



Asian Finance Association International Conference 2009

New knowledge . . . for finance

BRISBANE, AUSTRALIA

30 JUNE - 3 JULY


Hosted by



THE UNIVERSITY
OF QUEENSLAND
AUSTRALIA

UQ BUSINESS SCHOOL

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Welcome message from the Conference Co-Chairs

On behalf of the conference host, UQ Business School, we extend our warmest welcome to all delegates – both from overseas and from within Australia to the Asian Finance Association (Asian FA) International Conference 2009. Thank you for supporting this year's conference despite the difficult economic times. In particular, we thank the keynote speakers, Professor Hendrik Bessembinder of the University of Utah and Professor Alexander Ljungqvist of the New York University, program committee members, including the program chairs Professors Vidhan Goyal and Philip Gray, paper reviewers, colleagues and student helpers, without whom there would be no conference. They have each worked very hard to collectively put the entire program together and to ensuring all details have been well taken care of.

Work on the conference began in earnest in July of last year when the University of Queensland was appointed the host for this year's conference. Tons of emails, phone calls, exchange of ideas, planning, vetting, etc. followed. The real work had begun. Many hours have since been expended, both individually and collectively, in meetings, coordination, logistics, attending to queries, canvassing for sponsorships, invitations to industry professionals, database management, paperwork, attending to the hundreds of e-mails, registrations, hotel, etc. There were deadlines to meet, starting from the call for papers and participation to the printing of the conference program. In between, the logistics of dealing with the various service providers and daily updates of the conference web pages need to be taken care of. We are just glad that everything fell into place at the right time. Without the strong support and tireless efforts of the team at the UQ Business School, this conference would not have been possible. A special "thank you" goes to Karen and Maureen for their web support, the IT team and the admin team at the School for their assistance and, Tracy Artiach for her assistance at the conference. We would also like to thank Jackie and Janine from JK Connections for their efficient handling of the registrations and conference administration.

A big "thank you" goes to the paper reviewers for accepting the job that takes away valuable hours from their own research activities. This year, a total of 330 papers were submitted for the conference. Each paper went through a double-blind review process. Of the submitted papers, 184 (approximately 55%) made it into the final program. The quick turnaround by the reviewers has certainly helped in expediting the process of putting the program together. The work of the reviewers, who play a critical role in the quality of the conference, is therefore very much appreciated.

Running a conference of this nature and magnitude would not have been possible without the generous support of our university and industry partners, including the Australian National University (ANU), Securities Industry Research Centre of Asia-Pacific (SIRCA), Capital Markets Cooperative Research Centre (CMCRC), Queensland University of Technology (QUT), Griffith University, University of Southern Queensland (USQ), Financial Integrity Research Network (FIRN), Maple-Brown Abbott Investment Managers, HKUST Business School, QIC Ltd, and the Melbourne Centre for Financial Studies (MCFS). We also acknowledge the kind support toward the funding of three best paper awards – two from the Sandra Ann Morsilli Pacific-Basin Capital Markets Research Center at the University of Rhode Island and one from the CFA Institute.

We invite you to participate actively in the conference and to explore the beautiful city of Brisbane. We hope that you will have an enjoyable and meaningful conference.

Thank you!



Karen Benson
UQ Business School
The University of Queensland



David K. Ding
Lee Kong Chian School of Business,
Singapore Management University

Greetings from the Asian Finance Association

Welcome to the Asian FA 2009 International Conference. On behalf of the Asian Finance Association (Asian FA), I would like to take this opportunity to welcome all the participants to Brisbane in Queensland, Australia.

The Asian FA was founded in 2003 with the merger of the Asia Pacific Finance Association and Pacific Basin Financial Management Association. Over the last few years, the Asian FA has jointly organised the conferences with the Financial Management Association (FMA). This is the first time that the Asian FA solely organises the conference. As one can imagine, it is not easy to organise an international conference of this scale, especially in the midst of the current global economic turmoil. I would like to express sincere appreciation to the UQ Business School for devoting both manpower and financial resources to organising this conference. I would also thank the donations from the various conference sponsors. Without their generous support the conference would not be possible.

This conference could not have taken place without the contributions of many individuals who put in the time and efforts. Special thanks go to the Conference Co-Chairs Karen Benson and David Ding who have worked tirelessly to make the conference a successful one. The academic program co-chairs Vidhan Goyal and Philip Gray are commended for taking on the difficult task reviewing numerous papers, with the assistance of a long list of reviewers. I must also record the valuable services rendered by the colleagues and student helpers from the UQ Business School and JK Connections in the conference administration and local arrangements.

Just like previous years, the conference organising committee has put in a program that is intellectually invigorating. We have the pleasure to listening to the stimulating talk of the two keynote speakers, Professor Hendrik Bessembinder of the University of Utah and Professor Alexander Ljungqvist of NYU Stern. The theme of the conference is “New knowledge for finance”. As the global financial crisis illustrates, there are both outstanding and new issues for the finance academics to explore, ranging from financial regulation, credit products, valuation techniques, risk management, financial market design, compensation policy, to financial market contagion. I expect many papers presented in the conference will shed light on some of the above issues.

I hope that every participant enjoy the fruitful exchange of ideas and the opportunity to meet old friends and new ones. Please also do not forget to take some time to tour the beautiful city of Brisbane.



Kalok Chan
HKUST
President of the Asian Finance
Association, 2008-10

Keynote Addresses

ALEXANDER LJUNGQVIST
Stern Business School,
New York University



**“Monitoring Managers:
Does it Matter?”**
Plenary Session

**Wednesday 1 July,
11.00 – 12.00 - Ballroom A**



Sponsored by: The Australian National University

Alexander Ljungqvist is the Ira Rennert Professor of Finance and Entrepreneurship at New York University’s Stern School of Business. He also serves as Editor of the *Review of Financial Studies*, a Research Fellow of the Centre for Economic Policy Research in London, and a Research Associate of the European Corporate Governance Institute in Brussels. Dr. Ljungqvist received his Master of Science in economics and business from Lund University in Sweden, and his Master of Arts, Master of Philosophy, and Doctor of Philosophy degrees in economics from Nuffield College at Oxford University. Prior to joining NYU in 2000, Dr. Ljungqvist taught at London Business School and Oxford University. He has held visiting appointments at Northwestern University’s Kellogg School of Management, LBS, and the University of Sydney, and he was recently named the Sir Evelyn de Rothschild Fellow at Cambridge University. Dr. Ljungqvist’s primary research areas include financial intermediation, investment banking, initial public offerings, entrepreneurial finance and venture capital, corporate governance, and behavioral corporate finance. Over the past 15 years, Dr. Ljungqvist has consulted widely, including for the European Central Bank, the World Bank, and Deutsche Bank. Between 1995 and 2000, he was a senior consultant with OXERA Ltd, where he advised corporate clients on questions of regulatory economics and corporate strategy. The recipient of several teaching awards, Dr. Ljungqvist teaches an MBA class in new venture financing, a PhD seminar in empirical corporate finance, and executive courses in venture capital, private equity, and investment banking.

HENDRIK BESSEMBINDER
David Eccles School of Business,
University of Utah



“Liquidity and Asset Pricing”

Plenary Session

**Thursday 2 July,
11.00 – 12.00 - Ballroom A**



Sponsored by: Financial Integrity Research Network (FIRN)

Hendrik (Hank) Bessembinder holds the A. Blaine Huntsman Presidential Chair in Finance at the David Eccles Business School of the University of Utah. He completed his Ph.D. in Finance at the University of Washington in 1986, and previously held faculty positions at the Goizueta Business School of Emory University, the Simon School of Business of the University of Rochester and at the Arizona State University College of Business.

Hank’s research and teaching interests include Financial Management, International Finance, Stock Markets, Foreign Exchange Markets, Energy Markets, Trading Costs, Trading Strategies, and Financial Risk Management. His research has been published in the top Finance outlets, including the *Journal of Finance*, the *Journal of Financial Economics*, and the *Review of Financial Studies*. He is Managing Editor of the *Journal of Financial and Quantitative Analysis*, and Associate Editor of the *Journal of Finance*, the *Journal of Financial Economics*, and the *Journal of Financial Markets*.

Hank has taught university courses in corporate finance, investments, financial markets, and financial engineering, at the masters and doctoral levels, having been nominated for and received teaching awards. He has been a consultant to the New York Stock Exchange, Goldman Sachs, Barclay’s Global Investors, Analysis Group, the United States Department of Justice, the United States Securities and Exchange Commission, the Federal Energy Regulatory Commission, and the Commodities Futures Trading Commission, among others.

Special Topic Sessions

WEDNESDAY 1 JULY

1.00 - 1.45

Sponsored by HKUST
Business School



BALLROOM A:

PROFESSOR TOM SMITH

AUSTRALIAN NATIONAL UNIVERSITY

Tom Smith is Professor of Finance, School of Finance and Applied Statistics, College of Business and Economics at the ANU. Before joining the ANU, Tom was Professor of Finance at the Australian Graduate School of Management and prior to that was at the Fuqua School of Business, Duke University, USA. He graduated from the University of Queensland with a Bachelor of Commerce (Honours) and Masters of Financial Management and received his Ph.D. in Finance from Stanford University.

