2007 China International Conference in Finance
Chengdu, China, July 9-12
2007
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ORGANIZERS:

China Center for Financial Research (CCFR), Tsinghua University
Sloan School of Management, Massachusetts Institute of Technology

CO-ORGANIZERS:

Southwest University of Finance and Economics (Chengdu)
University of Electronic Science and Technology of China (Chengdu)

SPONSORS:

Trust Company of the West
The Institute of Financial Studies of Sichuan University and China Journal of Finance
Reuters

PROGRAM CO-CHAIRS:

Charles Cao, Penn State University
Guofu Zhou, Washington University at St. Louis

July 9, 2007 12:00 – 6:00PM Conference Registration

July 9, 2007 2:00 -- 5:00PM

Industry Symposium: The Global Evolution of the Real Estate Investment Trust Market and Projected Impact on the Chinese Marketplace
Organized by Trust Company of the West

Opening: Jeffrey Gundlach
Global Evolution of the REIT Market: Louis Lucido
Legal & Tax Status & Implications: Roland Ho
Regional Investor Spectrum: Cliffford Mak
REIT Investor Determinants: Shirley Zheng
Global Equity Demand: Sam Garza
Property Valuations & Impact of Fund Flows: Stephanie Cheung
Product Education: Broadening Markets: Morris Chen
Financial Alternatives Other than REITS: Nanlan Ye

July 9, 2007 6:00 – 7:30PM Conference Reception --- Sponsored by Trust Company of the West

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July 10, 2007 8:00-9:00AM Opening Ceremony & Keynote Speech

Opening Speech: **Yingyi Qian**
Dean, School of Economics and Management, Tsinghua University

Keynote Speech: **Andrew Lo**
Harris & Harris Group Professor
Sloan School of Management, MIT

Academic Sessions (44 sessions in English and 16 sessions in Chinese)

July 10, 2007 9:15 – 10:45AM

Corporate Governance I
Session Chair: Jennifer Carpenter, New York University

Weak Shareholder Rights: A Product Market Rationale
Martijn Cremers, Yale University, Vinay Nair, University of Pennsylvania and Urs Peyer, INSEAD

Concentrating on Governance
Dalida Kadyrzhanova, University of Maryland and Matthew Rhodes-Kropf, Columbia University

Serial CEOs' Incentives and the Shape of Managerial Contracts
Mariassunta Giannetti, Stockholm School of Economics

The Financing Structures of Firms with Poor Corporate Governance
Beng Soon Chong, Nanyang Technological University

Discussants:
Peter L. Swan, University of New South Wales
Thomas Noe, Tulane University
Kit Pong Wong, University of Hong Kong
Chenyang Jason Wei, Federal Reserve Bank of New York

July 10, 2007 9:15-10:45AM

Banking I
Session Chair: George Kanatas, Rice University

Liquidity Risk and Limited Arbitrage: Are Banks Helping Hedge Funds Get Rich?
Evan Gatev, Boston College

The Size of Credit Bureaus with Multiple Lenders
Artashes Karapetyan, Harvard University

Concurrent Lending and Underwriting and Client Firms' Issuing Decisions
Jianping Qi, University of South Florida

Discussants:
Ning Gong, Melbourne Business School
An Yan, Fordham University
Hefei Wang, University of Ilinois at Chicago

July 10, 2007 9:15-10:45AM

Asset Pricing in Markets with Frictions
Session Chair: Phil Dybvig, Washington University at St. Louis

Optimal Portfolio Selection with Transaction Costs and "Event Risk"
Hong Liu, Washington University and Mark Loewenstein, University of Maryland

Margin Requirements and Stock Price Volatility When Agents' Beliefs Are Heterogeneous
Tao Li, Chinese University of Hong Kong

Transaction Cost and Consumption
Geng Li, Federal Reserve Board

Monte Carlo Simulation of Optimal Portfolio under Incomplete Information and Ambiguity
Hening Liu, Northern Illinois University

Discussants:
Yingzi Zhu, Tsinghua University
Yajun Wang, Washington Unive4sity in Saint Louis
Vivian Wang , Pennsylvania State University
Henry Cao, CKGSB

July 10, 2007 9:15-10:45AM

Derivatives I
Session Chair: Robert Webb, University of Virginia

Nonparametric Estimation of State-Price Densities Using Interest Rate Options
Haitao Li, University of Michigan and Feng Zhao, Rutgers Unive4sity

The Smirk in the S&P500 Futures Options Prices: a Linearized Factor Analysis
Andrew Carve4hill, Terry Cheuk, University of Hong Kong and Sigurd Dyrting, Deutsche Bank

Interest Rate Swaps and Corperate Default
Urban Jermann, University of Pennsylvania and Vivian Yue, New York University

The Effects of Leverage on the Pricing of S&P 500 Index Call Options
Robert Geske and Yi Zhou, UCLA

Discussants:
Jin Zhang, University of Hong Kong
Feng Zhao, Rutgers Business School
Zhipeng Zhang, Stanford University
Yingzi Zhu, Tsinghua University

July 10, 2007 9:15-10:45AM

Corporate Finance I (in Chinese)
Session Chair: Mengbo Yin, Southwest Unive4sity of Finance and Economics

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Discussants:
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July 10, 2007 11:00AM – 12:30PM

Behavioral Finance: Empirical
Session Chair: Harrison Hong, Princeton University

Stock Market Mis-valuation and Corporate Investment
Ming Dong, York University, David Hirshleifer and Siew Hong Teoh, University of California, Irvine

