2006 China International Conference in Finance

Xi'an, July 17-20

Program Co-Chairs: Charles Cao and Tan Wang

Conference Program (36 sessions in English and 14 sessions in Chinese)

July 17, 2006 12:00——6:00 PM Conference Registration

July 17, 2006 2:00——5:00 PM Industry Symposium: Credit Asset Management

Organized by Trust Company of the West

July 17, 2006 6:00——7:30 PM Conference Reception

Sponsored by Trust Company of the West

July 18, 2006 8:30 - 10:00AM

Corporate Finance I
Session Chair: Allaudeen Hameed, National University of Singapore

Effect of Personal Taxes on Manager's Decision to Sell Unrestricted Equity
Li Jin, Harvard Business School and S. P. Kothari, Harvard Business School and MIT

Motivating Entrepreneurial Activity in a Firm
Antonio Bernardo, Hongbin Cai, UCLA and Jiang Luo, Hong Kong University of Science and Technology

Rent Seeking and Corporate Finance: Evidence from Corruption Cases
Joseph Fan, Oliver Rui, Chinese University of Hong Kong and Mengxin Zhao, Bentley College

Cashflow Sensitivities with Constraints
Todd Pulvino, Northwestern University and Vefa Tarhan, Loyola University at Chicago

Discussants:
Jiang Luo, Hong Kong University of Science and Technology
Li Jin, Harvard Business School
Sun Qian, Xiamen University
Yuanto Kusnadi, Hong Kong University of Science and Technology

---

July 18, 2006 8:30 - 10:00AM

Mergers and Acquisitions
Session Chair: Paul Malatesta, University of Washington

Undoing the Powerful Anti-Takeover Force of Staggered Boards
Re-Jin Guo, University of Illinois - Chicago, Timothy Kruse, University of Arkansas, and Tom Nohel, Loyola University at Chicago

Who is Rational in the Merger Game? Market or Manager
Huainan Zhao, University of Durham

Does Overvaluation Lead to Bad Mergers?
Weihong Song, University of Cincinnati

Discussants:
Jeremy Goh, Singapore Management University
Micah Officer, University of Southern California
Wei-ling Song, Lousiania State University

July 18, 2006 8:30 - 10:00AM

Mutual Fund and Hedge Fund
Session Chair: Marti Subrahmanyam, New York University

Disclosure Policies of Investment Companies
Thomas George, University of Houston and Chuan-Yang Hwang, Nanyang Technological University

Mutual Fund Performance and Governance Structure: The Role of Portfolio Managers and Boards of Directors
Bill Ding, State University of New York--Albany and Russ Wermers, University of Maryland

Volatility of Performance, Investor Learning, and the Flow-Performance Sensitivity

Jennifer Huang, University of Texas at Austin, Kelsey Wei, State University of New York at Binghamton and Hong Yan, University of Texas at Austin and SEC

The Performances of MBS Mutual Funds and Hedge Funds: Another Puzzle
Eleanor Xu and Anthony Loviscek, Seton Hall University

Discussants:
Nikunj Kapadia, University of Massachusetts
Arturo Bris, Yale University
Dong Hong, Singapore Management University
Choong Tze Chua, Singapore Management University

July 18, 2006 8:30 - 10:00AM

Investment Management
Session Chair: Eric Chang, University of Hong Kong

Asset Illiquidity and High-water Marks
George Aragon, Arizona State University and Jun Qian, Boston College

Managerial Career Concerns and Risk Management
Jouahn Nam, Pace University, Jun Wang, LSU and Baruch College and Ge Zhang, University of New Orleans

Optimal Contracts in Portfolio Delegation: The Case of Complete Markets
Tao Liand Yuqing Zhou, Chinese University of Hong Kong

Anatomy of the Financial Analyst Rankings
Douglas Emery and Xi Li, University of Miami

Discussants:
Will Xu, University of Hong Kong
Yuqing Zhou, Chinese University of Hong Kong
Xuhu Wan, Hong Kong University of Science and Technology
Huai Zhang, University of Hong Kong

July 18, 2006 8:30 - 10:00AM

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

July 18, 2006 10:30AM – 12:00PM

Empirical Corporate Finance
Session Chair: Jeremy Goh, Singapore Management University

Credit Ratings and the Pricing of Seasoned Equity Offerings
Yang Liu, California Polytechnic State University and Paul Malatesta, University of Washington

The Dynamics of Large and Small Chapter 11 Cases: An Empirical Study
Douglas Baird, University of Chicago, Arturo Bris, Yale University and Ning Zhu, University of California—Davis