Tom's research interests are in the areas of Asset Pricing Theory and Tests; Design of Markets - Market Microstructure; and Derivatives. His articles have appeared in leading journals including the Journal of Financial Economics, Journal of Finance, Review of Financial Studies, Journal of Financial and Quantitative Analysis, Journal of Business, Journal of Law and Economics, Journal of Accounting Research, Journal of Banking and Finance, Journal of Empirical Finance, Journal of Futures Markets, Journal of Fixed Income and Journal of Portfolio Management.

USING OPTION PRICES TO INFER OVERPAYMENTS AND SYNERGIES IN M&A TRANSACTIONS

Kate Barraclough, Tom Smith and Robert E Whaley

Abstract

Stock price reactions to M&A announcements reflect the market's belief about three distinct pieces of information. First, the announcement reveals new information about the standalone values of the firms involved. Second, the stock price reaction reflects the market's assessment of potential synergies arising from the business transaction. Finally, the stock price reaction also reflects the market's assessment of whether the bidder is overpaying for the target. In this paper we

show how call options written on firms involved in M&A transactions can be used to augment stock prices in uncovering the market's beliefs about bidder overpayment and relative synergies.

BALLROOM B:

PROFESSOR ROBERT FAFF

MONASH UNIVERSITY

Robert Faff is currently Professor of Finance and the Director of Research in the Department of Accounting & Finance at Monash University. He is also currently a Visiting Professor at the University of Leeds, within the Leeds University Business School and a Visiting Professor at the University of Strathclyde (Glasgow). Robert is widely published in numerous refereed international finance and economics journals - most notable among these are the Journal of Financial Economics and the Journal of Business, and also the Journal of Banking and Finance, Journal of Futures Markets, Journal of Financial Research, Financial Review and the Financial Analysts Journal. An article published in the Pacific-Basin Finance Journal (2005), "Ranking Finance Programs in the Asia-Pacific Region: An Update", by Kam Chan, Carl Chen and Peter Lung, assessed the research productivity of 170 Finance Departments at universities based in the Asia Pacific region to rank finance professors based on weighted Journal of Finance - equivalent page counts. According to this measure over the fifteen-year period 1990-2004, Robert ranked number one in the Asia-Pacific region. He is current Editor of Accounting and Finance and past Editor of Accounting Research Journal (1993-2001). Robert has also served as Treasurer of the Accounting Association of Australia and New Zealand (AAANZ) and Treasurer of the Asia Pacific Finance Association (APFA).

DO CREDIT WATCH PROCEDURES AFFECT THE INFORMATION CONTENT OF SOVEREIGN CREDIT RATING CHANGES?

Paula Hill and Robert Faff

Abstract

Very little is known about the effect of credit watch procedures on the market reaction

to credit rating changes. We address this gap in the literature by focusing on credit watch procedures at the sovereign level. Our primary finding is that re-ratings which follow watch procedures are neither more nor less informative, and we conclude therefore that the credit watch procedure does not impact upon the private information of credit rating agencies. In addition we provide evidence on the types of sovereign state for which credit watch procedures are invoked and of the relative activities at the sovereign level of three major rating agencies.

BALLROOM C:

PROFESSOR RENÉE ADAMS

UNIVERSITY OF QUEENSLAND

Renée Adams is Professor of Finance at UQ Business School, University of Queensland and Research Associate at the European Corporate Governance Institute (ECGI). Her research focuses on corporate governance, corporate finance and the economics of organizations. She is the co-author of a forthcoming Journal of Economic Literature survey of the literature on corporate boards with Michael Weisbach and Benjamin Hermalin. Amongst others, she has published in the Journal of Finance, the Journal of Accounting and Economics and the Review of Financial Studies and has a paper forthcoming in the Journal of Financial Economics. She holds a Ph.D. in economics from the University of Chicago and an M.S. in mathematics from Stanford University.

ASKING DIRECTORS ABOUT THEIR DUAL ROLES

Abstract

This paper uses a large survey of directors to investigate their dual roles as advisors and monitors of management. I examine whether the advisory role encourages information exchange between the CEO and directors. I also examine factors influencing directors' perceptions of their roles. The data suggests that directors who primarily monitor are less engaged than

directors who advise, "friendly" directors are more likely to advise, and directors on powerful boards deemphasize their monitoring role. The results are robust to using Heckman selection techniques to address nonresponse bias. The data suggests that monitoring alone may not be sufficient for good governance.

REDLANDS ROOM:

PROFESSOR SUDIPTO DASGUPTA

HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY

Sudipto Dasgupta is a Chair Professor at the Department of Finance of the Hong Kong University of Science and Technology, where he has been since 1993. Prior to that, he was at the University of Southern California. Professor Dasgupta is also the Director of the Center for Asian Financial Markets and he is one of the Editors of the International Review of Finance. His research interests are in corporate finance and applied microeconomics.

THE POWER ISSUE IN EMPIRICAL CAPITAL STRUCTURE RESEARCH

Abstract

The empirical literature in capital structure research over the last 10 years has debated which theories best explain firms' financing behavior. However, the empirical tests developed, for the most part, lack statistical power, that is, a failure to reject the null hypothesis when it is wrong. We provide several examples of this, and argue that empirical capital structure research needs to return to the question of why it is important for firms to have the right capital structure. The recent financial crisis should provide opportunities in this regard.

**THURSDAY 2 JULY – 4.00 – 5.30
BALLROOM A**

“Australia as a Finance Hub”

*Sponsored by: QIC Ltd and Melbourne
Centre for Financial Studies (MCFS)*

QIC

**M MELBOURNE CENTRE
FOR FINANCIAL STUDIES**

Chair: Professor Deborah Ralston, MCFS

Panel Members:

Professor Tim Brailsford, UQ Business School
Mr Tim Crommelin, ABN AMRO Morgans Ltd
Mr Mark Johnson, Chair, Australian Financial
Centre Forum

Professor Deborah Ralston

Deborah Ralston, is a Professor of Finance at Monash University and is the Director of Melbourne Centre for Financial Studies (MCFS). Prof Ralston was formerly a Pro Vice Chancellor and Professor of Finance at University of Canberra, and has held a number of other senior academic appointments. Deborah’s research interests include financial regulation, the strategy and management of financial institutions, and regional economic development and she has published widely in these areas. Prof Ralston is a Fellow of the Financial Services Institute of Australasia (Finsia), the Australian Institute of Company Directors, and CPA Australia. She is currently a Director of Mortgage Choice, an ASX listed mortgage broking company.

Professor Tim Brailsford

Professor Brailsford is the Frank Finn Professor of Finance at the University of Queensland. Prior to this appointment, Tim was the Foundation Head & Dean of the UQ Business School, Dean of the Faculty of Economics & Commerce at the Australian National University in Canberra. Tim’s area of expertise is investments, corporate finance and financial management. He has published a number of books and research monographs and over 50 research papers. Tim’s expertise crosses into industry. He sits on several boards and is a member of the investment committee of an industry fund. Tim is also a regular consultant and advisor to industry and government, particularly in the field of investment management and valuation. Tim is an active contributor to the profession and has served on a number of professional committees, including CPA Australia, past President of the Accounting and Finance Association of Australia & New Zealand, and is currently the President of the Australian Business Deans Council. He also serves AACSB International and is the current Chair of their Initial Accreditation Committee and also sits on the Global Board of the European Foundation for Management Development. Tim was awarded a Prime Minister’s Centenary Medal in 2003 for his contributions.

Mr Tim Crommelin

Mr Crommelin is Chairman Stockbroking at ABN AMRO Morgans Limited and was General Manager of the Girdis Group of Companies (Property Development and Investment) before joining Morgan Stockbroking Limited (now ABN AMRO Morgans) in 1986. He is a Fellow of Land Economists (F.S.L.E), Fellow of the Securities Institute of Australia (F.S.I.A) and Trustee, Queensland Division of Committee for Economic Development of Australia. Mr Crommelin serves on the following boards: Deputy Chairman CS Energy Limited; Board of Trustees of Brisbane Grammar School; Director, Board of the Australian National University Superannuation Investment Committee; Director Abney Hotels Limited; Director Australian Cancer Research Foundation and Director Opcom Limited.

Mr Mark Johnson

Mr Johnson is Chairman of AGL Energy and Chairman of Macquarie Infrastructure Group. He retired as Deputy Chairman of Macquarie Bank in July 2007, after a career of more than forty years in banking and corporate finance. Mr Johnson is one of the three Australian members of the APEC Business Advisory Council (ABAC) since 2002, and he was Chairman of ABAC and the APEC Business Summit in Sydney in 2008. He was Chairman of the Australian Strategic Policy Institute from 2005 to 2008. Mr Johnson is a member of the Board of Governors of the Institute for International Trade at the University of Adelaide, and a Life Governor of the Victor Chang Cardiac Research Institute.

