

Roy K. Roth

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Education	Ph.D. in Finance, Stanford University, June 2019 (expected) B.A. in Economics & Math, Brigham Young University, April 2014
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Research Interests	Venture Capital; Entrepreneurship; Household Finance
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Working Papers	<p>Flexibility Versus Agency - A Model of Stage Financing (Job Market Paper)</p> <ul style="list-style-type: none">• I explore the optimal timing of financing from the perspective of the venture capital financed entrepreneur. In doing so, I make a distinction between staged investment and staged financing, and focus on the latter. Raising a larger percentage of the total needed funds upfront presents operational efficiencies, lowering the cost of the project, but increases the importance of agency problems and sacrifices the option value of delay. The optimal financing path then depends upon the relative magnitudes of efficiency gains from upfront financing and the value of waiting. Furthermore, I consider the effects of entrepreneurial optimism and find that the effect on staging depends on the precision of intermediate information.
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Risk and Incentives in Venture Capital - A Portfolio Perspective

- I explore conflicts of interest between venture capitalists (VCs) and entrepreneurs (Es). When the venture capital portfolio consists of only a single investment, the VC and E face exactly the same incentives concerning the risk profile and exit strategy. However, as the portfolio grows the picture changes dramatically, giving rise to important conflicts of interest. Specifically, when the portfolio experiences a large positive outcome the concavity of the VC's payoff effectively induces risk aversion, with VC preferring safer strategies than E. However, when early projects fail, the VC often prefers riskier strategies than E, even when such strategies destroy value. Most interestingly, early in the life of the fund the VC has stronger incentives to take risk than later in life, creating potential conflicts with entrepreneurs. These results arise due to the securities commonly used in the VC industry and the compensation contracts of VCs.

Teaching Experience

TA for Prof. Ilya Strebulaev, FIN 385 (Venture Capital and Angel Financing, MBA), 2016-2017.

TA for Prof. Jeff Zwiebel, FIN 211 (Corporate Finance, MBA), 2016-2018.

TA for Prof. Jeff Zwiebel, FIN 229 (Finance, MSx), 2018.

TA for Prof. Tim McQuade, FIN 201 (Managerial Finance, MBA), 2016-2018.

TA for Prof. Keith Vorkink, BUSM 485 (Pre-PhD Finance Seminar, Undergraduate), 2013.

TA for Prof. Brennan Platt, ECON 382 (Intermediate Price Theory 2, Undergraduate), 2012.

TA for Prof. Joseph Price, ECON 380 (Intermediate Price Theory 1, Undergraduate), 2012.

Research Assistantships

Ilya Strebulaev, June 2017 - August 2017, June 2018 - August 2018

Scott Condie, April 2013-August 2014

Keith Vorkink, May 2012-April 2014

Mark Showalter, January 2012-April 2013

Honors and Awards

Stanford Graduate School of Business Fellowship, 2014-2019.

Edwin S. Hinckley Scholarship, 2013-2014.

BYU Full Tuition Scholarship, 2010-2013.

References**Ilya Strebulaev (Advisor)**

David S. Lobel Professor of Private Equity

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Jeffrey Zwiebel

James C. Van Horne Professor of Finance

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