Share Repurchases as a Tool to Mislead Investors: Evidence From Earnings Quality and Stock Performance
Konan Chan, National Taiwan University and University of Hong Kong, David Ikenberry, University of Illinois at Urbana-Champaign, Inmoo Lee, National University of Singapore, and Yanzhi Wang, National Taiwan University

Tunneling or Propping: Evidence from Connected Transactions in China
Winnie Peng, John Wei, Hong Kong University of Science and Technology and Zhishu Yang, Tsinghua University

Discussants:
Arturo Bris, Yale University
Jie Gan, Hong Kong University of Science and Technology
Hua Zhang, Chinese University of Hong Kong
Longkai Zhao, Peking University

July 18, 2006 10:30AM – 12:00PM

Risk and Return
Session Chair: Philip Dybvig, Washington University

Information Asymmetry, Diversification and Cost of Capital
John Hughes, Jing Liu, UCLA and Jun Liu, University of California at San Diego

Incorporating Economic Objectives into Bayesian Priors: Portfolio Choice Under Parameter Uncertainty
Jun Tu, Singapore Management University and Guofu Zhou, Washington University in St. Louis

A Test of APT with Maximum Sharpe Ratio
Chu Zhang, Hong Kong University of Science and Technology

Evaluating Asset Pricing Models in the Absence of Arbitrage
Haitao Li, University of Michigan, Yuewu Xu , Fordham University and Xiaoyan Zhang, Cornell University

Discussants:
Henry Cao, Cheung Kong Graduate School of Business
Raymond Kan, University of Toronto
Qiao Liu, University of Hong Kong
Robert Kimmel, Princeton University

July 18, 2006 10:30AM - 12:00PM

Corporate Governance, Government and Financial Market
Session Chair: David Ding, Nanyan Technological University

Corporate Governance, Overinvestment and the Asian Financial Crisis
John Wei, Hong Kong University of Science and Technology and Yi Zhang, Peking University

Guess who is also Minding Your Business? The Effect of Credit Rating Changes on CEO Incentives
Qiang Kang, University of Miami and Qiao Liu, University of Hong Kong

Ultimate Shareholder, Government Control, and Firm Performance in China
Chao Chen, California State University—Northridge

Discussants:
Piman Limpahayom, Chulalongkom University
Chao Chen, California State University at Northridge
Jiang Luo, Hong Kong University of Science and Technology
Yuanto Kusnadi, Hong Kong University of Science and Technology

---

July 18, 2006 10:30AM - 12:00PM

Market Microstructure
Session Chair: Avanidhar Subrahmanyam, UCLA

Do Noise Traders Move the Market?
Brad Barber, University of California--Davis, Terrance Odean, University of California--Berkeley, and Ning Zhu, University of California--Davis

[The Trader's Dilemma: Trading Strategies and Endogenous Pricing in an Illiquid Market]
Dan Liang and Frank Milne, Queen's University

[Risk Management in a Dealership Market]
Ke Peng, University of Bradford and Pradeep Yadav, University of Oklahoma

[An Analysis of Interday and Intraday Volatility: Evidence from an Order-Driven Market with Morning Call Auction]
Gary Tian and Mingyuan Guo, University of Western Sydney

Discussants:
Ashley Wang, University of California at Irvine
Xi Li, University of Miami
Sahn-Wook Huh, Brock University
Wenjin Kang, National University of Singapore

July 18, 2006 10:30AM - 12:00PM

Asset Priging (in Chinese)
Session Chair: Ping Pei, Nanjing University

July 18, 200612:15 - 2:15PM

Conference Lunch and Keynote Speech

Keynote Speaker:Stephen A. Ross

Franco Modigliani Professor of Financial Economics

Sloan School of Management, MIT

July 18, 2006 2:30 - 4:00PM

Credit Market and Interest Rate
Session Chair: Walter Torous, UCLA

Explaining Credit Default Swap Spreads with the Equity Volatility and Jump Risks of Individual Firms
Benjamin Zhang, Fitch Ratings, Hao Zhou, Federal Reserve Board and Haibin Zhu, Bank for International Settlements

Global Yield Curve Dynamics and Interaction: A Generalized Nelson-Siegel Approach
Francis Diebold, University of Pennsylvania, Canlin Li, University of California--Riverside and Vivian Yue, New York University

Liquidity, Liquidity Spillover and Credit Default Swap Spreads
Dragon Tang, Kennesaw State University and Hong Yan, University of Texas at Austin and SEC

