

WESTERN FINANCE ASSOCIATION

PROGRAM

15th Annual Conference of the Western Finance Association

**San Diego Hilton at Mission Bay
San Diego, California**

June 19-21, 1980

McGraw-Hill has the finance text you want... at every course level!

OUR 1980 LIST:

Brealey-Myers'
PRINCIPLES OF
CORPORATE FINANCE
(1981 copyright, available for your
fall 1980 classes)

Edmister's
FINANCIAL
INSTITUTIONS: Markets
and Management

Francis'
INVESTMENTS:
ANALYSIS AND
MANAGEMENT,
Third Edition

**Francis, Farrar,
and Lee's**
READINGS IN
INVESTMENTS

**Greynolds,
Aronofsky, and
Frame's**
FINANCIAL ANALYSIS
USING CALCULATORS:
Time Value of Money

Gup's
GUIDE TO STRATEGIC
PLANNING

**Robinson-
Wrightsmann's**
FINANCIAL MARKETS:
The Accumulation and
Allocation of Wealth,
Second Edition

Schall-Haley's
INTRODUCTION TO
FINANCIAL
MANAGEMENT, Second
Edition

Stevenson's
FUNDAMENTALS OF
FINANCE

**Come
visit the
McGraw-
Hill booth.**

COLLEGE DIVISION
McGRAW-HILL
BOOK COMPANY



1221 Avenue of the Americas
New York, N.Y. 10020

WESTERN FINANCE ASSOCIATION

... a professional society administered in the western part of the United States and Canada for academicians and practitioners with a scholarly interest in the development and application of theory in finance.

Its purposes are (1) to serve as a focal point for communication among members, (2) to improve teaching and scholarship, and (3) to provide for the dissemination of information, including the holding of meetings and the support of publications.

Membership in the Association is open to individuals from both the academic and professional community (\$17.50 per year) and to institutions (\$100 per year) who have an interest in furthering its purposes. Membership includes a subscription to the *Journal of Financial and Quantitative Analysis*, which is published by the Graduate School of Business Administration at the University of Washington in conjunction with the Western Finance Association. For libraries and non-member institutions subscription rates are \$25 per year. All rates outside the United States and Canada are \$1 higher.

Correspondence regarding membership and subscription should be addressed to:

Subscription Manager, JFQA
University of Washington, DJ-10
Seattle, Washington 98195

Checks are payable to the JFQA. Correspondence regarding other aspects of the Association should be addressed to:

Professor D. Stuart Bancroft
Secretary-Treasurer, WFA
School of Business Administration
Pacific Lutheran University
Tacoma, Washington 98447
Phone: (206) 531-6900 (ext. 251)

A call for Papers and Participants for the 1981 Conference of the Western Finance Association appears on the program's final page.

Registration Information

All meetings will be held at the San Diego Hilton. Hotel reservations should be mailed to:

San Diego Hilton
1775 East Mission Drive
San Diego, CA 92109
(714) 276-4010

Use the enclosed reservation card to obtain convention rates.

On-site registration will be located in the foyer during the conference, beginning at 4:00 p.m., Wednesday, June 18.

Pre-Registration

Pre-registration is urged and the enclosed form is to be used to that end. Send pre-registration materials to:

Mrs. Helen Beaver
Western Finance Association
College of Business Administration
San Diego State University
San Diego, CA 92182
(714) 265-5301

Registration.....	\$25.00\$	_____
Annual meeting, luncheon and Distinguished Speaker, Kenneth Arrow.....	\$ 8.50 \$	_____
Total.....	\$	_____

Make checks payable in U.S. funds only to the **Western Finance Association.**

WESTERN FINANCE ASSOCIATION

Officers and Executive Committee—1979-1980

President	Donald E. Farrar, University of Utah
President-Elect	Charles A. D'Ambrosio, University of Washington
Vice President	James C. Van Horne, Stanford University
Secretary-Treasurer	D. Stuart Bancroft, Pacific Lutheran University
	George N. Engler, California State University, Los Angeles
	Robert C. Higgins, University of Washington
	Alan Kraus, University of British Columbia
	William F. Sharpe, Stanford University
	Thomas E. Stützel, Boise State University

Institutional Members

University of Calgary, Faculty of Business
California State College, Bakersfield,
Center for Business/Economic Research
University of California, Berkeley,
School of Business Administration
University of California, Los Angeles,
Study Center for Finance and Business Economics
Loyola Marymount University, College of Business
Administration
University of Southern California, Graduate School of
Business Administration
University of Utah, Department of Finance
First Security Corporation, Salt Lake City, Utah

Corporate Sponsors

Security Pacific National Bank, Los Angeles, California
Wells Fargo Bank, San Francisco, California
Transamerica Corporation, San Francisco, California
Bank of America, San Francisco, California
Huntsman Chemical & Oil Corporation, Salt Lake City, Utah
Mattel, Inc., Hawthorne, California
Gifford Fong Associates, Santa Monica, California

Policy Advisory Committee,

Journal of Financial and Quantitative Analysis

Guilford C. Babcock, University of Southern California
Charles A. D'Ambrosio, University of Washington
Donald E. Farrar, University of Utah
Alan Kraus, University of British Columbia
William F. Sharpe, Stanford University
Seha M. Tinic, University of Alberta