Committee - Asian Finance Association International Conference 2009

Professor Kalok Chan
HKUST Business School
President, Asian Finance Association

Professor Tim Brailsford
Frank Finn Professor of Finance
UQ Business School
University of Queensland

Conference Co-Chairs

Dr Karen Benson
UQ Business School
University of Queensland

Dr David Ding
Lee Kong Chian School of Business
Singapore Management University

Program Chairs

Professor Vidhan Goyal
HKUST Business School
Hong Kong University of Science
and Technology

Professor Philip Gray
UQ Business School
University of Queensland

Committee - Asian Finance Association International Conference 2009

Paper Reviewers

- Renee Adams, University of Queensland
Anup Agrawal, University of Alabama
Karen Alpert, University of Queensland
Mohamed Ariff, Bond University
Necmi Avkiran, University of Queensland
Kee-Hong Bae, Queen's University
Warren Bailey, Cornell University
Balasingham Balachandran, Monash University
Suman Banerjee, Nanyang Technological University
Utpal Bhattacharya, Indiana University
Ronald Bird, University of Technology, Sydney
Robert Brooks, Monash University
Christine Brown, University of Melbourne
Henry Cao, Cheung Kong Graduate School
Jennifer Carpenter, New York University
Howard Chan, University of Melbourne
Millicent Chang, University of Western Australia
Eric Chang, University of Hong Kong
Thomas Chemmanur, Boston College
Carl Chiarella, University of Technology, Sydney
Jin Wan Cho, Korea University Business School
Tarun Chordia, Emory - Goizueta Business School
Edward Chow, National Chengchi University
Mark Christensen, Queensland University of Technology
Adam Clements, Queensland University of Technology
Carole Comerton-Forde, University of Sydney
Charles Corrado, Massey University
Ray Da Silva Rosa, University of Western Australia
Sudipto Dasgupta, HKUST
Jerome Detemple, Boston University
David Ding, Singapore Management University
Jin-Chuan Duan, National University of Singapore
Stephen Easton, University of Newcastle
Robert Faff, Monash University
Joseph Fan, Chinese University of Hong Kong
David Feldman, University of New South Wales
Frank Finn, University of Queensland
Doug Foster, Australian National University
David Gallagher, University of New South Wales
Clive Gaunt, University of Queensland
Jeremy Goh, Singapore Management University
Stephen Gray, University of Queensland
John Griffin, University of Texas
Bruce Grundy, University of Melbourne
Jason Hall, University of Queensland
Yasushi Hamao, University of Southern California
Allaudeen Hameed, National University of Singapore
John Handley, University of Melbourne
Jarrad Harford, University of Washington
Vince Hooper, University of New South Wales
Kewei Hou, Ohio State University
Chuan Yang Hwang, Nanyang Technological University
Jacquelyn Humphrey, University of Queensland

Kris Jacobs, McGill University	Jing Shi, Australian National University
David Johnstone, University of Sydney	Andreas Simon, Calpoly
Nengjiu Ju, HKUST	Tom Smith, Australian National University
Egon Kalotay, Macquarie University	Anand Srinivasan, National University of Singapore
Raymond Kan, University of Toronto	Max Stevenson, University of Sydney
Jun-koo Kang, Nanyang Technological University	Peter Swan, University of New South Wales
Andrew Karolyi, Ohio State University	Walter Torous, UCLA
Steve Keen, University of Western Sydney	Sirimon Treepongkaruna, Monash University
Paul Kofman, University of Melbourne	Garry Twite, Australian National University
Yrjo Koskinen, Boston University	Masako Ueda, University of Winconsin
Sie-Ting Lau, Nanyang Technological University	Peter Verhoeven, Queensland University of Technology
Darren Lee, University of Queensland	Kathy Walsh, University of Sydney
Kai Li, University of British Columbia	Terry Walter, University of Technology, Sydney
Bing Liang, University of Massachusetts	Jin Wan Cho, Korea University Business School
Tai Ma, National Sun Yat-sen University	Kent Wang, University of Queensland
Peter Mackay, HKUST	Jiang Wang, MIT
Ronald Masulis, Vanderbilt University	Mitch Warachka, Singapore Management University
Michael McKenzie, University of Sydney	John Wei, HKUST
Lilian Ng, Nanyang Technological University	Barry Williams, Bond University
Thomas Noe, Okford University and University of Tulane	Li Anne Woo, Bond University
John Nowland, Queensland University of Technology	Andrew Worthington, Griffith University
Barry Oliver, Australian National University	Eliza Wu, University of New South Wales
Jerry Parwada, University of New South Wales	Guojun Wu, University of Houston
Kerry Pattenden, University of Sydney	Takeshi Yamada, National University of Singapore
Enrico Perotti, University of Amsterdam	Chu Zhang, HKUST
Vanitha Ragunathan, University of Queensland	Lu Zhang, Michigan
Ghon Rhee, University of Hawaii	Lu Zheng, University of California Irvine
Mark Seasholes, HKUST	Guofu Zhou, Washington University
Henri Servaes, London Business School	

Asian Finance Association International Conference 2009

BRISBANE 30 JUNE – 3 JULY 2009
CONFERENCE PROGRAM

Hosted by



THE UNIVERSITY
OF QUEENSLAND
AUSTRALIA

UQ BUSINESS SCHOOL

TUESDAY 30 JUNE

4.00 – 7.00 pm: Registration – Foyer, Level 5, Hilton Brisbane
6.30- 8.30 pm: **Welcome Reception, Queens Ballroom**
Sponsored by SIRCA



WEDNESDAY 1 JULY

8.30 - 10.30 AM: CONCURRENT SESSIONS

Behavioural Finance 1

Chair: Claire Matthews, Massey University

Who win and who lose among individual investors?

Kingsley Y. L. Fong, The University of New South Wales, Sydney

David R. Gallagher, The University of Texas at Austin

Adrian D. Lee, Capital Markets CRC Limited, Sydney

Discussant: David Johnstone, University of Sydney

The Return Predictability of Trends in Earnings Surprises

Roger K. Loh, Singapore Management University

Mitch Warachka, Singapore Management University

Discussant: Ruhani Ali, Universiti Sains Malaysia

Is There Home Bias in Foreign Direct Investments?

Gulnur Muradoglu, City University London

Kristina Vasileva, City University London

Discussant: Hsiao-Peng Fu, Providence University, Taiwan

The Impact of Market Sentiment on Capital Structures in the US

Barry Oliver, The Australian National University

Discussant: Mitch Warachka, Singapore Management University

BALLROOM A

Market Microstructure 1

Chair: Hui Zheng, University of Sydney

Session sponsored by: Capital Markets Cooperative Research Centre (CMCRC)



Price formation and liquidity surrounding large trades in interest rate and equity index futures

James Cummings, APRA

Alex Frino, University of Sydney

Discussant: Kalok Chan, HKUST

How much does an illegal insider trade?

Alex Frino, University of Sydney

Steve Satchel, University of Sydney

Brad Wong, University of Sydney

Discussant: Christine Jiang, University of Memphis

News Arrival and Stock Market Trading

Fariborz Moshirian, University of New South Wales

Peter Pham, University of New South Wales

Huong Giang Nguyen, University of New South Wales

Discussant: Alex Frino, University of Sydney

Pricing accuracy, liquidity and trader behavior with closing price manipulation

Carole Comerton-Forde, University of Sydney

Talis Putnins, University of Sydney

Discussant: Alister Marsden

Funds Management 1

Chair: Doug Foster, Australian National University

Governance in Australian Superannuation Funds

Karen Benson, The University of Queensland

Marion Hutchinson, Queensland University of Technology

Ashwin Sriram, PricewaterhouseCoopers, Malaysia

Discussant: Lorenzo Casavecchia, University of Technology, Sydney

Equity fund style and the performance persistence : Evidence from Korea

Jangkoo Kang, KAIST Business School

Changjun Lee, KAIST Business School

Doowon Lee, University of Newcastle

Discussant: Terry Walter, University of Technology, Sydney

Persistence and the four factor model in the Australian funds market

Jacquelyn E. Humphrey, University of Queensland

Michael A. O'Brien, Schroders Investment Management

Discussant: Grant Cullen, Murdoch University

BALLROOM B

BALLROOM C

Portfolio Diversification and Risk Reduction: Evidence from Taiwan Stock Mutual Funds

George Wang,

Discussant: Doowon Lee, University of Newcastle

Corporate Governance and Policy Decisions

Chair: Liu Feng, Sun Yat-Sen University

Corporate Governance and Capital Allocations of Diversified Firms

I-Ju Chen, Yuan Ze University, Taiwan

Sheng-Syan Chen, National Taiwan University, Taiwan

Discussant: J Ronald Hoffmeister, Arizona State university

Product Market Competition and Corporate Governance

Julia Chou, Florida International University

Lilian Ng, University of Wisconsin-Milwaukee

Qinghai Wang, Georgia Institute of Technology

Discussant: Garry Twite, Australian National University

Corporate Retirement Benefit Plans, Firm Value, Investment and Capital Structure

Hieu V. Phan, University of Connecticut

Shantaram Hegde, University of Connecticut

Discussant: Fang Hu, City University of Hong Kong

Corporate governance and information risk post Sarbanes Oxley

Maria Strydom, Monash University

Farshid Navissi, Monash University

Michael Skully, Monash University

Madhu Veeraraghvan, Monash University

Discussant: Trevor Wilkins, NUS Business School

Governance and Performance

Chair: Hong Feng Zhang, Deakin University

Corporate Governance, Cost of Capital and Performance: Evidence from Australian Firms