Assessing Default Probabilities from Structural Credit Risk Models
Wulin Suo and Wei Wang, Queen's University

Discussants:
Hong Yan, University of Texas at Austin and SEC
Liu Yang, UCLA
Ashley Wang, University of California at Irvine
Jingzhi Huang, Penn State University

July 18, 2006 2:30 - 4:00PM

Derivatives I
Session Chair: Robert Webb, University of Virginia

Options, Option Repricing in Managerial Compensation: Their Effects on Corporate Investment Risk
Nengjiu Ju, Hong Kong University of Science and Technology, Hayne Leland, University of California—Berkeley and Lemma Senbet, University of Maryland

Is Systematic Risk Priced in Options?
Jin-Chuan Duan and Jason Wei, University of Toronto

Intensity-Based Framework for Optimal Stopping Problems
Min Dai, National University of Singapore, Yue Kuen Kwok, Hong Kong University of Science and Technology, and Hong You, National University of Singapore

Strategic Exercise of European Warrants
Nikunj Kapadia and Gregory Willette, University of Massachusetts

Discussants:
Jason Wei, University of Toronto
Jin Zhang, University of Hong Kong
Yingzi Zhu, Tsinghua University
Nengjiu Ju, Hong Kong University of Science and Technology

July 18, 2006 2:30 - 4:00PM

Financial Econometrics
Session Chair: Guofu Zhou, Washington University at St. Louis

Complex Times: Asset Pricing and Conditional Moments under Non-Affine Diffusions
Robert Kimmel, Princeton University

Modeling and Forecasting Realized Volatility: The Role of Power
Chun Liu and John Maheu, University of Toronto

Semi-parametric Estimation for Time-Inhomogeneous Diffusions
Yan Yu, University of Cincinnati, Keming Yu, Brunel University, Hua Wang, Yahoo, and Min Li, California State University at Sacramento

Identifying Realized Jumps on Financial Markets
George Tauchen, Duke University and Hao Zhou, Federal Reserve Board

Discussants:
Haitao Li, University of Michigan
Doron Avramov, University of Maryland
Robert Kimmel, Princeton University
Chun Liu, University of Toronto

July 18, 2006 2:30 - 4:00PM

Corporate Finance II
Session Chair: Tai Ma, National Sun Yat-sen University

A Theory of Optimal Expropriation, Mergers and Industry Competition
Arturo Bris, IMD and Yale University and Neil Brisley, University of WesternOntario

Mandatory vs. Contractual Disclosure in Securities Markets
Paul Mahoney, University of Virginia and Jianping Mei, New York University

Market Valuation and Earnings Manipulation
Shing-yang Hu, National Taiwan University and Yueh-hsiang Lin, Takming College

Institutional trading, information production, and the choice between spin-offs, carve-outs, and tracking stock issues.
Mark Liu, University of Kentucky

Discussants:
Liu Yang, UCLA
Re-jin Guo, University of Illinois at Chicago
Ge Zhang, University of New Orleans
Jun Qian, Boston College

July 18, 2006 2:30 - 4:00PM

Behavior Finance (in Chinese)
Session Chair: Li Liu, Peking University

July 18, 2006 4:30 - 6:00PM

Corporate Governance and Ownership Structure
Session Chair: Ghon Rhee, University of Hawaii

Do Cross-Border Acquisitions Cause Convergence in Executive Compensation? Evidence from U.K. Acquisitions of U.S. Targets
Paul Guest, University of Cambridge

Managerial Ownership Matters for Performance: Evidence from China
Yifan Hu and Xianming Zhou, University of Hong Kong

Ownership, Institutions, and Capital Structure: Evidence from Chinese Firms
Kai Li, University of British Columbia, Heng Yue and Longkai Zhao, Peking University

The Impact of Directors' Option Compensation on Their Independence
Donal Byard and Ying Li, Baruch College - City University of New York

Discussants:
Qiang Kang, University of Miami
Piman Lympaphayom, Chulalongkorn University
Anchor Lin, National Chung Hsing University
Winnie Peng, Hong Kong University of Science and Technology

July 18, 2006 4:30 - 6:00PM

Asset Pricing in Markets with Frictions
Session Chair: Raymond Kan, University of Toronto

Asset Prices under Short-Sale Constraints
Yang Bai, Eric Chang, University of Hong Kong and Jiang Wang, MIT