When the Tail Wags the Dog: Industry Leaders and Cross-Industry Information Diffusion
Ling Cen, Kalok Chan, Sudipto Dasgupta, Hong Kong University of Science and Technology and Ning Gao, University of Manchester

Payday Matters: A Look at Trader Behavior within Pay Cycles
Ryan Garvey, Duquesne University and Fei Wu, Massey University

Dynamic Daylight Seasonality in Equilibrium Stock Returns
Xifeng Diao, University of Calgary and Maurice Levi, University of British Columbia

Discussants:
Ming Huang, Cornell University
Walter Torous, UCLA
TBA
Longkai Zhao, Peking University

July 10, 2007 11:00AM – 12:30PM

Asset Pricing: Empirical I
Session Chair: Rossen Valkanov, University of California, San Diego

Measuring Consumption Risk When Investors May Make Infrequent Decisions: Evidence from Japan
Ravi Jagannathan, Northwestern University, Hitoshi Takehara, Waseda University and Yong Wang, Hong Kong Polytechnic University

Expected Stock Returns and Variance Risk Premia
Tim Bollerslev, Duke University and Hao Zhou, Federal Reserve Board

Regularities
Laura Liu, Hong Kong University of Science and Technology, Toni Whited, University of Wisconsin–

Madison and Lu Zhang, University of Michigan

The Factor Structure of Realized Volatility and its Implications for Option Pricing
Zhi Da, University of Notre Dame and Ernst Schaumburg, Northwestern University

Discussants:
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July 10, 2007 11:00AM – 12:30PM

Executive Compensation
Session Chair: Mariassunta Giannetti, Stockholm School of Economics

Economics of Super Managers
Nina Baranchuk, University of Texas – Dallas, Glenn MacDonald, Washington University at St. Louis and Jun Yang, Indiana University

Option Compensation and Industry Competition
Neal Stoughton, University of Calgary and Kit Pong Wong, University of Hong Kong

The Effect of Poison Pill Adoption on Compensation, Earnings Management and Value Relevance
Bin Srinidhi, University at Albany and Kaustav Sen, Pace University

Large Shareholders, Board of Directors and the Pay-performance Link: An Australian Experience
Gloria Tian University of New South Wales and Garry Twite, Australian National University

Discussants:
Thomas Noe, Tulane University
Antonio Falato, Federal Reserve Board
Dalida Kadyrzhanova, University of Maryland
Zacharias Sautner, University of Amsterdam

July 10, 2007 11:00AM – 12:30PM

Chinese Stock Markets I
Session Chair: Chun-yang Huang, Nanyang Tech University

Partial Privatization and SIP Stock Price Performance: Evidence from China
Wei-Ju Chen, Robin Chou, National Central University and Yu Jane Liu, National Chengchi University

Herding Behavior in Chinese Stock Markets: An Examination of A and B Shares
Lin Tan, California State Polytechnic University, Thomas Chiang, Joseph Mason, and Edward Nelling, Drexel University

Post-Privatization Ownership Dynamics: Evidence from Chinese Share Issuing Privatizations
Qi Quan and Nancy Huyghebaert , Katholieke Universiteit Leuven

Private Benefits in Privatization: Evidence from IPOs of State Owned Firms in China
Zhaohui Chen, Jongmoo Jay Choi, Temple University and Cao Jiang, Holy Family University

Discussants:
Meijun Qian, National University of Singpaore
Shaojun Zhang, Nanyang Technological University

Qiao Liu, Hong Kong University
Robin Chou, National Central University

July 10, 2007   11:00AM – 12:30PM

Investments and Risk Management (in Chinese)
Session Chair: Yong Zeng, University of Electronic Science and Technology of China

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Discussants:
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July 10, 2007   12:30 – 1:45PM   Conference Lunch

July 10, 2007   2:00 – 3:30PM

Asset Pricing: Theory and Empirical Tests
Session Chair: Raymond Kan, University of Toronto

Competitive Advantage, Asset Return, and International Momentum
Zhiwu Chen, Yale University, Yangru Wang, Rutgers University and Hong Zhang, INSEAD

Return Predictability from Firm-specific Variables and the Beta Pricing Theory
Chu Zhang, Hong Kong University of Science and Technology

Cash-flow Risk, Discount-rate Risk, and Market Premium
Michael Brandt, Duke University, Xing Jin, University of Warwick and Leping Wang, Singapore Management University

Stock Market Mispricing: Inflation Illusion or Resale Option?
Carl Chen, Peter Lung and Albert Wang, University of Dayton.

Discussants:
Laura Liu, HKUST
Yong Wang, Hong Kong Polytechnic University
Chu Zhang, HKUST
Raymond Kan, University of Toronto

July 10, 2007 2:00 – 3:30PM

Corporate Finance I
Session Chair: Thomas Noe, Tulane University

Renegotiation-proof Contracting, Disclosure, and Incentives for Efficient Investment
Nina Baranchuk, University of Texas -Dallas, Philip Dybvig, Washington University at St Louis and Jun Yang, Indiana University

Institutions, Financial Development, and Corporate Investment: Evidence from an Implied Return on Capital in China
Qiao Liu, and Alan Siu, University of Hong Kong

Firm Heterogeneity and the Long-Run Effects of Dividend Tax Reform
Francois Gourio and Jianjun Miao, Boston University

Levered Repurchase: Who Benefits?
Kristina Minnick and Mengxin Zhao, Bentley College

Discussants:
Mariassunta Giannetti, Stockholm School of Economics
Guofu Zhou, Washington University
Yang Yong, University of Science and Technology of China
Gary Twite, Australian National University