1980 Program Committee

Chairman	Charles A. D'Ambrosio, University of Washington
	Michael J. Brennan, University of British Columbia
	Timothy Campbell, University of Utah
	Maclyn Clouse, University of Denver
	Edward A. Dyl, The University of Wyoming
	Robert O. Edmister, University of Maryland at College Park
	George Engler, California State University
	Russell Fuller, Washington State University
	Charles Haley, University of Washington
	Edward Kane, Ohio State University
	George Kaufman, University of Oregon
	Robert Litzenberger, Stanford University
	Ron Masulis, Securities & Exchange Commission
	John J. McConnell, Purdue University
	Richardson Pettit, University of Houston
	Richard Roll, University of California, Los Angeles
	Peter S. Rose, Texas A&M University
	Eduardo Schwartz, The University of British Columbia
	Alan Shapiro, University of Southern California
	Seha Tinic, University of Alberta
	Joseph Vinso, University of Southern California

Local Arrangements

Thomas Warschauer, San Diego State University
Vince Mercurio, San Diego State University

Host Institution

San Diego State University

Presidents of the Western Finance Association 1965-1980

1965-66	KENNETH L. TREFFTZS	University of Southern California
1966-67	EDWARD REED	University of Oregon
1967-68	ROBERT CARR	Fresno State College
1968-69	BURTON KOLB	University of Colorado
1969-70	LESTER STRICKLER	Oregon State University
1970-71	HAROLD STEVENSON	Arizona State University
1971-72	W. SCOTT BAUMAN	University of Oregon
1972-73	DAVID EITEMAN	University of California, Los Angeles
1973-74	JAMES WERT	University of Arizona
1974-75	GEORGE KAUFMAN	University of Oregon
1975-76	JOHN HERZOG	Simon Fraser University
1976-77	A. BLAINE HUNTSMAN	University of Utah
1977-78	DAVID PYLE	University of California, Berkeley
1978-79	GUILFORD C. BABCOCK	University of Southern California
1979-80	DONALD E. FARRAR	University of Utah

WFA REGISTRATION, Foyer

The registration desk will be open on:
Wednesday, June 18—4:00 p.m. - 8:00 p.m.
Thursday, June 19—8:00 a.m. - 5:00 p.m.
Friday, June 20—8:00 a.m. - 5:00 p.m.
Saturday, June 21—8:00 a.m. - 10:00 a.m.

PROGRAM SUMMARY

WEDNESDAY, JUNE 18

3:30-5:30 p.m. WFA Executive Committee and JFQA Policy Advisory Committee Meeting
6:00-8:00 p.m. Reception and cocktails

THURSDAY, JUNE 19

8:30-10:20 a.m.	Signalling*	Asset Returns	Financial Theory	Inflation and Financial Assets
10:30-12:20 p.m.	Market Efficiency	Bank Failure and Capital Adequacy	Topics in Corporation Finance	Portfolio Analysis
12:30-2:20 p.m.	Annual meeting and luncheon; Distinguished Speaker: Nobel Laureate, Kenneth Arrow			
2:30-4:20 p.m.	Financial Theory	International Finance	Modern Investment Practices	Common Stock Analyses
6:00-8:00 p.m.	Cocktails			

FRIDAY, JUNE 20

8:30-10:20 a.m.	Financial Theory	Mergers	Topics in Banking	Topics in Corporation Finance
10:30-12:20 p.m.	Behavior of Security Prices	Managerial Finance	Capital Asset Pricing and Portfolio Analysis	Term Structure and the Pricing of Fixed Rate Securities*
2:30-4:20 p.m.	Bond Returns	Capital Market Efficiency	Financial Institutions	Real Estate

SATURDAY, JUNE 21

8:30-10:20 a.m.	International Finance*	Options and Other Securities	Topics in Bond Analysis	Working Capital Management
10:40 a.m.	Informal meeting of WFA officers and members			

*Invited Papers Sessions

Fifteenth Annual Conference Western Finance Association San Diego, California June 19-21, 1980

President: Donald E. Farrar

President-Elect and Program Chairman: Charles A. D'Ambrosio

WEDNESDAY, JUNE 18

3:30 - 5:30 p.m. WFA Executive Committee and JFQA Policy Advisory Committee Meeting, Mauka Room
4:00 - 8:00 p.m. Registration, Foyer
6:00 - 8:00 p.m. Reception and cocktails, Lanai/Molokai Rooms

THURSDAY, JUNE 19

8:30 - 10:20 a.m. SIGNALLING,* Molokai Room
Chairperson: Timothy S. Campbell, University of Utah
"The Investment Banking Contract for New Issues under Asymmetric Information: Delegation and the Inventive Problem," David Baron, Northwestern University, Bengt Holmstrom, Northwestern University
"Innovation and Communication: Signalling with Partial Disclosure," Sudipto Bhattacharya, Stanford University, Jay Ritter, University of Chicago
"Signalling, Information Content, and the Reluctance to Cut Dividends," Avner Kalay, New York University
Discussants: Gershon N. Mandelker, University of Pittsburgh
William A. Kracaw, University of Utah
Lemma W. Senbet, University of Wisconsin, Madison
8:30 - 10:20 a.m. ASSET RETURNS, Mahina Room
Chairperson: Thomas E. Stitzel, Boise State University
"Evidence of a Positive Risk-Return Relationship," J. Clay Singleton, University of Nebraska, Lincoln
"A Note on the Interdependence Structure of Security Returns," Abolhassan Jalilvand, University of North Carolina, Chapel Hill
"An Investigation into Day Effects in Asset Returns—A Progress Report," Michael R. Gibbons, University of Chicago, Patrick J. Hess, Ohio State University
Discussants: William Lloyd, Auburn University
Robert W. Kolb, University of Florida
Foster Roden, North Texas State University

*Invited papers session.