Peter Pham, The University of New South Wales

Jo-Ann Suchard, The University of New South Wales

Jason Zein, The University of New South Wales

Discussant: Sudipto Dasgupta, Hong Kong University of Science and Technology

Divestitures, Corporate Governance and Wealth Effects

Sian Owen, The University of New South Wales, Sydney

Liting Shi, The University of New South Wales, Sydney

Alfred Yawson, The University of New South Wales, Sydney

Discussant: Larelle Chapple, Australian National University

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Ultimate Ownership and Performance of Islamic Financial Institutions in Malaysia

Samsuwatd Zuha Bt Mohd Abbas, University Teknologi MARA

Prof Dr Rashidah Abdul Rahman, University Teknologi MARA

Prof Dr Sakthi Mahenthiran, Butler University

Discussant: Xiaofei Pan, Univeristy of Wollongong

Impact of Capital Structure on Firm Value: A Panel Data Analysis

Ruzita Abdul Rahim, National University of Malaysia

Fauzias Mat Nor, National University of Malaysia

Nor Azlan Alias, National University of Malaysia

Mohd Hasimi Yaakob, National University of Malaysia

Discussant: Hsin-I Chou, La Trobe University

Bank Efficiency and Performance

Chair: Harald Scheule, University of Melbourne

Benchmarking Dividend Policies of Banks with a Focus on Share Performance: A Multi-period Relative Efficiency Analysis

Necmi K Avkiran, The University of Queensland

Mika Goto, Central Research Institute of Electric Power Industry, Japan

Discussant: Mohamed Ariff, Bond University

Cross-Country Determinants of Bank Profitability: The Role of Banking Market Structure and the Quality of Institution

Sheng-Hung Chen, Nan Hua University Taiwan

Chien-Chang Liao, Nan Hua University Taiwan

Discussant: Shane Magee, Macquarie University

Do Foreign Banks Perform Better Than Domestic Banks? Comparison of Bank Efficiency in 16 Asian Countries

Sheng-Hung Chen, Nan Hua University Taiwan

Chuan-Yu Lin, Nan Hua University Taiwan

Discussant: William Lim, York University

Monetary Policy and Menu Costs on Credit Policy and Product Pricing

William Lim, York University

Muhammad Rashid, University of New Brunswick

Discussant: Andrew C. Worthington, Griffith University

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Corporate Debt Structures

Chair: Chander Shekhar, University of Melbourne

Stock Repurchase as a Leverage Adjustment Device

Min Teng, Tokyo Institute of Technology

Toyohiko Hachiya,

Discussant: Kelvin Tan, University of Queensland

Financial Balance Sheet Adjustment and Determinants of Corporate Debt: A Model of Indonesian Listed Corporations

Viverita, University of Indonesia

Wimboh Santoso, Central Bank of Indonesia

Discussant: Kin Lee, Nanyang Technology University, Singapore

Debt Reclassifications and Rollover: Determinants and Real Impact

Xin Chang, Nanyang Technological University

Yunling Chen, Hong Kong University of Science and Technology

Sudipto Dasgupta, Hong Kong University of Science and Technology

Discussant: Robert Brooks, Monash University

Debt Covenants, Agency Costs and Debt Maturity

Jamie Alcock, University of Queensland

Frank Finn, University of Queensland

Jui Keng Tan, University of Queensland

Discussant: Andreas Simon, California Polytechnic State University

10.30 – 11.00 AM: MORNING TEA

11.00 -12.00: PLENARY SESSION - BALLROOM A

Professor Alexander Ljungqvist,

Stern Business School, New York University

Monitoring Managers: Does it Matter?

Chair: Professor Tom Smith

Sponsored by the Australian National University



12.00 – 1.00 PM: LUNCH - QUEENS BALLROOM

1.00 – 1.45 PM: SPECIAL TOPIC SESSIONS

Sponsored by HKUST Business School



SPECIAL TOPIC 1.

Chair: Karen Benson, The University of Queensland

Presenter: Professor Tom Smith, ANU

Using Option Prices to Infer Overpayments and Synergies in M&A Transactions

(Authors: Kate Barraclough, Tom Smith and Robert E Whaley)

Discussant: Kasper Neilson

BALLROOM A

SPECIAL TOPIC 2

Chair: David Ding, Singapore Management University

Presenter: Professor Robert Faff, Monash University

Do Credit Watch Procedures Affect the Information Content of Sovereign Credit Rating Changes?"

(Authors: Paula Hill and Robert Faff)

BALLROOM B

SPECIAL TOPIC 3

Chair: Kalok Chan, HKUST

Presenter: Professor Renee Adams, The University of Queensland

Asking Directors About their Dual Roles

BALLROOM C

SPECIAL TOPIC 4

Chair: Bruce Grundy, University of Melbourne

Presenter: Sudipto Dasgupta, HKUST

The Power Issue in Empirical Capital Structure Research

REDLANDS ROOM

1.50 – 3.20 PM: CONCURRENT SESSIONS

Agency Theory and Contracting 1

Chair: Julia Chou, Florida International University

Earnings Management, Underpricing and Underperformance of Chinese IPOs

Zhe Shen, Xiamen University

Jerry Coakley, University of Essex

Norvald Instefjord, University of Essex

Discussant: Yohan An, RMIT University

*Is Earnings Management Harmful to the Long-term Performance of IPOs?
Reexamining from Corporate Governance Perspectives*

Hui-wen Tang, Tamkang University, Taiwan

Discussant: Naoto Isaka, Sophia University

*The Impact of Earnings Guidance Cessation:
Information Asymmetry and Earnings Management*

Christine Jiang, University of Memphis

Xianku Hu, The University of Memphis

Discussant: Zhe Shen, Xiamen University

BALLROOM A

Analysts 1

Chair: Klaus Sandman, University of Technology, Sydney

Do Long-term Growth Forecasts Signal Analyst Quality or Incentives?

Andreas Simon, California Polytechnic State University

John Nowland, Queensland University of Technology

Cyrus Ramezani, California Polytechnic State University

Discussant: Howard Chan, University of Melbourne

Would you bet your savings on today's best Analyst?

Yaniv Konchitchki, University of Southern California

Andreas Simon, California Polytechnic State University

Discussant: Bruce Grundy, University of Melbourne

Analysts' Recommendations, Signaling, Timeliness and Regulation Fair Disclosure

Rob Brown, University of Melbourne

Howard W.H. Chan, University of Melbourne

Yew Kee Ho, National University of Singapore

Grace Weiyong YAN, National University of Singapore

Discussant: Tony Ruan, Xiamen University

Market Microstructure 2

Chair: Talis Putnins, University of Sydney

*Sponsored by: Capital Markets Cooperative
Research Centre (CMCRC)*



Does Pre-trade Transparency Affect Market Quality in Tokyo Stock Exchange?

Hideaki Sakawa, Nagoya City University

Masato Ubukata, Oksaka University

Discussant: Feng Wu, University of Hawaii

The impact of the introduction of broker anonymity on the New Zealand Exchange

Alastair Marsden, The University of Auckland

Russell Poskitt, The University of Auckland

Jingfei Shen, The University of Auckland

Discussant: Qing Ye, Queen's University, Belfast

The Information Conveyed in Two Successive Trades by the Same Broker

Alex Frino, University of Sydney

David Johnstone, University of Sydney

Hui Zheng, University of Sydney

Discussant: Gary Tian, University of Wollongong

Behavioural Finance 2

Chair: Yexiao Xu, University of Texas

Attitudes, Perceptions and Motivations of Libyan Retail Consumers toward Islamic Methods of Finance

Alsadek H. Gait, Griffith University

Andrew C. Worthington, Griffith University

Discussant: Liping Zou, Massey University

The Performances of 'Sin' Stocks in China

Nuttawat Visaltanachoti

Liping Zou, Massey University

Qing Zheng

Discussant: Jacquelyn Humphrey, University of Queensland

Winner's curse and bandwagon effect in IPOs: The case of Malaysian private placement IPOs

Othman Yong, Universiti Kebangsaan Malaysia

Discussant: Qian Sun, Xiamen University

Derivatives

Chair: Walter Torous, UCLA

Pairs Trading Profits in Commodity Futures Markets

Robert Bianchi, Queensland University of Technology

Michael Drew, Griffith University

Roger Zhu, Queensland University of Technology

Discussant: Mirela Malin, Griffith University

Modeling the crack futures spreads

Peter R. Locke, The Texas Christian University

Pattarake Sarajoti, ChulalongKorn University

Tearasuit Puthongsiriporn, ChulalongKorn University

Discussant: Kin Yip Ho, Swinburne University of Technology

Cointegrated Commodity Pricing Model

Katsushi Nakajima, Hitotsubashi University

Kazuhiko Ohashi, Hitotsubashi University

Discussant: Robert Faff, Monash University

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Corporate Investments

Chair: Rong Wang, Singapore Management University

Informal Finance, Trade Credit and SME performance in China

Jun Su, Chinese University of Hong Kong

Discussant: Lisa Barnes, University of Newcastle

Energy Price Uncertainty, Energy Intensity and Firm-Level Investment

Ronald A. Ratti, University of Western Sydney

Kyung Hwan Yoon, University of Western Sydney

Discussant: Mohammed Alzahrani, King Fahd University of Petroleum & Minerals

Managerial Behavior and the Link between Stock Mispricing and Corporate Investments: Evidence from a decomposition of market-to-book ratio