July 10, 2007 2:00 – 3:30PM

Market Efficiency
Session Chair: Kalok Chan, Hong Kong University of Science and Technology

Equity Returns at the Turn of the Month
John McConnell and Wei Xu, Purdue University

A Critical Long View of Capital Markets and Institutions: Realized Returns on Corporate Assets, 1950-2003
James Ang, Florida State University, Gregory Nagel, Mississippi State University and Jun Yang, Indiana University

Ex-Dividend Day Behaviour in the Absence of Taxes and Price Discreteness
Khamis Yahyaee, Toan Pham, and Terry Walter, University of New South Wales

Portfolio Concentration and the Performance of Individual Investors
Zoran Ivkovic, University of Illinois at Urbana Champaign, Clemens Sialm, University of Michigan and Scott Weisbenner, University of Illinois at Urbana-Champaign

Discussants:
Kalok Chan, HKUST
Steven Wei, Hong Kong Polytechnic University
Donglin Li, San Francisco State University
Hung-Wan Kot, Hong Kong Baptist University

July 10, 2007 2:00 – 3:30PM
Asset Management
Session Chair: Hong Liu, Washington University

Comparing Stars-Trading on Star Mutual Funds' Holdings and Star Analysts' Recommendations
Lily Fang, INSEAD and Robert Kosowski, Imperial College London

Share Restrictions, Liquidity Premium and Offshore Hedge Funds
Bing Liang and Hyuna Park, University of Massachusetts

Institutional Trading and Share Returns
Douglas Foster, Australian National University, David Gallagher, University of New South Wales and Barclays Global Investors and Adrian Looi, Barclays Global Investors

Riding the Post Earnings Announcement Drift: Evidence from Mutual Funds
Ashiq Ali, University of Texas at Dallas, Xuanjuan Chen, University of North Carolina at Wilmington, Tong Yao, University of Arizona and Tong Yu, University of Rhode Island

Discussants:
Zhi Wang, University of Illinois at Urbana-Champaign
Feng Zhao, Rutgers University
Bin Wei, Duke University
Pengjie Gao, Northwestern University

July 10, 2007 2:00 – 3:30PM

Corporate Governance (in Chinese)
Session Chair: Wuxiang Zhu, Tsinghua University

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July 10, 2007 4:00 – 5:30PM

Credit Markets
Session Chair: Robert Geske, UCLA

Specification Analysis of Structural Credit Risk Models
Jing-zhi Huang, Penn State University and Hao Zhou, Federal Reserve Board

Assessing Credit Quality from the Equity Market: Is Structural Approach a Better Approach?
Yu Du, RBC Financial Group and Wulin Suo, Queen’s University

Corporate Bond Loss Given Default: A Structural Model
Zhipeng Zhang, Stanford University

New Empirical Evidence on the Debt Maturity Choice and the Role of Credit Risk
Andreas Hackethal and Christian Jansen, European Business School, International University

Discussants:
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July 10, 2007 4:00 – 5:30PM

Corporate Governance II
Session Chair: Jianping Qi, University of South Florida

Optimal Exercise of Executive Stock Options and Implications for Firm Cost
Jennifer Carpenter, New York University, Richard Stanton and Nancy Wallace, U.C. Berkeley

Corporate Governance and the Design of Stock Option Programs
Zacharias Sautner, University of Amsterdam and Martin Weber, University of Mannheim

Pay-Performance Sensitivity and Its Relations to Firm Performance and Firm Risk in a Continuous-Time Principal-Agent Model
Nengjiu Ju and Xuhu Wan, Hong Kong University of Science and Technology

Corporate Governance and Independent Directors
Stefano Caselli, Francesco Corielli and Stefano Gatti, Bocconi University

Discussants:
Mark Loewenstein, University of Maryland
Nengjiu Ju, Hong Kong University of Science and Technology
Rong Wang, College of William & Mary
Qiao Liu, University of Hong Kong

July 10, 2007 4:00 – 5:30PM

International Finance I
Session Chair: John Wei, Hong Kong University of Science and Technology

International Stock Return Comovements
Geert Bekaert, Robert Hodrick, Columbia University and Xiaoyan Zhang, Cornell University

The World Price of Home Bias
Sie Ting Lau, Nanyang Technological University, Lilian Ng, University of Wisconsin-Milwaukee and Bohui Zhang, Nanyang Technological University

Local Factors and the Gains from International Diversification
Cheol Eun, Georgia Institute of Technology, Sandy Lai and Zhe Zhang, Singapore Management University

Arranger certification in Project Finance
Stefano Gatti, Bocconi University, Stefanie Kleimeier, Maastricht University, William Megginson, University of Oklahoma and Alessandro Steffanoni, Interbanca

Discussants:

Ling Cen, Hong Kong University of Science & Technology
Winnie Peng, Hong Kong University of Science & Technology
Xiaoyan Zhang, Cornell University
Junbo Wang, City University of Hong Kong

July 10, 2007 4:00 – 5:30PM

Finance, Law and Financial Distress
Session Chair: Tao Li, Chinese University of Hong Kong

Corruption and Competition
Franklin Allen, University of Pennsylvania and Jun Qian, Boston College

Optimal Resolutions of Financial Distress by Contract
Nicola Gennaioli, Stockholm University and Stefano Rossi, Stockholm School of Economics

Leverage, Financial Distress and the Cross Section of Stock Returns
Thomas George, University of Houston and Chuan-Yang Hwang, Nanyang Technological University