8:30 - 10:20 a.m. FINANCIAL THEORY, Lanai Room

Chairperson: Enrique R. Arzac, Columbia University

"Immunization for Multiple Planning Periods," G. O. Bierwag,
George G. Kaufman, and Alden Toevs, University of Oregon

"Pricing of Contingent Claims: A General Approach," Kose John,
New York University

"A Generalization of Farkas' Lemma with Applications to
Valuation of Primary and Derivative Securities," Young K. Kwon,
University of California, Berkeley

Discussants: James Hoag, University of California, Berkeley
Sudipto Bhattacharya, Stanford University
Robert Geske, University of California, Los Angeles

8:30 - 10:20 a.m. INFLATION AND FINANCIAL ASSETS, Makai Room

Chairperson: Russell Fuller, Washington State University

"The Redistribution Effects of Inflation on Common Stocks,"
Suleman A. Moosa, Chicago State University

"Inflation, Indexation, and Life Insurance Sales
in Brazil," David F. Babbel, University of California, Berkeley

"Inflation and Expected Versus Realized Rates of Return on Com-
mon Stocks," John D. Markese, DePaul University, Arthur A.
Eubank, Jr., DePaul University

Discussants: Chi-Cheng Hsia, Washington State University
C. W. Sealey, Jr., University of British Columbia
Eric H. Sorenson, University of Arizona

10:30 - 12:20 p.m. MARKET EFFICIENCY, Molokai Room

Chairperson: James C. Van Horne, Stanford University

"The Efficiency of Football Gambling Markets: Theory and
Evidence," Gary G. Schlarbaum, Purdue University, Henry R.
Oppenheimer, Texas Christian University

"Imperfect Information and Perfectly Competitive Financial
Asset Markets: A Contradiction?" Richard P. Castanias II,
University of Washington

"The Market for Managerial Labor Services and Capital Market
Equilibrium," Timothy S. Campbell, University of Utah,
William A. Kracaw, University of Utah

Discussants: Jean-Claude Bosch, University of Houston
Douglas T. Breeden, Stanford University
Eric Lindenberg, American Telephone & Telegraph Co.

10:20 - 12:20 p.m. BANK FAILURE AND CAPITAL ADEQUACY, Lanai Room

Chairperson: Robert O. Edmister, University of Maryland, College Park

"A Normative Approach to Bank Capital Adequacy,"† Eli Talmor,
University of North Carolina, Chapel Hill

"A Catastrophe Model of Bank Failure," Anthony Saunders,
New York University

†Trefftzs' Student Paper winner.

"The Federal Banking Agencies' Integrated Monitoring System:
An Analysis of its Effectiveness in Predicting Commercial Bank
Failures," Peter S. Rose, Texas A&M University

Discussants: Harold C. Nathan, Office of the Comptroller of the Currency
Russell P. Boisjoly, University of Maryland
Neil Murphy, University of Oklahoma, Norman

10:30 - 12:20 p.m. TOPICS IN CORPORATION FINANCE, Makai Room

Chairperson: Maclyn Clouse, University of Denver

"The Effects of the Three-Mile Island Nuclear Accident Upon Risk
Perceptions of Investors in Public Utility Shares," Richard H.
Pettway, University of Florida

"Operating Leverage, Sales Sensitivity, and the Firm's Use of
Financial Leverage," Maclyn Clouse and Ronald Rizzuto,
University of Denver

"Asset Life, Corporate Capital Structure, and Asset Value,"
Kenneth D. Riener, Concordia University

Discussants: Vince Mercurio, San Diego State University
J. Clay Singleton, University of Nebraska, Lincoln
Janis Zaima, University of Colorado

10:30 - 12:20 p.m. PORTFOLIO ANALYSIS, Mahina Room

Chairperson: Guilford C. Babcock, University of Southern California

"A Procedure for Searching and Testing for Events Having Impact
on the Systematic Risk of an Industry Portfolio," Arthur Warga,
University of Michigan

"Efficient Portfolios and Non-Systematic Risk," George M.
Frankfurter, Syracuse University

"On the Measurement Errors and Ranking of Composite
Performance Measures," Son-Nan Chen, Virginia Polytechnic
Institute and State University, Cheng-Few Lee, University of
Illinois, Urbana-Champaign

Discussants: Richard Kausman, California State University, Sacramento
Terrence C. Langetieg, University of Southern California
Gifford H. Fong, Gifford Fong Associates

12:30 - 2:20 p.m. ANNUAL MEETING AND LUNCHEON, Hawaii Room
Distinguished Speaker: Nobel Laureate, Kenneth Arrow,
Stanford University

2:30 - 4:20 p.m. FINANCIAL THEORY, Lanai Room

Chairperson: Kenneth D. Riener, Concordia University

"Towards a Theory of Corporate Dividend Policy," Avner Kalay,
New York University

"A Theory of Optimal Investment and Financing of the Firm,"
Winston T. Lin, State University of New York at Buffalo

"Taxes and Executive Stock Options," Gailen Hite, Ohio State
University, Michael Long, Georgia Tech