Mohammad Alzahrani, King Fahd University of Petroleum & Minerals

Ramesh P. Rao, Oklahoma State University

Discussant: Lewis Tam, University of Macao

Takeovers

Chair: Garry Twite, Australian National University

Do Accelerated Stock Repurchases Deter Takeovers? An Empirical Analysis

Ali Akyol, University of Melbourne

Jin Kim,

Chander Shekhar, University of Melbourne

Discussant: Baran Siyahhan, Vienna Graduate School of Finance

Property Market Overvaluation, Toeholds, and the Winners' Curse: Evidence from Hong Kong Land Auctions

Yuk Ying Chang, Massey University

Sudipto Dasgupta, HKUST

Jie Gan, HKUST

Discussant: Peiming Wang, Auckland University of Technology

Corporate governance and merger and acquisition (M&A) FDI: firm-level evidence from Japanese FDI into the US

Joseph D. Alba, Nanyang Technological University, Singapore

Donghyun Park, Asian Development Bank, Philippines

Peiming Wang, Auckland University of Technology

Discussant: Sian Owen, University of New South Wales

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Board Composition and Performance

Chair: Janice How, Queensland University of Technology

Does Board Independence Matter? Evidence from New Zealand

Hardjo Koerniadi, Auckland University of Technology

Alirexa Tourani-Rad, Auckland University of Technology

Discussant: Bang Nguyen, Chinese University of Hong Kong

The value of independent directors: Evidence from sudden deaths

Bang Dang Nguyen, Chinese University of Hong Kong

Kasper Meisner Nielsen, Chinese University of Hong Kong; CEBR

Discussant: Millicent Chang, University of Western Australia

Board Composition, Board Activity and Ownership Concentration, the Impact on Firm Performance

Shiguang Ma, University of Wollongong

Gary Tian, University of Wollongong

Discussant: Marion Hutchinson, Queensland University of Technology

3.20 – 3.45 PM: AFTERNOON TEA

3.45 – 5.15 PM: CONCURRENT SESSIONS

Return Predictability

Chair: Bruce Grundy, University of Melbourne

Common Divisors, Payout Persistence, and Return Predictability

John Powell, Massey University

Jing Shi, The Australian National University

Tom Smith, The Australian National University

Robert Whaley, Vanderbilt University

Discussant: Yexiao Xu, University of Texas

Predictability of future index returns based on the 52 wk high strategy

Mirela Malin, Griffith University

Graham Bornholt, Griffith University

Discussant: Barry Oliver, Australian National University

What Predicts Stock Returns? -- The Role of Expected versus Unexpected Predictors

Nina Baranchuk, University of Texas at Dallas

Yexiao Xu, University of Texas at Dallas

Discussant: Jing Shi, Australian National University

Board of Directors

Chair: Marion Hutchinson, Queensland University of Technology

Layoffs: Are They Always Bad News?

J Ronald Hoffmeister, Arizona State University

Saeyoung Chang, University of Nevada

Discussant: Janice How, Queensland University of Technology

The endogenously chosen board structure: evidence from the US bank holding companies

Shams Pathan, Bond University

Discussant: Hardjo Koerniadi, Auckland University of Technology

The Effects of Financial Distress and Capital Structure on the Work Effort of Outside Directors

Hsin-I Chou, La Trobe University

Hui Li, La Trobe University

Xiangkang Yin, La Trobe University

Discussant: Kun-Li Lin, Feng Chia University

Market Microstructure 3

Chair: Terry Walter, University of Technology, Sydney

Volume, Volatility, and Information Linkages in the Stock and Options Markets

Kin Yip Ho, Swinburne University of Technology

Lin Zheng, Cornell University

Discussant: James Cummings, APRA

Anything Wrong with Breaking a Buck? An Empirical Evaluation of NASDAQ \$1 Minimum Price Maintenance Criterion

S. Ghon Rhee, SKKU Business School; University of Hawaii

Feng Wu, University of Hawaii

Discussant: Hideaki Sakawa, Nagoya City University

Do Investors Benefit from Transparent Markets? Evidence from Taiwan

Hsiu-Kuei Chan, Nan Jeon Institute of Technology, Taiwan

Tai Ma, National Sun Yat-sen University

Shu-fan Hsieh, National Kaohsiung First University of Science and Technology

Discussant: Chen-Jui Huang, Tunghai University

Market Efficiency 1

Chair: Takeshi Yamada, National University of Singapore

Momentum Investing in Asian Stock Markets

Tony Chieh-tse Hou, National Dong Hwa University

Torng-Her Lee, National Dong Hwa University

Phillip J. McKnight, Lawrence University

Discussant: Othman Yong, University Kebangsaan Malaysia

Weekend Effect and Short Sales: International Evidence

Jinghan Cai, Shenzhen Stock Exchange Research Institute

Fengyun Li, Renmin University of China

Le Xia, Bank of China

Discussant: Michelle Goyen, University of Southern Queensland

Risk and the January Effect

Qian Sun, Xiamen University, China

Wilson H. S. Tong, The Hong Kong Polytechnic University

Discussant: John Wei, Hong Kong University of Science and Technology

Financial Institutions

Chair: Necmi Avkiran, University of Queensland

The Impact of Auditor Market Share on Audit Pricing in the Malaysian financial Institutions

Rohami Shafie, Universiti Utara Malaysia

Ayoib Che Ahmad, Universiti Utara Malaysia

Discussant: Mamiza Haq, University of Queensland

The Changing Role of the Lead Syndicate Member: Fixed Price versus Book Builds

Frederick H.deB. Harris, Wake Forest University

Thomas H. McInish, Institute for the Study of Security Markets, Memphis

Kathryn Wong, University of New South Wales

Discussant: Catherine Ho, Universiti Teknologi MARA

Money Market Interest rate and bank shares: A case study of Australia

Thatphong Awirothananon, Griffith University

Discussant: Kathryn Wong, University of New South Wales

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Analysts and Rating Agencies

Chair: Michele Meoli, University of Bergamo, Italy

Trading Behavior before the Public Release of Analysts' Reports

Bobae Choi, The University of Newcastle

Doowon Lee, The University of Newcastle

Kooyul Jung, Korea Advanced Institute of Science and Technology

Discussant: Yunling Chen, Hong Kong University of Technology and Science

Personal Financial Planning in Australia: an Industry Analysis

Lujer Santacruz, University of Southern Queensland

Alexsej Lukashenok, University of Southern Queensland

Discussant: Viverita, University of Indonesia

Variations in Sovereign Credit Quality Assessments across Rating Agencies

Paula Hill, University of Bristol

Robert Faff, Monash University

Robert Brooks, Monash University

Discussant: Bobae Choi, University of Newcastle

Performance of Banks

Chair: Barry Williams, Bond University

Efficiency and Stock Market Performance of Australian Banks

Dong Xiang, University of Newcastle

Abul Shamsuddin, University of Newcastle

Discussant: Cheng Fah, Universiti Putra Malaysia

Assets/Liabilities Management at Commercial Banks in Pakistan

H. Jamal Zubairi, Karachi Institute of Business Management

Discussant: Chuan-Yu Lin, Nan Hua University, Taiwan

Performance of East Asian Banking Sectors

Luc Can, Harvard University

Mohamed Ariff, Bond University

Discussant: Chien-Chang Liao, Nan Hua University, Taiwan

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Capital Structure

Chair: John Nowland, Queensland University of Technology

Information Revelation and Strategic Use of Capital Structure in Duopoly with Asymmetric Information

Baran Siyahhan, Vienna Graduate School of Finance

Discussant: Zhen Wang, Kong University of Science and Technology

A Dynamic Theory of Pecking Order Financing

Takao Kobayashi, University of Tokyo

Risa Sai, University of Tokyo

Discussant: Philip Lin, Queensland University of Technology

Where did all the dollars go? The effect of cash flows on capital and asset structure

Sudipto Dasgupta, Hong Kong University of Science and Technology

Thomas Noe, University of Oxford

Zhen Wang, Hong Kong University of Science and Technology

Discussant: Andreas Simon, California Polytechnic State University

THURSDAY 2 JULY

8.30 - 10.30 AM: CONCURRENT SESSIONS

Capital Markets 1

Chair: Jing Shi, Australian National University

Determinants of Bond Market Size: Developed vs Emerging Markets

Bambang Irawan, Monash University

Robert D. Brooks, Monash University

Discussant: Emawtee Bissoondoyal-Bheenick, Monash University

Short-sale Constraints and A-H Share Premiums

Kalok Chan, Hong Kong University of Science & Technology

Hung Wan Kot, Hong Kong Baptist University

Zhishu Yang, Tsinghua University

Discussant: Kent Wang, University of Queensland

The Ex-Dividend Day Price Behavior of Exchange-Traded Funds

Tony Ruan, Xiamen University

Tongshu Ma, State University of New York at Binghamton

Discussant: Bambang Irawan, Monash University

Firm Specific Variation in Returns and Fundamentals in Korea Stock Market

Doowon Lee, University of Newcastle

Kabir Hassan, University of New Orleans

Arifur Rahman, University of Western Sydney

Discussant: Chee Jin Yap, Deakin University

Asset Pricing 1

Chair: Howard Chan, University of Melbourne

Understanding the Variation of Foreign Share Price Discounts - A Study of Dual-listed Chinese Firms

Jeffrey L. Callen, University of Toronto

Karen Lai, Hong Kong Polytechnic University

Steven X. Wei, Hong Kong Polytechnic University

Discussant: Nonthipoth Buranavityawut, Unitec New Zealand

A Binomial Model of Asset and Option pricing with Heterogeneous beliefs

Xue-Zhong He, University of Technology, Sydney

Lei Shi, University of Technology, Sydney

Discussant: David Johnstone, University of Sydney

Portfolio Analysis and Zero-Beta CAPM with Heterogeneous Beliefs

Xue-Zhong He, University of Technology Sydney

Lei Shi, University of Technology Sydney

Discussant: Jun Tu, Singapore Management University

Liquidity Pricing, Stock Returns, and the Contrarian Strategy: Evidence from Japanese Listed Firms

Keiichi Kubota, Chuo University

Hitoshi Takehara, Waseda University

Discussant: Jialiu Lu, Sun Yat-sen University

Investments 1

Chair: John Wei, Hong Kong University of Science and Technology

Session sponsored by: Maple-Brown Abbott

 **MAPLE-BROWN ABBOTT**
Investment Managers

Trading restrictions and the Chinese Warrant Bubble

Keith Lam, University of Macau

Ming-Hua Liu, University of Macau

Kanda K. Rangan, Virginia Commonwealth University

Discussant: Andrew Ainsworth, University of New South Wales

Perverse Incentives: The conflict of interest implicit in CTA Management fees

Paul Lajbcygier, Monash University

David Ghijben, Monash University

Discussant: Mohammad Salahuddin, Southeast University

Foreign Ownership in the Chinese Stock Market and Equity Home Bias

Anil Mishra, University of Western Sydney

Discussant: Klaus Sandmann, University of Technology, Sydney

Determinants of Gross Investments in Bangladesh-A Time Series Evidence

Abu N. M. Wahid, Tennessee State University

Md. Rabiul Islam, Monash University

Mohammad Salahuddin, Southeast University**Discussant:** Barry Oliver, Australian National University**Funds Management 2****Chair:** Tom Smith, Australian National University*Mutual Fund Risk: Mean Reversion or Gaming?***Grant Cullen**, Murdoch University

Dominic Gasbarro, Murdoch University

Gary Monroe, The Australian National University

J. Kenton Zumwalt, Colorado State University

Discussant: Jason Hall, University of Queensland*Dynamic Lifecycle Strategies for Target Date Retirement Funds***Anup K. Basu**, Queensland University of Technology

Alistair Byrne, University of Edinburgh

Michael E. Drew, Griffith University

Discussant: Talis Putnins, University of Sydney*Dynamic Setting of Distribution Fees in the US Mutual Fund Industry***Lorenzo Casavecchia**, University of Technology Sydney

Massimo Scotti, University of Technology Sydney

Discussant: Jacquelyn Humphrey, University of Queensland*Broker Recommendations and Australian Small-Cap Equity Fund Management*

Carole Comerton-Forde, The University of Sydney

David R. Gallagher, The University of Texas

Joyce Lai, The University of New South Wales

Terry Walter, University of Technology, Sydney**Discussant:** Anup Basu, Queensland University of Technology

Corporate Governance - Chinese context

Chair: Bang Dang Nguyen, Chinese University of Hong Kong

Appointment of Political Top Executives and Subsequent Performance and Corporate Governance: Evidence from China's Listed SOEs

Fang Hu, City University of Hong Kong

Sidney C. M. Leung, City University of Hong Kong

Discussant: Shiguang Ma, University of Wollongong

Managerial compensation, ownership structure and firm performance in China's listed firms

Xiaofei Pan, Gary Gang Tian, Shiguang Ma, and Aelee Jun, University of Wollongong

Qingliang Tang, University of Western Sydney

Discussant: Selim Akhter, University of Western Sydney

The role of the audit committee and institutional investors in constraining earnings management: evidence from Chinese firms listed in Hong Kong

Philip Lin, Queensland University of Technology

Marion Hutchinson, Queensland University of Technology

Majella Percy, Griffith University

Discussant: Hieu Phan, University of Connecticut

The value of share transferability and the private benefits of control in China

Zhaohua Li, Lincoln University

Discussant: Kasper Neilson, Chinese University of Hong Kong

IPOs

Chair: Zhe Shen, Xiamen University

Investor Characteristics, Relationships and IPO Allocations

Vidhan Goyal, HKUST

Lewis Tam, University of Macao

Discussant: Rong Wang, Singapore Management University

When the Going Gets Tough: Board Capital and Survival of New Economy IPO Firms

Nongnit Chancharat, University of Wollongong

Chandrasekhar Krishnamurti, Auckland University of Technology

Gary Tian, University of Wollongong

Discussant: Yan Alperovych, University of Liege, Belgium

Explaining returns on venture capital backed companies: evidence from Belgium

Yan M. Alperovych, University of Liège, Belgium

Georges Hübner, University of Liège, Belgium

Discussant: Ravi Jain, National University of Singapore

Offer price and the valuation of fixed-price IPOs

Michelle Goyen, University of Southern Queensland

Discussant: Darren Lee, The University of Queensland

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International Finance

Chair: Philip Ji, Monash University

*The Impact of Global Institutional Investors on Local Equity Prices:
Reversal of the Size Premium*

Hao Jiang, Erasmus University

Takeshi Yamada, National University of Singapore

Discussant: Shumi Akhtar, Australian National University

*Sentiment Contagion, Corporate Governance, Information and
Legal Environments*

Yuk Ying Chang, Massey University

Robert Faff, Monash University

Chuan-Yang Hwang, Nanyang Technological University

Discussant: Vanitha Rangunathan, The University of Queensland

*Foreign Exchange Equilibrium within Trade-linked Countries:
Purchasing Power Parity*

Catherine Ho, Universiti Teknologi MARA

Mohamed Ariff, Bond University

Discussant: Shane Magee, Macquarie University

Long-run Exchange Rate Behaviour: Asia Pacific and Eastern Europe

Mohamed Ariff, Bond University

Catherine Ho, Universiti Teknologi MARA

Discussant: Takeshi Yamada, National university of Singapore

10.30 – 11.00 AM: MORNING TEA

11.00 - 12.00: PLENARY SESSION - BALLROOM A

Professor Hendrik Bessembinder

David Eccles School of Business, University of Utah

Liquidity and Asset Pricing

Chair: Professor Renee Adams

Sponsored by Financial Integrity Research Network (FIRN)



12.00 – 1.30 PM: LUNCH AND ASIAN FINANCE ASSOCIATION ANNUAL GENERAL MEETING - QUEENS BALLROOM

1.45 – 3.15 PM: CONCURRENT SESSIONS**Agency Theory and Contracting 2****Chair:** Christine Jiang, University of Memphis*Does Foreign Ownership increase Financial Reporting Conservatism?***Yohan An**, RMIT University, Melbourne

Tony Naughton, RMIT University, Melbourne

Discussant: Tracy Artiach, University of Queensland*On determinants of swap spreads in Japanese ABS markets***Naoto Isaka**, Sophia University

Kazuhiko Ohashi, Hitotsubashi University

Makoto Saito, Hitotsubashi University

Discussant: Hui-wen Tang, Tamkang University, Taiwan*Prior Relationship, Industry Expertise, and the Choice of M&A Advisor*

Xin Chang, Nanyang Technological University

Chander Shekhar, University of Melbourne

Lewis Tam, University of Macao

Amy Zhu, University of Melbourne

Discussant: Julia Chou, Florida International University**Behavioural Finance 3****Chair:** Jialiu Lu, Sun Yat-sen University*Clustering of Trade Prices at Psychological Barrier***Chee Jin Yap**, Deakin University**Discussant:** Kristina Vasileva, City University London*Short-Term Overreaction: Implications for Stock Market Efficiency in Malaysia*

Lalitha Dhamotharan,

Ruhani Ali, Universiti Sains Malaysia

Zamri Ahmad,

Discussant: Claire Matthews,*The Seasonal Behaviour of Post-Earnings-Announcement Drift in Taiwan***Hsiao-Peng Fu**, Providence University, Taiwan**Discussant:** Kingsley Fong, University of New South Wales

Capital Markets 2

Chair Paul Lajbcygier, Monash University

Do Sovereign Rating Changes Trigger Spillover Effects?

