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Autore	McCauley Robert N
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Sommario/riassunto	An entertaining summary of the broad reshaping of U.S. corporate finance in the last decade and a half. The late 1980s saw a huge wave of corporate leveraging. The U.S. financial landscape was dominated by a series of high-stakes leveraged buyouts as firms replaced their equity with new fixed debt obligations. Cash-financed acquisitions and defensive share repurchases also decapitalized corporations. This trend culminated in the sensational debt-financed bidding for RJR-Nabisco,

the largest leveraged buyout of all time, before dramatically reversing itself in the early 1990s with a rapid return to equity. This entertaining summary of the broad reshaping of U.S. corporate finance in the last decade and a half looks at three major issues: why corporations leveraged up in the first place, why and how the leverage wave came to an end, and what policy lessons are to be drawn. Using the Minsky-Kindleberger model as a framework, the authors interpret the rise and fall of leveraging as a financial market mania. In the course of chronicling the return to equity in the 1990s, they address a number of important corporate finance questions: How important was the return to equity in relieving corporations' debt burdens? How did the return to equity affect the ability of young high-tech firms to finance themselves without selling out to foreign firms?