Discussants: Dennis Draper, University of Southern California
Susan Doolittle, Rainier National Bank
Kee S. Kim, University of Missouri, St. Louis

2:30 - 4:20 p.m. INTERNATIONAL FINANCE, Molokai Room

Chairperson: W. Dayle Nattress, Chase Manhattan Bank

"International Price and Volume Relationships in Commodity Markets Distorted by Foreign Exchange Controls," David Emanuel and Anthony Saunders, New York University

"An International Study of Tax Effects on Government Bonds," Robert H. Litzenberger, Stanford University, Jacques R. Rolfo, The World Bank

"Exposure to Exchange Rate Movements," James E. Hodder, Stanford University

Discussants: Lance Girton, University of Utah
David Higgins, University of Wisconsin, La Crosse
Anthony Saunders, New York University

2:30 - 4:20 p.m. MODERN INVESTMENT PRACTICES, Makai Room

Chairperson: Russell Fuller, Washington State University

"Sustainable Earnings and Stock Valuations," James Landau, BA Investment Management Corporation

"International Accounting and Security Analysis," Robert O'Connell, Capital Research Company

"Inflation Accounting in Investment Decisions," William S. Easman, Jr., Duff and Phelps, Inc.

"An Update on the Value Line Performance Rankings," Samuel Eisenstadt, The Value Line Investment Survey

Discussants: From the audience

2:30 - 4:20 p.m. COMMON STOCK ANALYSES, Mahina Room

Chairperson: Robert C. Higgins, University of Washington

"Firm Value Changes Resulting from Common Stock Repurchase Tender Offers," Larry Y. Dann, University of Oregon

"An Analysis of Common Stock Repurchases," Theo J. Vermaelen, University of British Columbia

Discussants: Thomas Howard, University of Denver
Ron Musalis, Securities and Exchange Commission

6:00 - 8:00 p.m. Cocktails, Lanai/Molokai Rooms

FRIDAY, JUNE 20, 1980

8:30 - 10:20 a.m. FINANCIAL THEORY, Molokai Room

Chairperson: George M. Frankfurter, Syracuse University

"Corporate Financing and Investment Decisions and the Theory of Believable Promises," Timothy S. Campbell, University of Utah

"Mechanisms for the Allocation of Corporate Investment," Enrique R. Arzac, Columbia University

"Debt and Bankruptcy," Richard P. Castanias, II, University Washington

Discussants: Haskel Benishay, Northwestern University
George Constantinides, University of Chicago
James Boness, SUNY, Buffalo

8:30 - 10:20 a.m. MERGERS, Mahina Room

Chairperson: Joseph E. Mori, San Jose State University

"Alternative Strategies for Estimation of Shifting Parameters: Analysis Using Diverstiture Date," Surendra K. Mansinghka, San Francisco State University, W. Gerald Platt, San Francisco State University

"An Identification of th Distinguishing Characteristics of Acquired Trucking Firms," Russell P. Boisjoly, University of Maryland, Thomas M. Corsi, University of Maryland

"Study of Internal Reallocation of Risk in Mergers," James B. Greene, University of Maryland, Dorothy Koehl, University of Maryland

Discussants: Peter Van den Dool, University of Santa Clara
William Alberts, University of Washington
Maclyn L. Clouse, University of Denver

8:30 - 10:20 a.m. TOPICS IN BANKING, Lanai Room

Chairperson: Dale K. Osborne, Oklahoma State University

"Commercial Bank Lending: Process, Credit Scoring and Lending Error Costs,"† Edward I. Altman, New York University

"Financial Objectives, Organizational Structure, Services Offered, and Pricing Policies of a Cross-Section of U.S. Banks: Analysis and Implications," Peter S. Rose, Texas A&M University, Kenneth D. Riener, Concordia University

"Competitive Effects of NOW Accounts on New England Financial Institutions," Michael Asay, Board of Governors of the Federal Reserve System, Rick Kilcollin, Board of Governors of the Federal Reserve System

Discussants: Joseph Sinkey, University of Georgia
A. Charlene Sullivan, Purdue University
Arnold Heggstad, University of Florida

8:30 - 10:20 a.m. TOPICS IN CORPORATION FINANCE, Makai Room

Chairperson: D. Stuart Bancroft, Pacific Lutheran University

"Capital Investment, Returns to Investment, and Security Price Performance," Richardson Pettit, University of Houston, John Miller, University of Houston

"The Impact of Financial and Operating Leverages on the Systematic Risk of Common Stocks," Gershon N. Mandelker, University of Pittsburgh, S. Ghon Rhee, University of Pittsburgh

"The Effects of Financial Leverage on Risk-adjusted Stock Returns: Empirical Evidence," ~~Bernell K. Stone~~, Georgia Institute of Technology, Ned C. Hill, Indiana University

† Competitive Paper Winner

Discussants: Brian Neuberger, San Diego State University
John Mehan, Pacific Lutheran University
Ben Trykowski, California State University, Los Angeles

10:30 - 12:20 p.m. BEHAVIOR OF SECURITY PRICES, Lanai Room

Chairperson: Donald E. Farrar, University of Utah

"Co-Skewness and Capital Asset Pricing," Randy Westerfield, University of Pennsylvania, Irwin Friend, University of Pennsylvania

"Some Empirical Comparisons of Variance and Lower Partial Moment Measures of Risk," Timothy J. Nantell, University of Michigan, Kelly Price, Michigan State University, Barbara Price, Wayne State University