Is There Penalty for Crime? Corporate Scandal and Management Turnover in China
Peng Sun and Yi Zhang, Peking University

Discussants:
Ning Gong, University of Melbourne
Jun Yang, Indiana University
Ming Liu, Chinese University of Hong Kong
Mengxin, Zhao, Bentley College

July 10, 2007 4:00 – 5:30PM

Asset Pricing: Empirical I (in Chinese)
Session Chair: Changwen Zhao, Sichuan University

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Discussants:
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July 10, 2007 7:00 – 9:00PM Conference Dinner & Best Paper Awards

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July 11, 2007 8:30 – 10:00AM

Fixed-income Securities
Session Chair: Walter Torous, UCLA

Mortgage Timing
Ralph Koijen, Tilburg University, Otto Van Hemert, New York University and Stijn Van Nieuwerburgh, New York University

The Valuation of Callable Convertible Bond with Parisian Feature using Finite Element Method
Gong Pu and Meng Jian-ling, Huazhong University of Science and Technology

Affine-Quadratic Term Structure Models - Toward the Understanding of Jumps in Interest Rate
George Jiang, University of Arizona and Shu Yan, University of South Carolina

Debt with Endogenous Safety Covenants: Default and Corporate Securities Valuation
Jerome Detemple, Boston University and Weidong Tian, University of Waterloo

Discussants:
Rossen Valkanov, UCSD
Jingzhi Huang, Penn State University
Yi Zhou, UCLA
Alessio Saretto, Purdue University

July 11, 2007 8:30 – 10:00AM

Asset Pricing Theory
Session Chair: Jun Pan, MIT

Labor Income Dynamics at Business-Cycle Frequencies: Implications for Portfolio Choice
Anthony Lynch, New York University and Sinan Tan, Fordham University

Asset Pricing under Jump Diffusion
Jin Zhang, and Huimin Zhao, University of Hong Kong

Technical Analysis and Theory of Finance
Yingzi Zhu, Tsinghua University and Guofu Zhou, Washington University

MPS Risk Aversion and Continuous Time MV Analysis in Presence of Levy Jumps
Chenghu Ma, Xiamen University

Discussants:
Tan Wang, University of British Columbia
Jun Liu, University of California, San Diego
Henry Cao, CKGSB
Jingzhi Huang, Penn State University

July 11, 2007 8:30 – 10:00AM

Corporate Finance II
Session Chair: Kai Li, University of British Columbia

Institutional Determinants of Vertical Integration: Evidence from China

Joseph Fan, Chinese University of Hong Kong, Jun Huang, Shanghai University of Finance & Economics, Randall Morck, University of Alberta and Bernard Yeung, New York University

The Sarbanes-Oxley Act and Cross-Listed Foreign Private Issuers
Xi Li, University of Miami

Institutional Investments in Syndicated Loan Market
Pei Shao, University of Northern British Columbia and Debarshi Nandy, York University

Hierarchical Contract, Firm Size and Pay Sensitivity
Hyeng Keun Koo, Ajou University, Gyoocheol Shim, Bank of Korea and Jaeyoung Sung, University of Illinois at Chicago

Discussants:
Qiao Liu, University of Hong Kong
Tracy Wang, University of Minnesota
Vidhan Goya, HKUST
Hua Zhang, Chinese University of Hong Kong

July 11, 2007 8:30 – 10:00AM

Market Microstructure
Session Chair: Peter Swan, University of New South Wales

Price Discreteness and Dealers Market Power in the OTC Markets
Dan Li, Carnegie Mellon University

How Does the Call Market Method Affect Price Efficiency?
Rosita Chang and Ghon Rhee, University of Hawaii, Gregory Stone, University of Nevada and Ning Tang, Wilfrid Laurier University

The Relationship between the Information Content of Trades and Frequency of Public Information Release: Mediating Effects of Informed and Uninformed Trading
Srinivasan Sankaraguruswamy, Jianfeng Shen and Takeshi Yamada, National University of Singapore

Dynamics of Volume and Price: A New Approach
Li Gan, Xiaojin Su, and Lin Zou, Texas A&M University

Discussants:
Jaeyoung Sung, University of Illinois at Chicago
Jian-Xian Wang, University of New South Wales
Ghon Rhee, University of Hawaii
Dan Li, Carnegie Mellon University

July 11, 2007 8:30 – 10:00AM

Investment Management (in Chinese)
Session Chair: Guojin Chen, Xiamen University

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Discussants:

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July 11, 2007 10:30AM – 12:00PM

Behavioral Finance I
Session Chair: Ming Huang, Cornell University

Do Arbitrageurs Amplify Economic Shocks?
Tal Fishman, Harrison Hong, Princeton University and Jeffrey Kubik, Syracuse University

Women Executives and Corporate Investment
Winnie Peng and John Wei, Hong Kong University of Science and Technology

Investor Overconfidence and the Forward Discount Puzzle
Bing Han, University of Texas at Austin, David Hirshleifer, University of California, Irvine and Tracy Wang, University of Minnesota

Herding, Information Aggregation and Momentum Effects
Pengjie Gao, Northwestern University

Discussants:
Ning Zhu, University of California at Davis
Jun Qian, Boston College
Henry Cao, Cheung Kong Graduate School of Business
Harrison Hong Princeton University

July 11, 2007 10:30AM – 12:00PM

Liquidity and Institutional Trading
Session Chair: Eric Chang, University of Hong Kong

Nondefault Bond Spread and Market Trading Liquidity
Song Han and Hao Zhou, Federal Reserve Board

