

# Company Worth

## **1 Event Studies**

In 1996 MacKinley documents the effects of good/bad news on the daily price shift in stocks. MacKinley Paper

Results: Good news has a positive effect on prices, and bad news has a negative effect. Some effect is also seen before the news in both cases.

### **1.1 Local effects Vs. Global Effects**

Prices can be effected by local or global effects.