"Maximum Likelihood Parameter Estimation for Stochastic Processes Commonly Employed in Financial Models," David W. Fehr, Harvard University

Discussants: Robert H. Litzenberger, Stanford University
Oldrich Vasicek, Wells Fargo Bank
Richard H. Roll, University of California, Los Angeles

10:30 - 12:20 p.m. MANAGERIAL FINANCE, Mahina Room

Chairperson: George Engler, California State University, Los Angeles

"A Time Series Investigation of the Moral Hazard Theory of Corporate Financial Structure," Scott H. Williamson, University of Illinois, Chicago Circle

"Financial Structure and Financial Strategy," Adam K. Gehr, Jr., University of Missouri, Columbia

"The Corporate Decision to Issue Debt or Equity," Gregory A. Brauer, University of Missouri, Columbia

Discussants: John R. Lindvall, California Polytechnic State University
Dale D. Pletcher, California State University, Sacramento
James Hugon, Portland State University

10:30 - 12:20 p.m. CAPITAL ASSET PRICING AND PORTFOLIO ANALYSIS, Makai Room

Chairperson: William F. Sharpe, Stanford University

"The Mean Variance Capital Asset Pricing Model with Transactions Costs and Short Selling Restrictions," Robert E. Whaley, Vanderbilt University

"Interval Differencing and Autocorrelation Effects on Portfolio Diversification: Additive Versus Multiplicative Assumptions," Son-Nan Chen, Virginia Polytechnic Institute and State University, A. Keown, Virginia Polytechnic Institute and State University

"Improved Estimation and Selection Rules for Markowitz Portfolios," Bob Korkie, University of Alberta

Discussants: Richard P. Castanias, II, University of Washington
Michael Gibbons, University of Chicago
Eric Lindenberg, American Telephone & Telegraph Co.

10:30 - 12:20 p.m. THE TERM STRUCTURE OF INTEREST RATES AND THE PRICING OF FIXED RATE SECURITIES,* Molokai Room

Chairperson: George Kaufman, University of Oregon

"Term-Risk Structures and the Valuation of Projects," L. Uri Dothan, Northwestern University, Joseph Williams, Northwestern University

"Valuation of GNMA Mortgage-Backed Securities," Kenneth Dunn, Carnegie-Mellon University, John McConnell, Purdue University

"Analyzing Convertible Bonds," Michael J. Brenna, University of British Columbia, Eduardo Schwartz, University of British Columbia

Discussants: E. Han Kim, Ohio State University
Kenneth Rosen, University of California, Berkeley
Steven Schaefer, Stanford University

12:30 - 2:00 p.m. No host poolside lunch.

2:30 - 4:20 p.m. BOND RETURNS, Mahina Room

Chairperson: E. Han Kim, Ohio State University

"An Analysis of the Term Structure of Bond Prices," Joseph M. Messina, San Francisco State University

"The Determinants of the Yield Spread of Risky Debt," Ronald F. Singer, New York University, Thomas S.Y. Ho, New York University

"A Rationale for Maturity Structure and Call Provisions in Corporate Debt," Amir Barnea, University of Wisconsin, Madison
Robert Haugen, University of Wisconsin, Madison, Lemma Senbet, University of Wisconsin, Madison

Discussants: Thomas A. Lawler, Chase Manhattan Bank
Gailen Hite, Ohio State University
E. Han Kim, Ohio State University

2:30 - 4:20 p.m. CAPITAL MARKET EFFICIENCY, Molokai Room

Chairperson: Seha M. Tinic, University of Alberta

"Expected Returns and Diversifiable Risk: An Empirical Test of the Clientele Effect," Seymour Smidt, Cornell University, Dale Morse, Cornell University, Andrew Rudd, Cornell University

"An Empirical Assessment of the Seasoning Process for New Corporate Bond Issues," R. Malcolm Richards, Texas A&M University, John D. Martin, Texas A&M University

"Signalling and the Valuation of Unseasoned New Issues," Robert L. Heinkel, University of British Columbia, David H. Downes, University of California, Berkeley

Discussants: James MacBeth, University of Texas, Dallas
Mark Weinstein, State University of New York, Buffalo
Richardson Pettit, University of Houston

*Invited papers session.

2:30 - 4:20 p.m. FINANCIAL INSTITUTIONS, Lanai Room

Chairperson: Dale K. Osborne, Oklahoma State University

"Linear, Quadratic and Discrete Discriminant Analysis: An Overview and Application to Money Transfer Operations,"
J. G. Kallbert, New York University

"The Bank Holding Company Total Capital Investment Process,"
Stanley D. Smith, Emory University

"Linear Programs for Optimal Bank Asset and Liability Allocation,"
T. C. Langetieg, University of Southern California

Discussants: Arnold A. Heggstad, University of Florida
Scott Williamson, University of Illinois, Chicago Circle
Christopher James, University of Oregon

2:30 - 4:20 p.m. REAL ESTATE, Makai Room

Chairperson: Peggy Crawford, University of Houston

"A General Model of Real Estate Valuation," James W. Jenkins,
Brigham Young University

"A Theoretical Model of Housing Markets with Empirical Tests
Using U.S. Data," Halbert S. Kerr, Washington State University

"On the Theory of Interest Rates, Consumer Durables, and the
Demand for Housing,"† James B. Kau, University of Georgia,
Donald Keenan, University of Georgia