Disentangling Liquidity and Size Effects in Stock Returns: Evidence from China
Rong Cui and Youchang Wu, University of Vienna

Does Removing the Short-sale Constraint Improve Liquidity? Evidence from Hong Kong
Pengjie Gao, Northwestern University, Jia Hao, University of Utah and Tongshu Ma, Binghamton University

Intraday Liquidity Costs: An Examination of Order Execution Quality on Nasdaq
Ryan Garvey, Duquesne University and Fei Wu, Massey University

Discussants:

Jingzhi Huang, Penn State University
Yexiao Xu, University of Texas at Dallas
Jianguo Xu, University of Hong Kong
Doug Foster, Australian National University

July 11, 2007 10:30AM – 12:00PM

International Finance II
Session Chair: Gary Xu, Peking University

Asymmetric Volatility in the Foreign Exchange Markets
Jianxin Wang and Minxian Yang, University of New South Wales

Lessons from the EMU for Asian Regional Integration: An Economic Perspective
Sarkis Khoury, University of California - Riverside and Clas Wihlborg, Copenhagen Business School

The Forward Puzzle: Long Term Bias and Short Term Bias
Fang Liu and Piet Sercu, , Katholieke Universiteit Leuven

Market Impediments, Trade, and Foreign Direct Investment: Evidence from China's Round-Tripping
Hung-Gay Fung, University of Missouri-St. Louis, Jot Yau, Seattle University and Gaiyan Zhang, University of Missouri-St. Louis

Discussants:
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July 11, 2007 10:30AM – 12:00PM

IPO and SEO I
Session Chair: Joseph Fan, Chinese University of Hong Kong

Media Coverage and IPO Underpricing
Laura Liu, Hong Kong University of Science and Technology, Ann Sherman, University of Notre Dame and Yong Zhang, Hong Kong University of Science and Technology

Determinants of IPO Gross Spreads: Theory and Evidence
Feng Zhang, University of British Columbia

The Role of Venture Capital Syndication in Value Creation for Entrepreneurial Firms
Xuan Tian, Boston College

Discussants:
Xuan Tian, Boston College
Donghan Zhang, University of South Carolina
Laura Liu, HKUST

July 11, 2007 10:30AM – 12:00PM

Asset Pricing (in Chinese)
Session Chair: Chongfeng Wu, Shanghai Jiao Tong University

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Discussants:

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July 11, 2007 12:15 – 1:45PM Conference Lunch

July 11, 2007 2:00 – 3:30PM

Asset Pricing
Session Chair: Henry Cao, Cheung Kong Graduate School of Business

Does Noise Create Size and Value Effects?
Robert Arnott, Jason Hsu, Jun Liu and Harry Markowitz, University of California, San Diego

Feedback Effects and Asset Prices
Emre Ozdenoren and Kathy Yuan, University of Michigan

International Asset Returns and Exchange Rates
Yuming Li, California State University, Fullerton and Maosen Zhong, University of Queensland

Elucidating Equity Premium Using Corporate Dividends and Habit Formation
Jow-ran Chang, Hsu-hsien Chu, National Tsing Hua University and Mao-wei Hung, National Taiwan University

Discussants:
Kathy Yuan, University of Michigan
Chunsheng Zhou, Cheung Kong Graduate School of Business
Rossen Valkanov, University of California, San Diego
Shijie Deng, Georgia Institute of Technology

July 11, 2007 2:00 – 3:30PM

Derivatives II
Session Chair: Mark Holder, Kent State University

Options Returns and the Cross-Sectional Predictability of Implied Volatility
Amit Goyal, Emory University and Alessio Saretto, Purdue University

Enhancing Diversification by Adding Commodity Futures
Leyuan You, University of Alaska Anchorage and Robert Daigler, Florida International University

Making Hong Kong's Warrant Market

Ying-Foon Chow, Jianwei Li, Ming Liu, Chinese University of Hong Kong

The Impact of H-Share Derivatives on the Underlying Equity Market
Steven Wang, Wei Li, and Louis Cheng, Hong Kong Polytechnic University

Discussants:
Andrew Carverhill, University of Hong Kong
Robert Webb, University of Virginia
Chenghu Ma, Xiamen University
Robert Geske, UCLA

July 11, 2007 2:00 – 3:30PM

Mutual Funds
Session Chair: Clemens Sialm, University of Michigan

Outsourcing Mutual Fund Management: Firm Boundaries, Incentives and Performance
Joseph Chen, University of Southern California, Harrison Hong, Princeton University and Jeffrey Kubik, Syracuse University

To Herd or Not to Herd: Do Mimicking Traders Ignore
Kingsley Fong, David Gallagher, Peter Gardner, and Peter Swan, University of New South Wales

Generalized Sharpe Ratios: Performance measures focusing on downside risk
George Jiang, University of Arizona and Kevin Zhu, Ibbotson Associates

Closed-end versus Open-end: Share Redeemability and Cross-fund Subsidization
Peter MacKay and Daniel Wu, Hong Kong University of Science and Technology

Discussants:
Jay Wang, University of Illinois at Urbana-Champaign
Tong Yao, University of Arizona
Robert Kosowski, Imperial College
Tom Nohel, Loyola University

July 11, 2007 2:00 – 3:30PM

Mergers and Acquisitions
Session Chair: Jun Yang, Indiana University

Conflicts of Interests among Shareholders: The Case of Corporate Acquisitions
Jarrad Harford, University of Washington, Dirk Jenter, MIT and Kai Li, University of British Columbia

