WFA

PROGRAM

Twenty-Ninth Annual Conference of the Western Finance Association

Eldorado Hotel
Santa Fe
New Mexico
June 19-22, 1994

WESTERN FINANCE ASSOCIATION

... a professional society administered in 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.

The Association is an international organization with membership open to individuals from both the academic and professional community and to institutions. Membership includes subscriptions to any occasional or regular publications sponsored or co-sponsored by the Association. The 1994 membership dues ($US7.50) entitle the member to receive a) notice of the annual meetings and a copy of the annual program, and b) a reduction in the registration fee at the annual meetings. Members may also elect to pay an additional $US16.50 and receive the special issue of the ***Review of Financial Studies*** that contains papers presented at the symposium held at the 1994 WFA meetings (co-sponsored by Society for Financial Studies).

Correspondence regarding membership and other business aspects of the Association should be addressed to:

Professor Alan Hess
Secretary-Treasurer, WFA
Graduate School of Business Administration
University of Washington DJ-10
Seattle, WA 98195
Email: hess@u.washington.edu

A call for papers and participants for the 1995 conference of the Western Finance Association appears on page 26 of this program.

REGISTRATION INFORMATION

All sessions will be held at the Eldorado Hotel, Santa Fe, New Mexico. Use the enclosed reservation card to obtain convention rates and mail as directed.

On-Site registration will be located in the Main Concourse beginning at 4:30 p.m., Sunday, June 19, 1994.

PRE-REGISTRATION

Pre-registration is urged and the enclosed form is to be used. Mail to:

Professor Alan Hess
Secretary-Treasurer, WFA
Graduate School of Business Administration
University of Washington DJ-10
Seattle, WA 98195
206-543-4579

Pre-registration must be received no later than May 15.

	Pre-Registration	On-Site Registration
WFA member and/or participant	$30.00	$65.00
Non-member	$65.00	$75.00
Student	no charge	$30.00
Annual meeting, luncheon and featured speaker		$23.00

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

ON-SITE REGISTRATION

Sunday, June 19, 4:30 p.m. - 8:30 p.m.
Monday, June 20, 8:00 a.m. - 5:00 p.m.
Tuesday, June 21, 8:00 a.m. - 12:00 noon

Registration for the New York Stock Exchange Breakfast Seminar and Chicago Board of Trade Breakfast Seminar will take place on-site in the meeting registration area.

PROGRAM ADVERTISING

Alan Hess, University of Washington

WESTERN FINANCE ASSOCIATION

Officers and Executive Committee - 1993-94

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President-Elect	Milton Harris, University of Chicago
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Presidents of the Western Finance Association 1965-94

1965-66 Kenneth L. Trefftzs	University of Southern California
1966-67 Edward Reed	University of Oregon
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1968-69 Burton Kolb	University of Colorado
1969-70 Lester Stickler	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 at 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 at Berkeley
1978-79 Guilford Babcock	University of Southern California
1979-80 Donald Farrar	University of Utah
1980-81 Charles D'Ambrosio	University of Washington
1981-82 James Van Horne	Stanford University
1982-83 Edward Dyl	University of Wyoming
1983-84 Nils Hakansson	University of California at Berkeley
1984-85 Seha Tiniç	University of Texas at Austin
1985-86 Alan Kraus	University of British Columbia
1986-87 Gerald Bierwag	University of Arizona
1987-88 Robert Litzenberger	University of Pennsylvania
1988-89 Alan Hess	University of Washington
1989-90 Lemma Senbet	University of Maryland
1990-91 Eduardo Schwartz	University of California at Los Angeles
1991-92 Stephen J. Brown	New York University
1992-93 Hans R. Stoll	Vanderbilt University
1993-94 Kenneth J. Singleton	Stanford University

Distinguished Speakers
Western Finance Association Meetings
1979-94

Year	Location	Speaker
1994	Santa Fe	Mark Rubinstein
1993	Whistler	Alan Kraus
1992	San Francisco	Myron S. Scholes
1991	Jackson Lake	Fischer Black
1990	Santa Barbara	Michael J. Brennan
1989	Seattle	William F. Sharpe, guest of honor
1988	Napa	Sanford J. Grossman
1987	San Diego	Edward J. Kane
1986	Colorado Springs	Merton H. Miller
1985	Scottsdale	Robert H. Litzenberger
1984	Vancouver	Richard Roll
1983	Long Beach	Myron S. Scholes
1982	Portland	Stephen A. Ross
1981	Jackson Lake	Eugene F. Fama
1980	San Diego	Kenneth J. Arrow
1979	San Francisco	Nils H. Hakansson

1994 PROGRAM COMMITTEE

Anat Admati, Stanford University
Franklin Allen, University of Pennsylvania
Yakov Amihud, New York University
Lawrence Benveniste, Boston College
Elazar Berkovitch, Tel Aviv University
Sanjai Bhagat, Princeton University
Fischer Black, Goldman Sachs and Co.
Peter Bossaerts, California Institute of Technology
Michael Bradley, University of Michigan
Michael Brennan, UCLA
Stephen Brown, New York University
John Cochrane, University of Chicago
George Constantinides, University of Chicago
Robert Dammon, Carnegie Mellon University
Douglas Diamond, University of Chicago
Darrell Duffie, Stanford University
Philip Dybvig, Washington University
David Easley, Churchill College
Espen Eckbo, Norwegian School of Management
Wayne Ferson, University of Washington
Michael Fishman, Northwestern University
Mark Flannery, University of Florida
Douglas Foster, The University of Iowa
Kenneth French, University of Chicago
Kenneth Froot, Harvard University
Robert Gertner, University of Chicago
Ronald Giammarino, University of British Columbia
Michael Gibbons, University of Pennsylvania
Gary Gorton, University of Pennsylvania
Mark Grinblatt, UCLA
Bruce Grundy, University of Pennsylvania
Kathleen Hagerty, Northwestern University
Lawrence Harris, University of Southern California
Campbell Harvey, Duke University
Joel Hasbrouck, New York University
Robert Heinkel, University of British Columbia
Alan Hess, University of Washington
David Hirshleifer, UCLA
Robert Hodrick, Northwestern University
Burton Hollifield, University of British Columbia
Eric Hughson, University of British Columbia
Ronen Israel, University of Michigan and Carnegie Mellon University
Ravi Jagannathan, University of Minnesota
Christopher James, University of Florida
Kose John, New York University
Philippe Jorion, University of California at Irvine
Charles Kahn, University of Chicago
Shmuel Kandel, Tel Aviv University and University of Pennsylvania
Steven Kaplan, University of Chicago
Gautam Kaul, University of Michigan
Donald Keim, University of Pennsylvania

1994 PROGRAM COMMITTEE

Allan Kleidon, Cornerstone Research
Robert Korajczyk, Northwestern University
Alan Kraus, University of British Columbia
Josef Lakonishok, University of Illinois
Bruce Lehmann, University of California at San Diego
Andrew Lo, Massachusetts Institute of Technology
Francis Longstaff, UCLA
Deborah Lucas, Northwestern University
Ananth Madhavan, University of Pennsylvania
Vojislav Maksimovic, University of Maryland
Terry Marsh, University of California at Berkeley
Ronald Masulis, Vanderbilt University
John McConnell, Purdue University
Robert McDonald, Northwestern University
David Modest, University of California at Berkeley
M.P. Narayanan, University of Michigan
Maureen O'Hara, Cambridge University
Paul Pfleiderer, Stanford University
James Poterba, Massachusetts Institute of Technology
Raghuram Rajan, University of Chicago
Krishna Ramaswamy, University of Pennsylvania
Artur Raviv, Northwestern University
Marc Reinganum, The University of Iowa
Jay Ritter, University of Illinois
Mark Rubinstein, University of California at Berkeley
Oded Sarig, Tel Aviv University
James Schallheim, University of Utah
David Scharfstein, Massachusetts Institute of Technology
G. William Schwert, University of Rochester
Lemma Senbet, University of Maryland
Duane Seppi, Carnegie Mellon University
Jay Shanken, University of Rochester
Kenneth Singleton, Stanford University
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Michael Weisbach, University of Rochester
Ivo Welch, UCLA
Joseph Williams, University of British Columbia
Josef Zechner, University of Vienna
Jaime Zender, University of Utah
Jeffrey Zwiebel, Stanford University

WFA Program Summary

Sunday, June 19

4:30 - 8:30 p.m. **REGISTRATION** - Main Concourse
6:30 - 8:30 p.m. **Reception** - Anasazi Ballroom

Monday, June 20

7:00 - 8:15 a.m.
New York Stock Exchange Breakfast Seminar - Anasazi South

8:30 - 10:30 a.m.
Market Microstructure Theory - Zia B
Stock Return Volatility - Zia C
Corporate Finance Theory - Anasazi North
Capital Structure and Dividend Policy - Zia A

Coffee Break

10:45 a.m. - 12:30 p.m.
Closed-end Funds - Zia B
Topics in Asset Pricing - Anasazi North
Exchange Rate Volatility - Zia A

Lunch Break

1:45 - 2:15 p.m.
Society for Financial Studies: Membership Meeting - Zia C

2:30 - 4:45 p.m.
Market Efficiency - Zia A
Term Structure of Interest Rates - I - Zia C
Econometric Methodology - Anasazi North
SYMPOSIUM: Capital Structure Decisions - Zia B

5:00 - 6:30 p.m.
WFA EXECUTIVE COMMITTEE and BOARD OF DIRECTORS
MEETING - De Vargas Room

6:30 - 8:30 p.m. No Host Cocktails - Anasazi South

Tuesday, June 21

7:00 - 8:15 a.m.
Chicago Board of Trade Breakfast Seminar - Anasazi South

8:30 - 10:15 a.m.
Option Pricing Theory - Anasazi North
Term Structure of Interest Rates - II - Zia B
Performance Evaluation - Zia A
Investment Banking and Venture Capital - Zia C

Coffee Break

10:30 a.m. - 12:15 p.m.
Asset Pricing Theory - I - Anasazi North
Topics in Empirical Asset Pricing - Zia C
World Markets - Zia A
Asset Pricing Theory - II - Zia B

12:30 - 2:15 p.m.
ANNUAL MEETING and Luncheon - Eldorado Court Restaurant
Distinguished Speaker: Mark Rubinstein, University of California at Berkeley

2:30 - 4:45 p.m.
Risk Factors and the Predictability of Returns - Zia C
Stock Price Reactions - Zia B
Empirical Corporate Finance - Zia A
SYMPOSIUM: Bankruptcy and Financial Distress - Anasazi North

6:30 - 8:30 p.m. No Host Cocktails - Anasazi South

Wednesday, June 23

8:30 - 10:30 a.m.
Empirical Market Microstructure - Zia C
Derivative Pricing - Zia B
Corporate Control - Zia A
Financial Contracts and Bankruptcy - Anasazi North

Coffee Break

10:45 a.m. - 12:30 p.m.
Stochastic Volatility - Zia A
Topics in International Finance - Zia C
Banking - Zia B

AWARD WINNERS

Trefftzs Award for Best Student Paper

Manju Puri, New York University

"Commercial Banks in Investment Banking: Conflict of Interest or Certification Role? An empirical study of the pricing of public security underwritings"

American Association of Individual Investors Award for Best Paper on Investments

Ravi Jagannathan and **Zhenyu Wang**, University of Minnesota

"The CAPM Is Alive and Well"

Chicago Board of Trade Award for Best Paper on Futures

Som Dasgupta, J. P. Morgan
Cheng-few Lee, Rutgers University

"Stochastic Volatility and the Pricing of Futures Options"

New York Stock Exchange Award for Best Paper on Equity Trading

R. Glen Donaldson, University of British Columbia
Mark Kamstra, Simon Fraser University

"Using Dividend Forecasting Models to Reject Bubbles in Asset Prices: The Case of 1929's Stock Crash"

TWENTY-NINTH ANNUAL CONFERENCE
WESTERN FINANCE ASSOCIATION
SANTA FE, NEW MEXICO
June 19 - 22, 1994

PRESIDENT: KENNETH J. SINGLETON, STANFORD UNIVERSITY

PRESIDENT-ELECT AND PROGRAM CHAIR:
MILTON HARRIS, UNIVERSITY OF CHICAGO

Sunday, June 19 4:30 - 8:30 p.m. **REGISTRATION** - Main Concourse
6:30 - 8:30 p.m. **Reception** - Anasazi Ballroom

Monday, June 20 7:00 - 8:15 a.m.

NEW YORK STOCK EXCHANGE BREAKFAST SEMINAR - Anasazi South

Monday, June 20 8:30 - 10:30 a.m.

MARKET MICROSTRUCTURE THEORY - Zia B
Paul Pfleiderer, Stanford University

Splitting Orders - Dan Bernhardt, Queen's University and Eric Hughson, California Institute of Technology

Informed Speculation and Asset Prices When the Order Flow Is Disaggregated - Howard M. Corb, Stanford University

Strategic Trading when Agents Forecast the Forecasts of Others - F. Douglas Foster, University of Iowa and S. Viswanathan, Duke University

Efficient Trading Strategies in the Presence of Market Frictions - Elyes Jouini, ENSAE and Hedi Kallal, New York University

Discussants:

Michael Fishman, Northwestern University
Hans Stoll, Vanderbilt University
Avanidhar Subrahmanyam, Columbia University
Hua He, University of California at Berkeley

STOCK RETURN VOLATILITY - Zia C
David Modest, University of California at Berkeley

Stock Return Volatility in Thinly Traded Markets - Kirt C. Butler and Samuel H. Cox, Michigan State University and Richard M. Osborne, American University

Volatility Bounds for Stochastic Discount Factors: Tests and Implications from International Stock Returns - Giorgio De Santis, University of Southern California

Rational Expectations and the Relationship between Spot and Implied Volatility - Fernando Diz and Thomas Finucane, Syracuse University

Stock Returns and Stock Return Volatility: A Firm-Level Analysis - Gregory R. Duffee, Board of Governors of the Federal Reserve Board