Emawtee Bissoondoyal-Bheenick, Monash University

Discussant: Sirimon Treepongkaruna, Monash University

The impact of trading-restricted, business days and trading, non-business days on Australian small-cap, large-cap and market returns

Mitesh Mistry, University of Wollongong

Andrew Worthington, Griffith University

Dionigi Gerace, University of Wollongong

Chandra Gulati, Griffith University

Discussant: Hung Wan Kot, Hong Kong Baptist University

The Pecking Order and Equity Financing in Emerging Markets: Evidence from Taiwan's Relocated Firms in China

Chen-Jui Huang, Tunghai University

Huey-Ling Shiau, Tunghai University

Discussant: Min Teng, Tokyo Institute of Technology

Dividend Policy

Chair: Grant Cullen, Murdoch University

Dividend Reductions and Signalling in an Imputation Environment

Balasingham Balachandran, La Trobe University

Chandrasekhar Krishnamurti, Auckland University of Technology

Michael Theobald, University of Birmingham

Berty Vidanapathirana, La Trobe University

Discussant: Lei Shi, University of Technology, Sydney

Dividend Policy Determinants of Australian MCS and DCS

Shumi Akhtar, The Australian National University

Discussant: Patrick Verwijmeren, University of Melbourne

Corporate Governance and Dividend Policy: Endogenous Switching Model Approach

Chung-Hua Shen

Kun-Li Lin, Feng Chia University

Discussant: Adrian Cheung, Griffith University

BALLROOM C

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Credit Risk, Bank Risk and Corporate Hedging

Chair: William Lim, York University

Credit Portfolio Loss Forecasts for Economic Downturns

Daniel Rosch, University of Hannover

Harald Scheule, University of Melbourne

Discussant: Barry Williams, Bond University

Foreign Currency Hedging and Firm Value: A Dynamic Panel Approach

Shane Magee, Macquarie University

Discussant: Chien-Chang Liao, Nan Hua University

The Determinants of Bank Capital Ratios in a Developing Economy

Rubi Ahmad, University of Malaya

Mohamed Ariff, Bond University

Michael Skully, Monash University

Discussant: Harald Scheule, University of Melbourne

Going Private Transactions

Chair: Ronald Ratti, University of Western Sydney

Earnings Management around Privatizations: Evidence from Pakistan

Abdullah Iqbal, NUST Business School

Iram Khan, Auditor-General, Pakistan

Zheeshan Ahmad, NUST Business School

Discussant: Jerry Cao, Singapore Management University

Investor Protection and LBOs, New International Evidence

Jerry Cao, Singapore Management University

Meijun Qian, Xiaoming Wang

Discussant: Hong Feng Zhang, Deakin university

Finance and Poverty: An Empirical Study Using Panel Data

Selim Akhter, University of Western Sydney

Kevin Daly, University of Western Sydney

Discussant: I-Ju Chen, Yuan Ze University, Taiwan

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Analysts 2

Chair: Jason Hall, University of Queensland

Initiation of Analyst Coverage and IPO Management Forecasts

Natalia Chatolova,

Janice How, Queensland University of Technology

Peter Verhoeven, Queensland University of Technology

Discussant: John Nowland, Queensland University of Technology

Do industry recommendations have investment value

Ohad Kadan, Washington University in St. Louis

Leonardo Madureira, Case Western Reserve University

Rong Wang, Singapore Management University

Tzachi Zach, Ohio State University

Discussant: Doug Foster, Australian National University

The Effect of a Change in Analyst Composition on Analyst Forecast Accuracy: Evidence from US Cross-listings

John Nowland, Queensland University of Technology

Andreas Simon, California Polytechnic State University San Luis Obispo

Discussant: Takao Kobayashi, University of Tokyo

Market Microstructure / Market Reforms

Chair: Feng Wu, University of Hawaii

Liquidity, Investibility, and Realized Foreign Investment in Emerging Markets

Hee-Joon Ahn, Sungkyunkwan University

Roger Huang, University of Notre Dame

Jun Cai, City University of Hong Kong

Yan Leung Cheung, City University of Hong Kong

Discussant: Tearasuit Puthongsiriporn, Chulalongkorn University

Is There Closing Price Manipulation on the Istanbul Stock Exchange

Ali C. Akyol, the University of Melbourne

David Michayluk, University of Technology, Sydney

Discussant: Mamoru Nagano, Nagoya City University

The Uzbek Approach to Financial System Development: An Analysis of Achievements and Failures

Alexandr Akimov, Griffith University

Brian Dollery, University of New England

Discussant: Fauzias Mat Nor, Universiti Kebangsaan Malaysia

3.15 – 3.45: AFTERNOON TEA

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PRIVATE DINING
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4.00 – 5.30 PM: BUSINESS FORUM SESSION

BALLROOM A

Australia as a Finance Hub

Sponsored by QIC Ltd and Melbourne Centre for Financial Studies (MCFS)



7.00 PM: CONFERENCE DINNER - Vino's Restaurant

Jointly sponsored by: School of Economics and Finance, Queensland University of Technology; Griffith Business School, Griffith University; School of Accounting, Economics and Finance, University of Southern Queensland; UQ Business School, The University of Queensland.



FRIDAY 3 JULY

8.30 - 10.30 AM: CONCURRENT SESSIONS

Investments 2

Chair: Aaron Macksey, Maple-Brown Abbott
Session sponsored by: Maple-Brown Abbott



Institutional Trading around the Ex-Dividend Day

Andrew Ainsworth, The University of New South Wales
Kingsley Fong, The University of New South Wales
David Gallagher, The University of Texas at Austin, UTS Sydney
Graham Partington, The University of Sydney
Discussant: Tom Smith, Australian National University

Impact of sector versus security choice on equity portfolios

Jason Hall, The University of Queensland
Ben McVicar, The University of Queensland
Discussant: Anil Mishra, University of Western Sydney

The Fair Premium of an Equity--Linked Life and Pension Insurance

Joergen Nielsen, University of Aarhus
Klaus Sandmann, University of Technology, Sydney
Discussant: Paul Lajbcygier, Monash University

Capital gains taxes, agency costs, and closed-end fund discounts

Michael Brennan, UCLA and University of Manchester
Ravi Jain, National University of Singapore
Discussant: Bruce Grundy, University of Melbourne

BALLROOM A

Asset Pricing 2

Chair: Hitoshi Takehara, Waseda University

How Predictable are Components of the Aggregate Market Portfolio?

Aiguo Kong, Fudan University

David E. Rapach, Saint Louis University

Jack K. Strauss, Saint Louis University

Jun Tu, Singapore Management University

Guofu Zhou, Washington University in St. Louis

Discussant: Yihui Lan, University of Western Australia

Unemployment Risk and the Conditional Ex-Ante Equity Premium

Nonthipoth Buranavityawut, Unitec New Zealand

Mark Freeman, Bradford University

Discussant: Adrian Lee, University of Technology Sydney

The Relative Efficient Markets Hypothesis: Methodology and Refutable Models

Jialiu Lu, Sun Yat-Sen University

Discussant: Hitoshi Takehara, Waseda University

Direct Proof that Mean-Variance Implies Quadratic Utility?

David Johnstone, University of Sydney

D.V. Lindley

Discussant: Cuong Nguyen

Interest Rates; Term Structure; Bond/Debt Pricing

Chair: Tony Hou, National Dong Hwa University

Islamic Finance and the theory of capital structure

Mamoru Nagano, Nagoya City University

Discussant: Ronald Ratti, University of Western Sydney

Credit Analysis of Corporate Credit Portfolios---A Cash Flow Based Conditional Independent Default Approach

Hsien-Hsing Liao, National Taiwan University

Tsung-Kang Chen, National Taiwan University

Chia-Wu Lu, Fu Jen Catholic University

Discussant: Walter Torous, UCLA

Parameter Stability and the Valuation of Mortgages and Mortgage-backed Securities

Michael LaCour-Little, California State University

Yun W. Park, Korea Securities Research Institute; California State University

Richard K. Green, University of Southern California

Discussant: Philip Ji, Monash University

CMCDS Premia Implicit in the Term Structure of Corporate CDS Spreads

Arturo Leccadito,

Radu Tunaru,

Giovanni Urga, University of Bergamo, Italy

Discussant: Yun Park, Asian Development Bank

Capital Markets 3

Chair: Hyoung-jin Park, Seoul Women's University

Bad Beta Good Beta: A market based approach

Kent Wang, University of Queensland

Discussant: Adrian Lei, University of Macau

The effects of currency appreciation on share market return: ARDL approach

Gary Tian, University of Wollongong

Shiguang Ma, University of Wollongong

Discussant: Robert Bianchi, Queensland University of Technology

Tax Asymmetry and Equity Beta

Keith Lam, University of Macau

Adrian Lei, University of Macau

Martin Yick, University of Hong Kong

Discussant: Fengyun Li, Renmin University of China

Joint Rating Announcements by the three leading Agencies: An analysis of Realized Volatility in Asian Markets

Emawtee Bissoondoyal-Bheenick, Monash University

Robert Brooks, Monash University

Samantha Hum, Monash University

Sirimon Treepongkaruna, Monash University

Discussant: Gary Tian, University of Wollongong

Convertible Debt

Chair: Shumi Akhtar, Australian National University

Investor Protection and Convertible Debt Design

Cheng-Few Lee, The State University of New Jersey, United States

Kin-Wai Lee, Nanyang Technological University, Singapore

Gillian Hian-Heng, Yeo, Nanyang Technological University, Singapore

Discussant: Kun-Li Lin, Feng Chia University

Is Convertible Bond Offering a Backdoor Equity Offer

Jeremy Goh, Singapore Management University

Wei Xie, Singapore Management University; Xiamen University

Discussant: Hsien-hsing Liao, National Taiwan University

Convertible security design and contract innovation

Craig M. Lewis, Vanderbilt University

Patrick Verwijmeren, University of Melbourne

Discussant: Balasingham Balachandran, La Trobe University

*Are PIPEs a Bet on Growth Options?***Garry Twite**, The Australian National University

Katrina Ellis, APRA

Discussant: Jeremy Goh, Singapore Management University**Shareholders Rights and Corporate Governance****Chair:** Ronald Hoffmeister, Arizona State University*Shareholder Rights, Information Uncertainty, and Firm Performance***Hong Feng Zhang**, Deakin University**Discussant:** Lujer Santacruz, University of Southern Queensland*Use and Abuse of Rights Issues. Do they really protect minorities?***Michele Meoli**, University of Bergamo, Italy

Stefano Paleari, University of Bergamo, Italy

Giovanni Urga, University of Bergamo, Italy and Cass Business School, London

Discussant: Ali Akyol, University of Melbourne*Political Connection, Privatisation and Firm Performance*

Binxuan Lin, University of Rhode Island

Feng Liu, Sun Yat-Sen University

Guoqian Tu, Sun Yat-Sen University

Discussant: Zhaohua Li, Lincoln University*Removing Poison Pills: A Case of Shareholder Activism***Ali Akyol**, University of Melbourne

Carolyn Carroll, University of Alabama

Discussant: Michele Meoli, University of Bergamo, Italy**Governance - Other Perspectives****Chair:** Kasper Neilson, Chinese University of Hong Kong*Political Connections, Corporate Governance and Earnings Predictability***Janice How**, Queensland University of Technology

Effezal Abdul Wahab, Queensland University of Technology

Peter Verhoeven, Queensland University of Technology

Discussant: Abdullah Iqbal, NUST Business School*Independence and Boards of Directors: An International Perspective***Lisa Barnes**, University of Newcastle**Discussant:***To Accept or Reject: What Influences the CEOs Recommendation?***Larelle Chapple**, The Australian National University

Tom Rowe, The University of Queensland

Irene Tutticci, The University of Queensland

Discussant: Shams Pathan, Bond University

Do Undisclosed Director Trades Convey Information about Future Firm Performance?

Millicent Chang, University of Western Australia

Jeremy Meynert, University of Western Australia

Discussant: Alexandr Akimov, Griffith University

10.30 – 11.00 AM: MORNING TEA

11.00-12.30 PM: CONCURRENT SESSIONS

Market Microstructure 4/Volatility Trend

Chair: Kingsley Fong, University of New South Wales

Mutual fund trading and stock returns: Evidence from an emerging market

Weifeng Hung, Feng Chia University

Chia-Chi Lu, National Central University

Cheng F. Lee, Rutgers University

Discussant: ChangJun Lee, KAIST Business School

The Price Impact of Trades Executed Using Multiple Brokers

Kingsley Fong, The University of New South Wales

F. Douglas Foster, The Australian National University

David R. Gallagher, The University of Texas at Austin, UTS Sydney

Adrian D. Lee, University of Technology Sydney

Discussant: Huong Nguyen, University of New South Wales

Alternative Explanations of the Volatility Trends: Are They Really That Different?

Amir Rubin, Simon Fraser University, Canada

Daniel R. Smith, Simon Fraser University, Canada

Discussant: Weifeng Hung, Feng Chia University

Financial Econometrics

Chair: Robert Brooks, Monash University

*Conditional Extreme Value Theory and Time Varying Copulas:
Evidence from Australian and International Financial Markets*

Cuong Nguyen, La Trobe University

M. Ishaq Bhatti, La Trobe University

Discussant: Kin Yip Ho, Swinburne University of Technology

*Multivariate Long Memory Volatility Models:
A Comparative Approach with an Application to the Tokyo Stock Exchange*

Kin Yip Ho, Swinburne University of Technology

Discussant: Doug Foster, Australian National University

BALLROOM A

BALLROOM B

The Impact of Subprime Mortgage Crisis on Cross-currency Linkage of LIBOR-OIS Spreads

Philip Inyeob Ji, Monash University

Francis In, Monash University

Discussant: Giovanni Urga, University of Bergamo, Italy

BALLROOM B

Market Microstructure 5

Chair: Kent Wang, The University of Queensland

How do day traders trade?

Jangkoo Kang, KAIST

In Joon Kim, Yonsei University

Wol Goo Lee, Prudential Life Insurance Co.

Haeun Moon, Shinhan Asia Ltd

Hyoung-Jin Park, Seoul Women's University

Discussant: Hee-Joon Ahn, Sungkyunkwan University

Call auction transparency and market liquidity - the Shanghai experience

Dionigi Gerace, University of Wollongong

Gary Gang Tian, University of Wollongong

Willa Zheng, University of Wollongong

Discussant: Masato Ubukata, Oksaka University

The information effects of trade size and trade direction: Evidence from the KOSPI 200 index options market

Hee-Joon Ahn, Sungkyunkwan University

Jangkoo Kang, Korea Advanced Institute of Science and Technology (KAIST)

Doojin Ryu, Korea Advanced Institute of Science and Technology (KAIST)

Discussant: Kazuhiko Ohashi

Market Efficiency 2

Chair: Sirimon Treepongkaruna, Monash University

The Asset Growth Anomaly and the Role of Limits to Arbitrage

Eric F.Y.C. Lam, Hong Kong University of Science & Technology

K.C. John Wei, Hong Kong University of Science & Technology

Discussant: Tony Hou, National Dong Hwa University

The Asset Pricing Anomalies in 19th Century Britain

Qing Ye, Queen's University Belfast

John D. Turner, Queen's University Belfast

Discussant: Karen Lai, Hong Kong Polytechnic University

The Role of Financial Synergies in Corporate Diversification

Zsuzsa Huszar, National University of Singapore

Joe Peek, University of Kentucky

Discussant: Koyoko Nagata, Tokyo Institute of Technology

BALLROOM C

REDLANDS
ROOM

Market Reponses to Corporate Events

Chair: Jo-Ann Suchard, Univeristy of New South Wales

*Do stock investors value corporate sustainability?
Evidence from an event study*

W.K. Adrian Cheung, Griffith University

Discussant: Candie Chang, Massey University

*Effect of Firm Affiliation on the Stock Market Response to Individual
Project Capital Expenditure Decision Announcements*

Aditya Jadhav, Icfai Institute for Management Teachers

Vijay Marisetty, Monash University

Madhu Veeraraghavan, Monash University

Discussant: Jun Su, Chinese Univeristy of Hong Kong

Extreme Downside Risk and Expected Stock Returns

Feng Wu, University of Hawaii

Wei Huang, University of Hawaii

Qianqiu Liu, University of Hawaii

S. Ghon Rhee, University of Hawaii

Discussant: Chander Shekhar, University of Melbourne

Risk-taking in Banks

Chair: Mohamed Ariff, Bond University

Bank Risk and Return: The impact of bank non-interest income

Barry Williams, Bond University, Gold Coast

Laurie Prather, Bond University, Gold Coast

Discussant: Necmi Avkiran, University of Queensland

Risk and Efficiency In Malaysian Commercial Banks

Mohamed Ariff, Bond University

Cheng Fan-fah, University Putra Malaysia

Annur Nasir, University Putra Malaysia

Discussant: Dong Xiang, University of Queensland

Factors affecting bank risks

Mamiza Haq, The University of Queensland

Discussant: Hamid Zubairi, Karachi Institute of Business Management

LOCKYER
ROOM

MORETON
ROOM

Asset Pricing 3

Chair: Qian Sun, Xiamen University

Testing Consumption-Based Asset Pricing Models in Australia

Bin Li, The University of Queensland

Philip Gray, The University of Queensland

Discussant: Xuezhong He, University of Technology, Sydney

Conditional Beta and Market Integration: Evidence from Asian Emerging Markets

Robert Durand, University of Western Australia

Yihui Lan, University of Western Australia

Andrew Ng, University of Western Australia

Discussant: Min Zheng, University of Technology, Sydney

Consensus Investor and Intertemporal Asset Pricing with Heterogeneous Beliefs

Carl Chiarella, University of Technology, Sydney

Xue-Zhong He, University of Technology, Sydney

Min Zheng, University of Technology, Sydney

Discussant: Bin Li, University of Queensland

Disclaimer: Information was correct at time of printing. Any subsequent changes will be noted in the addendum.