Selection of Influence? Institutional Investors and Acquisition Targets
Lily Qiu, Brown University and Hong Wan, University of South Florida

Prior Relationship, Information Leakage, and the Choice of M&A Advisor
Xin Chang, Chander Shekha, University of Melbourne, Lewis Tam, University of Macau and Amy Zhu, University of Melbourne

The Wealth Effect of Cross-Border Mergers and Acquisitions in the Chinese Financial Sector
Donghui Li, University of New South Wales

Discussants:
Rong Wang, College of William and Mary
Huiyan Qiu, Hong Kong University
Lily Qiu, Brown University

Gaiyan Zhang, University of Missouri in St. Louis

July 11, 2007 2:00 – 3:30PM

Derivatives (in Chinese)
Session Chair: Difang Wan, Xi'an JiaoTong University

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Discussants:
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July 11, 2007 4:00 – 5:30PM

Information and Securities Prices
Session Chair: Ghon Rhee, University of Haiwaii

Do Foreigners Facilitate Information Transmission?
Kee-Hong Bae, Queen’s University, Arzu Ozoguz, University of North Carolina at Chapel Hill and Hongping Tan, University of Northern British Columbia

The Price Formation of Substitute Markets
Michael Chng, Monash University and Aihua Xia, University of Melbourne

Do Bond Rating Changes Affect Information Risk of Stock Trading?
Yan He, Indiana University Southeast, Junbo Wang, City University of Hong Kong and John Wei, Hong Kong University of Science and Technology

Asset Prices When Agents are Marked-to-Market
Gary Gorton, University of Pennsylvania, Ping He, University of Illinois at Chicago and Lixin Huang, City University of Hong Kong

Discussants:
Paul Gao, Northwestern University
Peter Swan, University of New South Wales
Honghui Chen, University of Central Florida
Victor Huang, University of Hawaii

July 11, 2007 4:00 – 5:30PM
Investments
Session Chair: Allaudeen Hameed, National University of Singapore

Unique Factors
Yiyu Shen and Yexiao Xu, University of Texas at Dallas

Forecasted Dispersion and the Cross Section of Expected Returns: What is the Driving Factor?
Ling Cen, John Wei, Hong Kong University of Science and Technology and Jie Zhang, Hong Kong Polytechnic University

Does Geographic Dispersion Affect Firm Valuation?
Wenlian Gao, Dominican University, Lilian Ng, and Qinghai Wang, University of Wisconsin-Milwaukee

Predicted Returns and Sources of Momentum Profits
Qiang Kang, University of Miami and Canlin Li, University of California-Riverside

Discussants:
Ravi Anshuman, Hong Kong University of Science and Technology
Yong Wang, Hong KOng Polytechnic University
Ming Dong, York University
Hong Zhang, INSEAD

July 11, 2007 4:00 – 5:30PM

Imperfections in Markets and Firms
Session Chair: Tan Wang, University of British Columbia

Taxes on Tax-Exempt Bonds
Andrew Ang, Columbia University, Vineer Bhansali, PIMCO and Yuhang Xing, Rice University

Favoritism or Markets in Capital Allocation?
Mariassunta Giannetti, Stockholm School of Economics and Xiaoyun Yu, Indiana University

Capital Gains Taxes and Stock Return Volatility
Zhonglan Dai, University of Texas at Dallas, Douglas Shackelford, University of North Carolina and Harold Zhang, University of Texas at Dallas

Liquidity Risk in the Corporate Bond Market
Gady Jacoby and Steven Zheng, University of Manitoba, George Theocharides, Sungkyunkwan University

Discussants:
Longkai Zhao, Peking University
Shijie Deng, Georgia Institute of Technology
Steve Wei, Hong Kong Polytechnic University
Ying-Foon Chow, City University of Hong Kong

July 11, 2007 4:00 – 5:30PM

Chinese Stock Markets II
Session Chair: Jia He, Chinese University of Hong Kong

Float, Speculation, and Stock Prices: Evidence from the Share Structure Reform in China
Chuan-Yang Hwang, Shaojun Zhang and Yanjian Zhu, Nanyang Technological University

Asset Float and Stock Prices: Evidence from the Chinese Stock Market
Andrea Beltratti and Marianna Caccavaio, Bocconi University

The Choice of Foreign Primary Listing: China's Share-Issue Privatization Experience
Qian Sun, Xiamen University, Wilson Tong, Hong Kong Polytechnic University and Yujun Wu, Xiamen University

Analyzing the Dealing Heterogeneity in Traders: Evidence from the China Stock Market
Ping Li, Yong Zeng and Wei Zhang, University of Electronic Science and Technology

Discussants:
Ming Liu, Chinese University of Hong Kong
Chaowei Zhao, Sichuan University
Mengxin Zhao, Bently College
Jibao He, Shenzhen Stock Exchange

July 11, 2007 4:00 – 5:30PM

Monetary Policy (in Chinese)
Session Chair: Jun Lu, Sun Yasen University

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Discussants:
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July 12, 2007 8:00 – 9:30AM

Investment Management
Session Chair: Doug Foster, Australia National University

Are there Structural Breaks in Realized Volatility?
Chun Liu and John Maheu, University of Toronto

Asymmetries in Stock Returns: Statistical Tests and Economic Evaluation
Yongmiao Hong, Cornell University, Jun Tu, Singapore Management University and Guofu Zhou, Washington University

Characteristic Function Based Estimation of Levy Tempered Stable Stock Price Models and Jump Market Price Calibration
Junye Li, Bocconi University