Intermediation and Value Creation in an Incomplete Market: Implications for Securitization
Vishal Gaur, Sridhar Seshadri and Marti Subrahmanyam, New York University

Lifetime Consumption and Investment: Retirement and Constrained Borrowing
Philip Dybvig and Hong Liu, Washington University

Intermediation Capital and Asset Prices
Zhiguo He and Arvind Krishnamurthy, Northwestern University

Discusants:
Hong Liu, Washington University
Phil Dybvig, Washington University
Robert Kimmel, Princeton University
Haitao Li, Cornell University

July 18, 2006 4:30 - 6:00PM

Corporate Decision
Session Chair: Arturo Bris, Yale University

The Real Determinants of Asset Sales
Liu Yang , UCLA

Russian Business Groups: Substitute for Missing Institutions?
Andrei Shumilov and Natalia Volchkova, New Economic School—Moscow

The Choice of Seasoned Equity Flotation Method under Asymmetric Information about Private Benefits of Control
Xueping Wu, City University of Hong Kong and Zheng Wang, CITIC Fund Management

Legal Protection, Equity Dependence and Corporate Investment: Evidence from around the World
Kusnadi Yuanto and John Wei, Hong Kong University of Science and Technology

Discussants:
Liang Zuo, Amsterdam Business School
Arturo Bris, Yale University
Julan Du, Chinese University of Hong Kong

July 18, 2006 4:30 - 6:00PM

International Finance
Session Chair: Jiaping Mei, New York University

Excess Comovement in International Equity Markets: Evidence from Cross-Border Mergers
Richard Brealey, Ian Cooper and Evi Kaplanis, London Business School

Measurement and Determinants of International Stock Market Efficiency
John Griffin, University of Texas at Austin, Patrick Kelly, University of South Florida and Federico Nardari, Arizona State University

International Diversification with Large- and Small-Cap Stocks
Cheol Eun, Georgia Institute of Technology, Wei Huang, University of Hawaii and Sandy Lai, Singapore Management University

Foreign Investment and Stock Return Volatility
Donghui Li, Quang Nguyen, Peter Pham, University of New South Wales and Steven Wei, Hong Kong Polytechnic University

Discussants:
Hua Cheng, University of Paris
Kevin Wang, University of Toronto
Yuhang Xing , Rice University
Xi Li , University of Miami

July 18, 2006 4:30 - 6:00PM

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

---

July 18, 2006 7:00 - 8:30PM Conference Dinner

Best Paper Awards

July 19, 2006 8:30 - 10:00AM

Market Efficiency

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

An Intraday Analysis of the Relative Informational Efficiency of Stocks and Bonds
Chris Downing, Shane Underwoodand Yuhang Xing, Rice University

The Limits of Arbitrage: Evidence from Fundamental Value-to-Price Trading Strategies
John Wei and Jie Zhang, Hong Kong University of Science and Technology

Information Leakage and Opportunistic Behavior before Analyst Recommendations: An analysis of the Quoting Behavior of Nasdaq Market Makers
Hans Heidle, University of Notre Dame and Xi Li, University of Miami

Information and Accruals Strategy: When Does the Market Mis-Price Accruals?
Qiao Liu, University of Hong Kong and Rong Qi, St. John’s University

Discussants:

Oliver Rui, Chinese University of Hong Kong
Mitchell Warachka, Singapore Management University
Wenjin Kang, National University of Singapore
Jie Zhang, Hong Kong University of Science and Technology

July 19, 2006 8:30 - 10:00AM

Banking

Session Chair: Dar-yeh Hwang, National Taiwan University

Managing Bank Liquidity Risk: How Deposit-Loan Synergies Vary with Market Conditions
Evan Gatev, Boston College

Does Bancassurance Add Value to Banks? - Evidence from Mergers and Acquisitions between European Banks and Insurance Companies
Zhian Chen, Donghui Li, Fariborz Moshirian and Jianzhong Tan, University of New South Wale

The Real Effects of Asset Market Bubbles: Loan- and Firm-Level Evidence of a Lending Channel
Jie Gan, Hong Kong University of Science and Technology

Discussants:
Zhian Chen, University of New South Wale
Jie Gan, Hong Kong University of Science and Technology
Evan Gatev, Boston College

July 19, 2006 8:30 - 10:00AM

Liquidity
Session Chair: Matthew Pritsker, The Federal Reserve Board

The Cross-section of Expected Trading Activity
Tarun Chordia, Emory University, Sahn-Wook Huh, Brock University and Avanidhar Subrahmanyam, UCLA

