespread belief among academics and practitioners that financial accounting information of young firms is (not) less informative about future economic outcomes than accounting information of more mature entities. Particularly, we evaluate

how profitability of young firms evolves as a function of firm age, and whether current profitability can predict future profitability. Results show that current profitability, as measured by return on assets, has predictive power already when the firm is as young as two years old and that this predictive power derives from the profit margin. There is a distinct serial correlation in performance: young profitable firms are, in expectation, going to remain profitable also in subsequent years, albeit with magnitude attenuation. As a profitable firm matures, its performance reverts towards the sample mean, indicating a difficulty in sustaining above-average performance over the first ten years since firm inception. Initially unprofitable firms, accounting for survivorship bias, will remain unprofitable also in future years, in expectation. In separate analyses, we show that these results broadly hold for four sub-samples of particular interest to external stakeholders: firms receiving equity injections, firms receiving bank loans, R&D-intensive firms, and VC-backed firms.

The recently started project "Public Policy of Early-Stage Financing", which is going to be my job-market paper, aims to understand the governmental role when financing early-stage innovation. In order to prevent private investment distortion in early-stage firms, policy-makers intervene directly in the entrepreneurial process with various governmental financing policies. Financing intervention on the firm level can reduce private capitals search costs for promising investments, while financing policy on the investor level may reduce the investment hurdle in such firms. The common type of empirical analyses of entrepreneurship policies in prior research concerns program evaluations, which involve picking a single program in isolation and asking whether it achieves its objectives. On contrary, this paper aims to understand how an interplay of public financing policies on different intervention levels affects early-stage firms and their investors. Thus, it attempts to close the scholarly disconnection between micro-level financial management of early-stage firms and broader macroeconomic impact in private capital markets. I base the analyses on the comprehensive data provided by the Norwegian tax authority and governmental innovation agency. Norway is in some respect an ideal laboratory for understanding the public policy impact on financing of early-stage firms as the Norwegian government has established several programs on different intervention levels with varying participation incentives.

KATJA KISSELEVA-SCHERENBERGER

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EDUCATION

Swedish House of Finance *January 2020 - Present*
Visiting PhD student

ESMT Berlin *September 2016 - Present*
Doctoral student
Berlin Doctoral Program in Economics and Management Science

Stanford University, Graduate School of Business *April 2018 - July 2018*
Visiting PhD student

Vrije University Amsterdam *September 2015 - August 2016*
Visiting researcher

UC Berkeley, Haas School of Business *July 2014 - September 2014*
Visiting scholar

Freie Universitaet Berlin *October 2009 - April 2012*
Master of Science in Finance, Accounting and Taxation

Freie Universitaet Berlin *October 2006 - September 2009*
Bachelor of Science in Business Administration

WORK EXPERIENCE

ESMT Berlin February 2016 - Present
Research Associate

· Center of Financial Reporting and Auditing

Accounting Hero December 2015 - Present
Founder

· Startup and venture capital consulting

KPMG, Berlin February 2015 - December 2015
Assistant Manager

· Accounting Center of Excellence

PricewaterhouseCoopers, Berlin and Frankfurt May 2012 - January 2015
Consultant

· Financial Services

PUBLISHED WORK

Kisseleva, Katja, and Klaus Ruhnke, 2012, Identifikation nahe stehender Personen im Rahmen der gesetzlichen Abschlusspruefung (Identification of related parties within the statutory annual audit), Die Wirtschaftspruefung (65), 1079-1088.

WORKING PAPERS

The Returns to Early-Stage Investment, with Aksel Mjøs (Norwegian School of Economics) and David T. Robinson (Duke University and NBER)

WORK IN PROGRESS

Predicting Young Firms Profitability, with Erik Johannesson (Baruch College) and Per Olsson (ESMT Berlin)

Public Policy of Early-Stage Financing

Who Funds Start-ups? Evidence from Tax Records in Norway, with Shai Bernstein (Stanford University) and Hans Hvide (University of Bergen)

PRESENTATIONS

Public Policy of Early-Stage Financing
Brown bag seminar for PhD candidacy at ESMT Berlin *scheduled September 2020*

Predicting Young Firms Profitability
Brown bag seminar at Research Institute of Industrial Economics, Stockholm *February 2020*

The Returns to Early-Stage Investment
Southern California Private Equity Conference, Caltech *March 2020*
American Finance Association Annual Meeting, San Diego *January 2020*
KWC conference on entrepreneurial finance, Lund University *December 2019*
Invited seminar, Freie Universitaet Berlin *November 2019*
2nd conference on entrepreneurial financial management, ESMT Berlin *June 2018*
PhD brown bag seminar at Stanford Graduate School of Business *May 2018*

Financial Information Dynamics in an Entrepreneurial Setting
PhD XIII international accounting symposium, Ramn Areces Foundation, Madrid *July 2017*

Venturing with(out) Accounting
PhD day at Erasmus University Rotterdam *June 2016*

Are Level 3 Fair Values Reflected in Firm Value? Evidence from European Banks
ARCA Workshop, Vrije Universiteit Amsterdam *March 2015*

HONORS AND AWARDS

ESMT PhD Fellowship, ESMT Berlin, 2016-2021.

The American Finance Association (AFA) Doctoral Student Travel Grant for the participation at

the 2018 Annual Meeting.

FACTS (Finance, Accounting, Taxation), most promising award for the excellent accomplishments at the Department of Business Economics, Freie Universitaet, Berlin, 2012.

COMPLETED PHD COURSEWORK

Humboldt University *Spring 2019*
Topics in Estimating Treatment Effects (with Jeffrey M. Wooldridge)

Stanford University, Graduate School of Business *Spring 2018*
Empirical Corporate Finance (with Shai Bernstein)
MBA Entrepreneurial Finance (with Shai Bernstein)
Market Efficiency and Informational Arbitrage (with Charles M. C. Lee)

Berlin Doctoral Program in Economics and Management Science *Fall 2016-Spring 2017*
Microeconomics I+II
Management Science I+II
Econometric Methods
Advanced Econometrics
Applied Regression Analysis

European Institute for Advanced Studies in Management *Fall 2016*
Empirical Financial Accounting Research (with Christian Leuz, University of Chicago)

Bern University *Spring 2016*
Accounting Information and Market Efficiency (with Qi Chen, Duke University)

University of Graz *Spring 2016*
Financial Accounting Theory (with Anne Beyer, Stanford University)

Tilburg University *Fall 2015*
An Introduction to Capital Markets Research (with Peter Easton, University of Notre Dame)

Vrije Universiteit Amsterdam *Fall 2015*
Business Theories in Perspectives
Research Design

SKILLS

Languages	German (native), Russian (native), English (highly proficient)
Software & Tools	MS Office, Latex, Stata