Stock Price Jumps and Return Predictability
George Jiang and Tong Yao, University of Arizona

Discussants:
Nengjiu Ju, HKUST
Tao Li, Chinese University of Hong Kong
Jin Zhang, University of Hong Kong
Chu Zhang, HKUST

July 12, 2007 8:00 – 9:30AM

Hedge Funds and Mutual Funds
Session Chair: Bing Liang, University of Massachusetts

Side-by-Side Management of Hedge Funds and Mutual Funds
Tom Nohel, Loyola University, Jay Wang, University of Illinois and Lu Zheng, University of California, Irvine

Intermediated Investment Management
Neal Stoughton, University of Calgary, Youchang Wu and Josef Zechner, University of Vienna

Managerial Ability, Open-End Fund Flows, and Closed-End Fund Discounts
Bin Wei, Duke University

Identifying Skilled Managers: Evidence from Mutual fund Short Sales
Honghui Chen, University of Central Florida, Hemang Desai, Southern Methodist University, and Srinivasan Krishnamurthy, SUNY–Binghamton

Discussants:
Youchang Wu, University of Vienna
Tongshu Ma, Binghamton University
Clemens Sialm, University of Michigan
Shu Yan, University of South Carolina

July 12, 2007 8:00 – 9:30AM

IPO and SEO II
Session Chair: Xiaoyun Yu, Indiana University

Venture Capital, IPO Underpricing, and Going-Public Decisions
George Kanatas, Rice University and Chris Stefanadis, University of Arizona

Underpricing, Overbidding and the Effects of Entry on IPO Auctions: Evidence from Taiwan
Yao-Min Chiang, National Chengchi University, Yiming Qian, University of Iowa and Ann Sherman, University of Notre Dame

The Equity Ownership of Brokerage Firms in IPOs and the Stock Recommendations of Sell-side Analysts
Xi Li, University of Miami

Revealing the Alignment Effect of Ownership Concentration in a Closely Held
Xueping Wu, City University of Hong Kong and Zheng Wang, CITIC Fund Management

Discussants:
Jun Yang, Indiana University
Dalida Kadyrzhanova, University of Maryland
Ge Zhang, University of New Orleans and Baruch College

Tracy Wang, University of Minnesota

July 12, 2007 8:00 – 9:30AM

Behavioral Finance (in Chinese)
Session Chair: Dengshi Huang, Southwest Jiaotong University

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Discussants:
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July 12, 2007 8:00 – 9:30AM

Market Efficiency (in Chinese)
Session Chair: Qingshi Wang, Dongbei University of Finance and Economics

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Discussants:
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July 12, 2007 10:00AM – 11:30AM

Corporate Governance III
Session Chair: Jun Qian, Boston College

Dynamic Governance
Thomas Noe and Michael Rebello, Tulane University

The Effect of Board Structure on Firm Value in an Emerging Market
Bernard Black and Woochan Kim, University of Texas at Austin

Corporate Political Donation: Investment or Agency
Rajesh Aggarwal, Felix Meschke and Tracy Wang, University of Minnesota

Corporate Governance Mechanisms and Corporate Cash Holdings
Yuanto Kusnadi, Hong Kong University of Science and Technology

Discussants:
Xiaoyun Yu, Indiana University
Mengxin Zhao, Bentley College
Jason Wei, Federal Reserve Bank of New York
Xueping Wu, City University of Hong Kong

July 12, 2007 10:00AM – 11:30AM

Idiosyncratic Volatility
Session Chair: Mitch Warachka, Singapore Management University

Return Reversals, Idiosyncratic Risk and Expected Returns
Wei Huang, Qianqiu Liu, Ghon Rhee and Liang Zhang, University of Hawaii at Manoa

Cross Sectional Variation of Stock Returns: Liquidity and Idiosyncratic Risk
Matthew Spiegel, Yale University and Xiaotong Wang, Penn State University

The Relation between Time-Series and Cross-Sectional Effects of Idiosyncratic Variance on Stock Returns in G7 Countries
Hui Guo, Federal Reserve Bank of St. Louis and Robert Savickas, George Washington University

Idiosyncratic Volatility and Skewness: Time Series Relations and the Cross-Section of Expected Returns
Brian Boyer, Todd Mitton, and Keith Vorkink, Brigham Young University

Discussants:
Joe Zhang, Singapore Management University
Chu Zhang, HKUST
Fangjian Fu, Singapore Management University
Rossen Valkanov, University of California, San Diego

July 12, 2007 10:00AM – 11:30AM

Asset Pricing: Empirical II
Session Chair: Miaowei Hung, National Taiwan University

Model Comparison Using the Hansen-Jagannathan Distance
Raymond Kan, University of Toronto and Cesare Robotti, Federal Reserve Bank of Atlanta

Failure of Asset Pricing Models: Transaction Cost, Irrationality, or Missing Factor
Joon Chae and Cheol-Won Yang, Seoul National University

Return Predictability, Economic Profits, and Model Mis-Specification: How Important Are the Better Specified Models?
Yufeng Han, Tulane University

Which Trade Sizes Move Stock Prices in a Fully Automated Order-Driven Market? A Case of the Stock Exchange of Thailand
Charlie Charoenwong and Nattawut Jenwittayaroje, Nanyang Technological University and David Ding, University of New South Wales Asia

Discussants:
Yufen Han, Tulane University
Raymond Kan, University of Toronto
Joon Chae, Seoul National University
Andrea Beltratti, Bocconi University

July 12, 2007 10:00AM – 11:30AM

Banking (in Chinese)
Session Chair: Chun Chang, China-Europe International Business School