Discussants: Donald B. Crane, California State University, Fullerton
Arthur L. Schwartz, California Polytechnic State University
Steve Wyatt, University of Houston

SATURDAY, JUNE 21, 1980

8:30 - 10:20 a.m. INTERNATIONAL FINANCE,* Molokai Room

Chairperson: Alan C. Shapiro, University of Southern California

"The Myth of Foreign Exchange Risk," Bradford Cornell, University
of California, Los Angeles

"Inflation and Foreign Exchange Under Production and Monetary
Uncertainty," Mark Garman, University of California, Berkeley,
Steven Kohlhaugen, University of California, Berkeley

"The Exposure of Long-term Foreign Currency Bonds," Michael
Adler, Columbia University, Bernard Dumas, ESSEC

Discussants: Gunter Dufey, University of Michigan
Tamir Agmon, University of Southern California
Richard Levich, New York University

8:30 - 10:20 a.m. OPTIONS AND OTHER SECURITIES, Mahina Room

Chairperson: Suleman A. Moosa, Chicago State University

"Stock Price Behavior Near Option Expiration Dates," Craig T.
Callahan, University of Denver

"A Continuous Time Equilibrium Model of Commodity Prices in a
Multigood Economy," M. Sundaresan, Carnegie-Mellon University

"The Effect of Option Positions on Portfolio Returns: Simulation
Results," Richard Bookstaber, Brigham Young University, Roger
Clarke, Brigham Young University

Discussants: L. Uri Dothan, Northwestern University
Andrew Turner, Pacific Lutheran University
Jonathan E. Ingersol, Jr., University of Chicago

8:30 - 10:20 a.m. TOPICS IN BOND ANALYSIS, Lanai Room

Chairperson: Michael D. Joehnk, The University of Tulsa

"Bond Betas, Duration and Adaptive Expectations," Ramesh K. S.
Rao, University of Texas, Austin, Philip Langefeld, University of
Texas, Austin

"An Evaluation of Alternative Bond Portfolio Strategies," Edward
Dyl, University of Wyoming, Stanley A. Martin, Jr., University
of Wyoming

"Corporate Bond Call Provisions: New Evidence," Eric H.
Sorensen, The University of Arizona

Discussants: George Pinches, University of Kansas
Calvin M. Boardman, University of Utah
David S. Kidwell, Texas Tech University

8:30 - 10:20 a.m. WORKING CAPITAL MANAGEMENT, Makai Room

Chairperson: Tom S. Sale, III, Louisiana Tech University

"A Strategic Framework for Working Capital Management,"
Joseph E. Finnerty, University of Massachusetts, Ken Nunn,
University of Connecticut, Storrs

"Optimal Credit Policy in Perfect and Imperfect Markets," Gary W.
Emery, Washington University

"A Theory of Working Capital Investment,"
Kee S. Kim, University of Missouri, St. Louis

Discussants: Charles M. Cox, Brigham Young University
Greggory A. Brauer, University of Missouri, Columbia
Joseph Vinso, University of Southern California

10:40 a.m. Informal meeting of members and officers, Makai Room

†Competitive Paper Winner

*Invited papers session.

Where the Good Authors Are

Stephen H. Archer, G. Marc Choate,
both of Atkinson Graduate School of
Administration, Willamette University,
& George Racette, University
of Oregon

FINANCIAL MANAGEMENT An Introduction

Using an analytical approach
that stresses the development of
problem-solving skills, this new
text fully integrates modern finan-
cial theory with traditional busi-
ness finance. With Teacher's
Manual and Study Guide.
1979 724 pp. \$21.95

Benton E. Gup, The University
of Tulsa

THE BASICS OF INVESTING

Blending descriptive and quanti-
tative approaches to making
investment decisions, this text
provides students with little or no
knowledge of investing with basic
information in a clear, teachable
format. With Teacher's Manual,
Test Items, and Study Guide.
1979 472 pp. \$19.95

Fred Crane, Drake University

INSURANCE PRINCIPLES AND PRACTICES

A basic text that stresses practical
aspects of the subject from the
consumer's point of view. Teach-
er's Manual available.
January, 1980
525 pp.
\$19.95



**JOHN WILEY &
SONS, Inc.**

605 Third Avenue
New York, N.Y. 10016
In Canada: 22 Worcester Road,
Rexdale, Ontario
Prices subject to change without
notice.

*Come see these and
other exciting titles at
the Wiley Booth.*

The late E. Bryant Phillips &
Sylvia Lane, University of
California, Davis

PERSONAL FINANCE, 4th Ed. Text and Case Problems

An up-to-date revision of this
practical guide to managing per-
sonal finances. Teacher's Manual
available.
January, 1980
620 pp.
\$19.95

Donald Epley & James Millar, both
of University of Arkansas

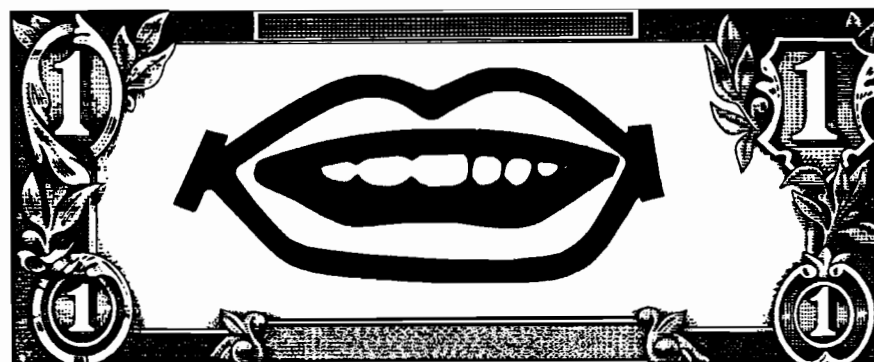
REAL ESTATE FINANCE AND INVESTMENTS

A comprehensive introduction
which combines both real estate
finance and investment strategy
in one easy-to-understand vol-
ume. Teacher's Manual available.
March, 1980
approx. 672 pp.
\$14.95 (tent.)

David Cravy, Louisiana State
University, John K. Pfahl, John K.
Pfahl, Inc., & the late
Elinor Donaldson

PERSONAL FINANCE, 7th Ed.

A significant revision of the
perennial best seller. Teacher's
Manual available.
March, 1980
approx. 736 pp.
\$18.95



Money Talks

And here's what it's been saying -
1980 Irwin Finance Texts

INTRODUCTION TO FINANCIAL MANAGEMENT, Revised Edition

O. Maurice Joy, University of Kansas

This Revised Edition has undergone a major restructuring of chapter organization to
mainline the text to the basic Introductory Finance course. The emphasis is on finan-
cial decision making by corporations. All financial management decisions are related
to the goal of the firm.

Teaching aids for this text include an Instructor's Manual and Supplementary Ques-
tions and Problems.

PERSONAL INVESTING, Third Edition

Wilbur W. Widicus, Oregon State University and Thomas E. Stitzel,
Boise State University

CASES IN MODERN FINANCIAL MANAGEMENT

Ronald F. Wipperfurth, Yale University

MODERN PORTFOLIO THEORY

paperbound

Robert L. Hagin, Vice President, Equity Research, The First Boston Corporation

QUANTITATIVE TECHNIQUES FOR FINANCIAL ANALYSIS, Revised Edition

paperbound

Jerome L. Valentine, Rice University and Edmund A. Mennis, Security Pacific
Investment Managers, Inc.

Examination copies for adoption consideration available on
request; please indicate course title and text presently used.

Richard D. Irwin, Inc.



Homewood, Illinois 60430

CALL FOR PAPERS AND PARTICIPANTS

**1981 Annual Meetings of the Western Finance Association
June 18-20, 1981
Jackson Hole, Wyoming**

Members and friends of the Western Finance Association are invited to submit papers to be considered for presentation at the 1981 meetings. Suggested topics include, but are not restricted to:

Theory of Finance	Real Estate Finance
Efficient Capital Markets	Risk Management and Insurance
Financial Intermediation	International Finance
Financial Institutions	Monetary Policy and Practice
Financial Markets	Mergers and Acquisitions
Investments and Portfolio Analysis	Multinational Finance
Behavior of Securities Prices	Managerial Finance
	Content and Teaching of Finance

TREFFTZS AWARD

This announcement is also a call for student papers to be considered for the Annual Trefftzs Award.

SUBMISSION OF PAPERS

Send four copies of either the completed paper or a five-page abstract, stating the problem, method, data, and findings to the Program Chairman no later than **November 15, 1980**. After the papers are reviewed, the authors will be notified in January 1981 of the Program Committee's decision.

To maintain objectivity, attach a separate cover sheet providing the following information:

- | | |
|---|--|
| 1. Name | 4. Title of Paper |
| 2. Position | 5. Categorization of Paper Topic (as above) |
| 3. Affiliation, mailing address, and telephone number | 6. Willingness to serve as Discussant or session Chairperson |

OTHER PARTICIPANTS

Persons willing to serve as Chairpersons or Discussants should submit the same information, except instead of items 4 and 5, indicate your field(s) of interest.

All papers and communications pertaining to participation in the program should be sent by **November 15, 1980** to:

Professor James C. Van Horne
Graduate School of Business
Stanford University, Palo Alto, California 94305

INDEX OF PROGRAM PARTICIPANTS

Adler, Michael.....	14	Finnerty, Joseph.....	15
Agmon, Tamir.....	14	Fong, Gifford.....	9
Alberts, William.....	11	Frankfurter, George.....	9, 10
Altman, Edward.....	11	Friend, Irwin.....	12
Arrow, Kenneth.....	9	Fuller, Russell.....	8, 10
Arzac, Enrique.....	8, 10	Garman, Mark.....	14
Asay, Michael.....	11	Gehr, Adam.....	12
Babbel, David.....	8	Geske, Robert.....	8
Babcock, Guilford.....	9	Gibbons, Michael.....	7, 12
Bancroft, Stuart.....	11	Girton, Lance.....	10
Barnea, Amir.....	13	Greene, James.....	11
Baron, David.....	7	Haugen, Robert.....	13
Benishay, Haskel.....	11	Heggstad, Arnold.....	11, 14
Bhattacharya, Sudipto.....	7, 8	Heinkel, Robert.....	13
Bierwag, G.....	8	Hess, Patrick.....	7
Boardman, Calvin.....	15	Higgins, David.....	10
Boisjoly, Ruyssell.....	9, 11	Higgins, Robert.....	10
Bookstaber, Richard.....	15	Hill, Ned.....	11
Boness, James.....	11	Hite, Gailen.....	9, 13
Bosch, Jean-Claude.....	8	Ho, Thomas.....	13
Brauer, Gregory.....	12, 15	Hoag, James.....	8
Breeden, Douglas.....	8	Hodder, James.....	10
Brennan, Michael.....	13	Holmstrom, Bengt.....	7
Callahan, Craig.....	15	Howard, Thomas.....	10
Campbell, Timothy.....	7, 8, 10	Hsia, Chi-Cheng.....	8
Castanias, Richard.....	8, 11, 12	Hugon, James.....	12
Chen, Son-Nan.....	9, 12	Ingersol, Jonathan.....	15
Clarke, Roger.....	15	Jalilvand, Abolhassan.....	7
Clouse, Maclyn.....	9, 11	James, Christopher.....	14
Constantinides, George.....	11	Jenkins, James.....	14
Cornell, Bradford.....	14	Joehtnk, Michael.....	15
Corsi, Thomas.....	11	John, Kose.....	8
Cox, Charles.....	15	Kalay, Avner.....	7, 9
Crane, Donald.....	14	Kallbert, J.....	24
Crawford, Peggy.....	14	Kau, James.....	14
Dann, Larry.....	10	Kaufman, George.....	8, 23
Doolittle, Susan.....	9	Kausman, Richard.....	9
Dothan, Uri.....	13, 15	Keenan, Donald.....	14
Downes, David.....	13	Keown, A.....	12
Draper, Dennis.....	9	Kerr, Halbert.....	14
Dufey, Gunter.....	14	Kidwell, David.....	15
Dumas, Bernard.....	14	Kilcollin, Rick.....	11
Dunn, Kenneth.....	13	Kim, E. Han.....	13
Dyl, Edward.....	15	Kim, Kee.....	9, 15
Easman, William.....	10	Koehl, Dorothy.....	11
Edmister, Robert.....	8	Kohlhagen, Steven.....	14
Eisenstadt, Samuel.....	10	Kolb, Robert.....	7
Emanuel, David.....	9	Korkie, Bob.....	12
Emery, Gary.....	15	Kracaw, William.....	7, 8
Engler, George.....	12	Kwon, Young.....	8
Eubank, Arthur.....	8	Landau, James.....	10
Farrar, Donald.....	12	Langefeld, Philip.....	15
Fehr, David.....	12	Langetieg, T.....	9, 14

Lawler, Thomas.....	13	Roden, Foster.....	7
Lee, Cheng-Few.....	9	Rolfo, Jacques.....	10
Levich, Richard.....	14	Roll, Richard.....	12
Lin, Winston.....	9	Rose, Peter.....	9, 11
Lindenberg, Eric.....	8, 12	Rosen, Kenneth.....	13
Lindvall, John.....	12	Rudd, Andrew.....	13
Litzenberger, Robert.....	10, 12	Rizzuto, Ronald.....	9
Lloyd, William.....	7	Sale, Tom.....	15
Long, Michael.....	9	Saunders, Anthony.....	8, 10
MacBeth, James.....	13	Schaefer, Steven.....	13
Mandelker, Gershon.....	7, 11	Schlarbaum, Gary.....	8
Mansinghka, Surendra.....	11	Schwartz, Arthur.....	14
Markese, John.....	8	Schwartz, Eduardo.....	13
Martin, John.....	13	Sealey, C.....	8
Martin, Stanley.....	15	Senbet, Lemma.....	7, 13
Masulis, Ron.....	10	Shapiro, Alan.....	14
McConnell, John.....	13	Sharpe, William.....	12
Mehan, John.....	12	Singer, Ronald.....	13
Mercurio, Vinee.....	9	Singleton, J. Clay.....	7, 9
Messina, Joseph.....	13	Sinkey, Joseph.....	11
Miller, John.....	11	Smidt, Seymour.....	13
Moosa, Suleman.....	8, 15	Smith, Stanley.....	14
Mori, Joseph.....	11	Sorensen, Eric.....	8, 15
Morse, Dale.....	13	Stitzel, Thomas.....	7
Murphy, Neil.....	9	Stone, Bernell.....	11
Nantell, Timothy.....	12	Sullivan, A. Charlene.....	11
Nathan, Harold.....	9	Sundaresan, M.....	15
Nattress, W. Dayle.....	9	Talmor, Eli.....	8
Neuberger, Brian.....	12	Tinic, Seha.....	13
Nunn, Ken.....	15	Toeys, Alden.....	8
O'Connell, Robert.....	10	Turner, Andrew.....	15
Oppenheimer, Henry.....	8	Trykowski, Ben.....	12
Osborne, Dale.....	11, 14	Van den Dool, Peter.....	11
Pettit, Richardson.....	11, 13	Van Horne, James.....	8
Pettway, Richard.....	9	Vasicek, Oldrich.....	12
Pinches, George.....	15	Vermaelen, Theo.....	10
Platt, W. Gerald.....	11	Vinso, Joseph.....	15
Pletcher, Dale.....	12	Warga, Arthur.....	9
Price, Barbara.....	12	Weinstein, Mark.....	13
Price, Kelly.....	12	Westerfield, Randy.....	12
Rao, Ramesh.....	15	Whaley, Robert.....	12
Riener, Kenneth.....	9, 11	Williams, Joseph.....	13
Rhee, S. Ghon.....	11	Williamson, Scott.....	12, 14
Richards, R. Malcolm.....	13	Wyatt, Steve.....	14
Ritter, Jay.....	7	Zaima, Janis.....	9