Liquidity and Asset Prices in Multiple Markets
Justin Chan, Dong Hong, Singapore Management University and Marti Subrahmanyam, New York University

An Improved Estimation Method and Empirical Properties of PIN
Yixing Yan, University of Pennsylvania and Shaojun Zhang, Nanyang Technological University

True Spreads Censored by Tick Size
Anthony Hall, Paul Kofman and James McCulloch, University of Technology, Sydney

Discussants:
Jianping Mei, New York University
Dan Liang, Queen's University
Anthony Hall, University of Technology, Sydney
Doron Avromoy, University of Maryland

July 19, 2006 8:30 - 10:00AM

Stock Returns and Volatility

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

A Bayesian Analysis of Return Dynamics with Stochastic Volatility and Levy Jumps
Haitiao Li, University of Michigan, Martin Wells, Cornell University and Cindy Yu, Iowa State University

Modeling Non-normality Using Multivariate t: Implications for Asset Pricing
Raymond Kan, University of Toronto and Guofu Zhou, Washington University in St. Louis

Dynamic Volatility Strategy with Recursive Utility
Yingzi Zhu, Tsinghua University

Trading Volume, Price Autocorrelation, and Volatility under Proportional Transaction Costs
Hua Cheng, University of Paris

Discussants:
Nengjiu Ju, Hong Kong University of Science and Technology
Canlin Li, University of California at Irvine
Kevin Wang, University of Toronto
Hong Liu, Cheung Kong Graduate School of Business

July 19, 2006 8:30 - 10:00AM

Corporate Finance I (in Chinese)
Session Chair: Chongen Bai, Tsinghua University

July 19, 2006 10:30AM - 12:00PM

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

Beta and Momentum
Kevin Wang, University of Toronto

Return Uncertainty and Biases in Expected Returns
Dong Hong and Mitch Warachka, Singapore Management University

Compound Utility and Asset Pricing
Liang Zou, University of Amsterdam Business School

A Re-examination of the Performance of Underwriter Analyst Recommendations
Somnath Das and Hefei Wang, University of Illinois at Chicago

Discussants:
Kalok Chan, Hong Kong University of Science and Technology
Jie Zhang, Hong Kong University of Science and Technology
Mitch Warachka, Singapore Management University
John Wei, Hong Kong University of Science and Technology

July 19, 2006 10:30AM – 12:00PM

Corporate Governance
Session Chair: Jia He, Chinese University of Hong Kong

Credit Spread and Decomposed Institutional Equity Ownership: An Information Asymmetry Perspective
Ashley Wang, University of California at Irvine and Gaiyan Zhang, University of Missouri

Governance Indices and Valuation Multiples: Which Causes Which?
Kenneth Lehn, University of Pittsburgh, Sukesh Patro, Kansas State University and Mengxin Zhao, Bentley College

The Impact of Hedging on Stock Return and Firm Value
Kuan Xu, Dalhousie University

Executive Stock Options, Managerial Characteristics and Idiosyncratic Volatility
Inghwee Chok, Nanyang Technological University and Qian Sun, Xiamen University

Discussants:
Tao Li, Chinese University of Hong Kong
Honghui Zhu, China and Europe International Business School
Ying-foog Chow, Chinese University of Hong Kong
Caowei Zhu, Sichuan University

July 19, 2006 10:30AM – 12:00PM

Asset Pricing
Session Chair: Lilian Ng, University of Wisconsin

Intangible Capital and Stock Prices
Nan Li, National University of Singapore

Time-Varying International Stock Returns and Risk Sharing under Labor Income Risk
Yuming Li, California State University—Fullerton

Asset Pricing in a Production Economy with Heterogeneous Investors
Jin Zhang, University of Hong Kong and Tiecheng Li, Tsinghua University

An Examination of Conditional Effect on Cross-Sectional Returns: Singapore Evidence
Simon So, University of Macau and Gordon Tan, Hong Kong Baptist University

Discussants:
Yuming Li, California State University—Fullerton
Hong Yan, University of Texus at Austin and SEC
Chu Zhang, Hong Kong University of Science and Technology
Nan Li, National University of Singapore

July 19, 2006 10:30AM - 12:00PM

China' s Financial Market
Session Chair: Fangyu Fei, Shanghai JiaoTong University

Value - Growth Investing and Corporate Governance in China
Li Xu and Jing Wang, Fudan University

Ultimate Controlling Structures and Firm Value: Evidence from the Chinese Listed Companies
Kun Wang and Xing Xiao, Tsinghua University