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Discussants:
Qiu Huiyan,
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July 12, 2007 10:00AM – 11:30AM

Corporate Finance II (in Chinese)
Session Chair: Aiguo Kong, Fudan University

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Discussants:

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July 12, 2007 11:45 – 1:15PM Conference Lunch

July 12, 2007 1:30 – 3:00PM

Capital Structure
Session Chair: Andrew Chen, Southern Methodist University

Debt Governance, Credit Spread Dynamics and Managerial Incentives
Chenyang Wei, Federal Reserve Bank of New York

Seasoned Equity Offerings and Capital Structure
Fangjian Fu, Singapore Management University

Do Financing Expectations Affect Announcement and Long-run Stock Performance?
Mark Kamstra, Debarshi Nandy, York University and Pei Shao, University of Northern British Columbia

Financing Decisions in Newly Privatized Chinese Firms: Does a Stock Market Quotation Really Provide Disciplining?
Nancy Huyghebaert, Qi Quan and Lijian Sun, Katholieke Universiteit Leuven

Discussants:
Rong Wang, George Mason University
Ping Jiang, City University of Hong Kong
Xueping Wu, City University of Hong Kong
Andrew Chen, Southern Methodist University

July 12, 2007 1:30 – 3:00PM

Behavioral Finance II
Session Chair: Peter MacKay, Hong Kong University of Science and Technology

The Influence of Behavioral Biases on Stock Returns
Mitch Warachka, Singapore Management University

House Money Effect: Evidence from the Taiwan Futures Exchange
Yu-Jane Liu, National Chengchi University, Chih-Ling, Tsai University of California, Davis, Ming-Chun Wang, National Chengchi University and Ning Zhu, University of California, Davis

Market Sentiment, Investor Size and Reaction to Firm-Specific News
Wen He, Mujtaba Mian and Srinivasan Sankaraguruswamy, National University of Singapore

Old Money Matters: The Sensitivity of Mutual Fund Redemption Decisions to Past Performance
Zoran Ivkovic and Scott Weisbenner, University of Illinois at Urbana-Champaign

Discussants:

Scott Weisbenner, University of Illinois
Ning Gao, Manchester Business School
Mitch Warachka, Singapore Management University
Daniel Wu, Hong Kong University of Science and Technology

July 12, 2007 1:30 – 3:00PM

Corporate Finance III
Session Chair: Jianjun Miao, Boston University

The Marketing Role of Managing Underwriters in Seasoned Equity Offerings
Rongbing Huang, Kennesaw State University and Donghang Zhang, University of South Carolina

Staged-Financing Contract with Accounting Fraud
Hefei Wang, University of Illinois at Chicago

Firm and Underwriter Reputations and the Pricing of Capital Raising ADRs and Restricted GDRs
Michael Pinegar, Brigham Young University and Ravi Ravichandran, Loyola University Chicago

Ownership Structure, Control Chain, and Cash Dividend Policy: Evidence from China
William Bradford, University of Washington, Chao Chen, California State University and Song Zhu, Tsinghua University

Discussants:
Heifei Wang, University of Illinois at Chicago
Donghang Zhang, University of South Carolina
Chao Chen, California State University
Michael Pinegar, Brigham Young University

July 12, 2007 1:30 – 3:00PM

Exchange rate and Credit (in Chinese)
Session Chair: David Li, Tsinghua University

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Discussants:
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July 12, 2007 1:30 – 3:00PM

Market Microstructure (in Chinese)
Session Chair: Xiaozu Wang, Fudan University

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Discussants:
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July 12, 2007 3:30 – 5:00PM

Banking II
Session Chair: Li Gan, Texas A&M University

Bank Loans with Chinese Characteristics
Warren Bailey, Cornell University, Wei Huang, University of Hawaii and Zhishu Yang, Tsinghua University

Analysis on Cost of Securitization and Its Implication on Asset Quality Deterioration in Banks with Empirical Evidence
Yan Dong, Southwestern University of Finance and Economics

Market Power of State Commercial Bank in China
Chun-Yu Ho, Boston University

A Structural Empirical Analysis of Retail Banking Competition: the Case of Hungary

Session Chair: Xueping Wu, City University of Hong Kong

Firms' Choice of Public Issuance: A Structural Static Framework
Christopher Lamoureux, University of Arizona and Ali Nejadmalayeri, Oklahoma State University

Board Leadership Structure, Political Dynamics, and CEO Turnovers: Evidence from China's Listed Firms
Sonia Wong, Lingnan University and Yang Yong, University of Science and Technology of China

Executive Compensation and Financial Constraints
Rong Wang, College of William and Mary

Ownership Structure and IPO Valuation
Re-Jin Guo, University of Illinois at Chicago

Discussants:
Simba Chang, University of Merlbourne
Winnie Peng, Hong Kong University of Science and Technology
Nancy Huyghebaert, Katholieke Universiteit Leuven
Donghang Zhang, University of South Carolina

July 12, 2007   3:30 – 5:00PM

Term Structure of Interest Rates
Session Chair: Jun Liu, University of California, San Diego

Empirically Confronting Stochastic Singularity: An Application t5.4(f)12.3(c)-oli--6.3(a sSngveroall)6.2(,)-3.2(and)6.2Ross Mod
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July 12, 2007   3:30 – 5:00PM

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Discussants:

July 12, 2007 3:30 – 5:00PM

Asset Pricing: Empirical II (in Chinese)
Session Chair: Wei Zhang, Tianjian University

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Discussants:
