Asian Finance Association
International Conference 2009

New knowledge . . . for finance

BRISBANE, AUSTRALIA
30 JUNE - 3 JULY

Hosted by
THE UNIVERSITY OF QUEENSLAND
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 BESSEMENDER
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 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.
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.


USING OPTION PRICES TO INFERENCE 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 monitor 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)

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

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**Corporate Governance and Policy Decisions**  
**Chair:** Liu Feng, Sun Yat-Sen University

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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

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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

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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

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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

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Governance and Performance  
**Chair:** Hong Feng Zhang, Deakin University

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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 Zeln, The University of New South Wales  
**Discussant:** Sudipto Dasgupta, Hong Kong University of Science and Technology

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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
Ultimate Ownership and Performance of Islamic Financial Institutions in Malaysia  
Samsuwat Zuhu Bt Mohd Abbas, University Teknologi MARA  
Prof Dr Rashidah Abdul Rahman, University Teknologi MARA  
Prof Dr Sakthi Mahenthiran, Butler University  
Discussant: Xiaofei Pan, University 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 Schiele, 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
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 Nielsen

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)

SPECIAL TOPIC 3
Chair: Kalok Chan, HKUST
Presenter: Professor Renee Adams, The University of Queensland
Asking Directors About their Dual Roles

SPECIAL TOPIC 4
Chair: Bruce Grundy, University of Melbourne
Presenter: Sudipto Dasgupta, HKUST
The Power Issue in Empirical Capital Structure Research

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
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, Osaka 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  
Teerasuit Puthpongsiriporn, 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
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
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  
**Alireza 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
**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  
Alexsey 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
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

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 Krishnamurthi, 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
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 Ragunathan, 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
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
**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 Puthponsiriporn, Chulalongkorn University  

*Is There Closing Price Manipulation on the Instanbul 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
4.00 – 5.30 PM: BUSINESS FORUM SESSION

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
Asset Pricing 2

Chair: Hitoshi Takehara, Waseda University

How Predictable are Components of the Aggregate Market Portfolio?
Aiquo 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

Nonthiphoth 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
8.30 - 10.30 am
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

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
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

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.
Haeueun Moon, Shinhan Asia Ltd
Hyung-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: Kazuhiro 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
Market Reponses to Corporate Events
Chair: Jo-Ann Suchard, University 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 University 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
Annuar 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
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.