Who Makes the Dividend Policy Decision and Their Motives for Doing So: An Analysis Based on a Questionnaire Survey of Non-State-Owned Listed Companies in China
Li Li, Yinfeng Qi, Song Liu and Manshu Wang, Nan Kai University

Are the Chinese Listed Firms Expropriated by The Controlling Shareholders in Asset and Share Acquisitions?
Qingyong Chen, Liyan Han, Beihang University and Chunming Sun, Jinzhou Petrochemical Corporation

Discussants:
Ming Liu, Chinese University of Hong Kong
Xu-dong Lin, Tsinghua University
Weidong Qu, Shanghai University of Finance and Economics
Chongfen Wu, Shanghai JiaoTong University

July 19, 2006 10:30AM – 12:00PM

Finance, Policy and Law (in Chinese)
Session Chair: Difang Wan, Xi’an Jiao Tong University

July 19, 2006 12:15 – 1:30PM

Conference Lunch

July 19, 2006 2:00 – 3:30PM

Derivatives II
Session Chair: Jingzhi Huang, Penn State University

Heterogeneous Beliefs, Option Prices, and Volatility Smiles
Tao Li, Chinese University of Hong Kong

Pricing of Deposit Insurance with Bankruptcy Cost
Dar-Yeh Hwang and Fu-Shuen Shie, National Taiwan University

The Law of One Futures Price
Avi Bick, Simon Fraser University

Covered Arbitrage by Forwards and Options
Dilip Ghosh, Rutgers University

Discussants:

Henry Cao, Cheung Kong Graduate School of Business
Hao Zhou, Federal Reserve Board
Jin Zhang, University of Hong Kong
Avi Bick, Simon Fraser University

July 19, 2006 2:00 – 3:30PM

International Capital Market
Session Chair: Gary Xu, Peking University

Egalitarianism and International Investment
Jordan Siegel, Harvard Business School, Amir Licht, Interdisciplinary Center Herzliya and Shalom Schwartz, Hebrew University

Home Bias in Foreign Investment Decisions
Dongmin Ke, Lilian Ng and Qinghai Wang, University of Wisconsin-Milwaukee

Weak Interest Rate Parity and Currency Portfolio Diversification
Leonard MacLean, Dalhousie University, Yonggan Zhao, Nanyang Technological University and William Ziemba, University of British Columbia

Equity Market Comovement and Contagion: A Sectoral Perspective
Kate Phylaktis and Lichuan Xia, Cass Business School

Discussants:
Yi Zhang, Peking University
Gary Xu, Peking University
Longkai Zhao, Peking University
Zhangkai Huang, Peking University

July 19, 2006 2:00 - 3:30PM

Security Issues and Investment Decision
Session Chair: Mitchell Warachka, Singapore Management University

Exogenous Switching or Endogenous Selection: Using the Bond Issuers' Choice of Underwriters as an Example
Wei-Ling Song, Louisiana State University

Intertermporal Capital Allocation and Corporate Investment
Andrew Roper and Martin Ruckes, University of Wisconsin-Madison

Do Agency Problems Affect Aggregate Risk and Return? Theory and Evidence
Xifeng Diao, University of Calgary

Cash Flow Volatility, Financial Slack and Investment Decisions
Laurence Booth, University of Toronto and Sean Cleary, St. Mary's University

Discussants:
Andrew Roper, University of Wisconsin, Madison
Sean Cleary, St. Mary's University
Chua Choong Tze, Singapore Management University
Xifeng Diao, University of Calgary

July 19, 2006 2:00 – 3:30PM

Corporate Finance III
Session Chair: Mark Weinstein, University of Southern California

The Value of Equity Analysts' Target Prices
Zhi Da and Ernst Schaumburg, Northwestern University.

Determinants of Corporate Disclosure and Transparency: Evidence from Hong Kong and Thailand
Stephen Cheung, City University of Hong Kong, Thomas Connelly, Chulalongkorn University, Piman Limpaphayom, Chulalongkorn University and Lynda Zhou, City University of Hong Kong

The Effect of Short Sales Constraints on SEO Pricing
Charlie Charoenwong, David K. Ding and Ping Wang, Nanyang Technological University

Discussants:
Xi Lin, Harvard Business School
Philip Dybvig, Washington University in St. Louis
Paul Matatesta, University of Washington

July 19, 2006 2:00 – 3:30PM

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

---

July 19, 2006 4:00 – 5:30PM

Investments
Session Chair: Yuhang Xing, Rice University

Idiosyncratic Volatility Matters for the Cross-Section of Returns-- in More Ways than One!
Choong Tze Chua, Jeremy Goh and Zhe Zhang, Singapore Management University

Time-Variation in Diversification Benefits of Commodity, REITs, and TIPS
Jingzhi Huang and Ken Zhong, Penn State University

Don't Leave Home Without it: Limited Liability Comes to American Express
Mark Weinstein, University of Southern California

The Determinants of Flows into Retail International Equity Funds
Xinge Zhao, China Europe International Business School

Discussnats:

Chu Zhang, Hong Kong University of Science and Technology
Ian Cooper, London Business School
Chris Downing, Rice University
Jun Tu, Singapore Management University

July 19, 2006 4:00 - 5:30PM

IPO
Session Chair: Li Jin, Harvard Business School

Earnings Management and Delisting Risk of IPO Firms
Jinliang Li, Northeastern University, Lu Zhang, University of Rochester and Jian Zhou, SUNY at Binghamton

Initial Public Offerings: An Asset Allocation Perspective
Hsuan-chi Chen, Cheng-huan Wu, Yuan Ze University and Keng-yu Ho, National Central University

Signaling in the Internet Craze of Initial Public Offerings
Melanie Cao, York University and Shouyong Shi, University of Toronto

Managing News Coverage around Initial Public Offerings
Chia-Cheng Ho, Chi-Ling Huang, National Chung Cheng University and Chien-Ting Lin, University of Adelaide

Discusants:
Melanie Cao, York University
Mark Liu, University of Kentucky
Bill Ding, SUNY at Albany
Xi Li, University of Maimi

July 19, 2006 4:00 - 5:30PM

Insurance and Risk Management
Session Chair: Michael Powers, Temple University

Efficiency and Scale Economies in the US Property-Liability Insurance Industry
David Cummins, University of Pennsylvania and Xiaoying Xie, California State University at Fullerton

Advantageous Selection versus Adverse Selection in Life Insurance Market
Ghadir Mahdavi, Kyoto University

Efficiencies of Life Insurers in China: An Application of Data Envelopment Analysis
Shou Qiu, Temple University and Bingzheng Chen, Tsinghua University

Immunization of Yield-Curve Shift Risks for Insurance Companies
Larry Tzeng and Vincent Chang, National Taiwan University

Bivariate Copula Decomposition in terms of Comonotonocity, Countermonotoniciy and Independence
Jingping Yang, Shihong Cheng, Peking University and Lihong Zhang, Tsinghua University

Discussants:

Jiang Cheng, Temple University
Bibo Liu, Tsinghua University
Michael Powers, Temple University
Yingxue Cao, Tsinghua University
Shuo Qiu, Temple University

July 19, 2006 4:00 - 5:30PM

Asian Financial Markets I
Session Chair: Changwen Zhao, Sichuan University

Quantifying Illiquidity in Emerging Sovereign Market Trades
Vaidyanathan Krishnamurthy, India Institution of Technology—Bombay

The Impact of Factors of Market and Technology on the Decision about Technology Innovation Investment
Guang-jun Deng and Yong Zeng, University of Electronic Science and Technology of China

China-Concept Factor and Stock Returns in Taiwan
Chau-Chen Yang, National Taiwan University, Cheng-few Lee, Rutgers University, Yuei-Shyan Lin, National Taiwan University, and Yi-Jung Chen, Taiwan Security Company

Stock Price Reaction to Changes in Accounting and Capital Regulation for Japanese Banks
Hiroyasu Yurikusa, University of Hyogo, Mahito Okura,Nagasaki University and Koji Kojima, Kwansei Gakuin University

Discussants:
Kun Li, Sichuan University
Qiao Yu, Tsinghua University
Jia He, The Chinese University of Hong kong
Yong Zeng, University of Electronic Science and Technology

July 19, 2006 4:00 - 5:30PM

Exchange Rate and Monetary Policy (in Chinese)
Session Chair:Chu Zhang, Hong Kong University of Science and Technology

---

July 19, 2006 6:30 - 8:00PM

Conference Dinner

July 20, 2006 8:30 - 10:00AM

Banking (in Chinese)
Session Chair: Chun Chang, University of Minnesota and China Europe International Business School

---

July 20, 2006 8:30 - 10:00AM

Security Markets
Session Chair: Xiaozu Wang, Fudan University

Asymmetric Co-movement Behaviors between Futures and Spot Positions and Dynamic Hedge Ratios under various Volatility Regime Combinations
Leon Li, National Cheng Kung University

Transaction Tax and Market Quality of the Taiwan Stock Index Futures
Robin Chou, National Central University and George Wang, Commodity Futures Trading Commission

Pre-trade Transparency and Market Quality
Feng Dong and Liyan Han, Beijing University of Aeronautics and Astroneutics

Time-dependent Volatility Multi-stage Compound Real Option Model and Application
Pu Gong, Zhiwei He and Jianling Meng, Huazhong University of Science and Technology

Discussants:
Robin Chou, National Central University
Leon Li, National ChengKung University
Hongbing Ouyang, Huazhong University of Science & Technology
Lognzhen Fan, Fudan University

July 20, 2006 8:30 - 10:00AM

Individual and Institutional Trading
Session Chair: Charles Cao, Penn State University

The Costs of Owning Employer Stocks: Lessons from Taiwan
Yi-Tsung Lee, Yu-Jane Liu, National Chengchi University and Ning Zhu, University of California at Davis

Are Bull and Bear Markets Economically Important?
Jun Tu, Singapore Management University

Behavior and Performance of Emerging Market Investors
Gong-Meng Chen, Hong Kong Polytechnic University, Kenneth Kim, SUNY--Buffalo, John Nofsinger, Washington State University and Oliver Rui, Chinese University of Hong Kong

Behavioral Bias of Traders: Evidence for the Disposition and Reverse Disposition Effect
Andreas Krause, University of Bath, John Wei, Hong Kong University of Science and Technology and Zhisu Yang, Tsinghua University

Discussants:
Ning Zhu, University of California at Davis
Zhishu Yang, Tsinghua University
Chao Chen, California State University at Northridge
Dong Hong, Singapore Management University

July 20, 2006 8:30 - 10:00AM

Asset Pricing, Risk and Return
Session Chair: Jianping Ding, Shanghai University of Finance and Economics

Divergence of Opinion, Speculative Trading and Asset Pricing: Theory and Evidence
Meijin Wang and Jieyu Li, Zhongshan University

Testing for Expected Return and Market Price of Risk in Chinese A-B Share Markets
Jie Zhu, University of Aarhus

Portfolio Optimization Problems with Linear Programming Models
Mei Yu, University of International Business and Economics, Hiroshi Inoue, Tokyo University of Science and Jianming Shi, Muroran Institute of Technology

An Empirical Investigation of the Multi-factor and Three Factor-pricing Model in Chinese Stock Markets
Chengjian Su, Shantou University

Discussants:
Wenjie Ma, Shanghai University of Finance and Economics
Liya Liu, Shanghai University of Finance and Economics
Hongfei Jin, Shanghai University of Finance and Economics
Longzheng Fan, Fudan University

July 20, 2006 8:30 - 10:00AM

Corporate Financial II (in Chinese)
Session Chair: Fuyou Li, Xi'an Jiaotong University

July 20, 2006 10:30AM - 12:00PM

Security Markets (in Chinese)
Session Chair: Tan Wang, University of British Columbia

July 20, 2006 10:30AM – 12:00PM

Asian Financial Markets II
Session Chair: Jun Qian, Boston College

Law, Finance and Administrative Governance: Evidence from Chinese Stock Markets
Julan Du, Chinese University of Hong Kong and Chenggang Xu, London School of Economics

Prospect Theory and the Timeliness of the Earnings Announcements: Empirical Evidence from Listed Chinese Firms
Dengshi Huang and Jianan Zhou, Southwest Jiaotong University

Analysis of Convertible Bond from the Viewpoint of Control Rights
Wan Difang, Xu Xixiong, Zhang Zhe, Shi Yarong and Zhao Jianfeng, Xi'an Jiaotong University

Ownership and Objectives of the Firm, and Derivatives
Chang Kuo-Ping, Tsinghua University

Discussants:
Li Xu, Fudan University
Weihong Song, University of Cincinnati
Xifeng Diao, University of Calgary
Qiao Liu, University of Hong Kong

July 20, 2006 10:30AM – 12:00PM

Insurance and Risk Management (in Chinese)
Session Chair: Binzheng Chen, Tsinghua University

July 20, 2006 10:30AM – 12:00PM

China's Financial Market (in Chinese)
Session Chair: Jiang Wang, MIT

July 20, 2006 10:30AM - 12:00PM

Market Microstructure (in Chinese)

Session Chair: Ning Zhu, University of California--Davis