Discussants:

Gautam Kaul, University of Michigan
Robert Cumby, New York University and Council of Economic Advisors
Victor Ng, International Monetary Fund
Burton Hollifield, University of British Columbia

CORPORATE FINANCE THEORY - Anasazi North
Artur Raviv, Northwestern University

Capital Structure with Multiple Investors - Erik Berglof, Universite Libre de Bruxelles and Ernst-Ludwig von Thadden, Stanford University

Institutional Memory, Inertia and Investment Decisions - David Hirshleifer and Ivo Welch, University of California at Los Angeles

Signaling and Takeover Deterrence with Stock Repurchases: Dutch Auctions versus Fixed Price Tender Offers - John C. Persons, The Ohio State University

Board Effectiveness and Board Dissent: A Model of the Board's Relationship to Management and Shareholders - Vincent A. Warther, University of Southern California

Discussants:

Peter DeMarzo, Northwestern University
Andrew Winton, Northwestern University
Ronen Israel, University of Michigan and Carnegie Mellon University
Michael Weisbach, University of Rochester

CAPITAL STRUCTURE AND DIVIDEND POLICY - Zia A
Mark Flannery, University of Florida

The Stock Market as a Valuator and the Decision to Go Public - Tore Ellingsen, Stockholm School of Economics and Kristian Rydqvist, Carnegie Mellon University

Debt Reduction, Optimal Capital Structures, and Renegotiation of Claims during Financial Distress - Stuart C. Gilson, Harvard University

The Role of Adverse Selection in the Choice between Dividends and Repurchases - Deborah J. Lucas and Robert L. McDonald, Northwestern University

Investor Free-Riding, Financial Distress, and Corporate Disclosure - Siew Hong Teoh, University of California at Los Angeles

Discussants:

Timothy Loughran, University of Iowa
Julian Franks, UCLA and London Business School
Vojislav Maksimovic, University of Maryland
Kose John, New York University

Coffee Break 10:30 - 10:45 a.m.

Monday, June 20 10:45 a.m. - 12:30 p.m.

CLOSED-END FUNDS - Zia B
Robert Korajczyk, Northwestern University

The Marketing of Closed-End Fund IPOs: Evidence from Transactions Data - Kathleen W. Hanley, Charles M. C. Lee, and Paul J. Seguin, The University of Michigan

Asymmetric Information and the Closed-End Fund Puzzle - Gyutaeg Oh, The University of Iowa and Stephen A. Ross, Yale University

Closed-End Fund Premia and Returns: Implications for Financial Market Equilibrium - Jeffrey Pontiff, University of Washington

Discussants:

Erik Sirri, Harvard University
Balakrishna Swaminathan, UCLA
Rex Thompson, Southern Methodist University

TOPICS IN ASSET PRICING - Anasazi North
Campbell Harvey, Duke University

Equilibrium Dominance in Experimental Financial Markets - Charles B. Cadsby, University of Guelph, Murray Frank, and Vojislav Maksimovic, The University of British Columbia

Noise Trading, Professional Portfolio Management and Economic Welfare - James Dow, London Business School and Gary Gorton, University of Pennsylvania

The CAPM Is Alive and Well - Ravi Jagannathan and Zhenyu Wang, University of Minnesota

Discussants:

Tom Rietz, Northwestern and University of Iowa
Bhagwan Chowdhry, UCLA
Mark Carhart, University of Chicago

EXCHANGE RATE VOLATILITY - Zia A
Wayne Ferson, University of Washington

Jumps and Stochastic Volatility - David S. Bates, University of Pennsylvania

Testing the Expectations Hypothesis on the Term Structure of Implied Volatilities in Foreign Exchange Options - José M. Campa and P. H. Kevin Chang, New York University

Predicting Volatility in the Foreign Exchange Market - Philippe Jorion, University of California at Irvine

Discussants:

Craig Lewis, Vanderbilt University
Jules Buxbaum, Federal Reserve Bank of New York
Hendrik Bessembinder, Arizona State University

Lunch Break 12:30 - 1:45 p.m.

Monday, June 20 1:45 - 2:15 p.m.

Society for Financial Studies: Membership Meeting - Zia C

Monday, June 20 2:30 - 4:45 p.m.

MARKET EFFICIENCY - Zia A
Bruce Lehmann, University of California at San Diego

Measurement of Market Integration and Arbitrage - Zhiwu Chen and Peter J. Knez, University of Wisconsin-Madison

Using Dividend Forecasting Models to Reject Bubbles in Asset Prices: The Case of 1929's Stock Crash - R. Glen Donaldson, The University of British Columbia and Mark Kamstra, Simon Fraser University

Market Underreaction to Open Market Share Repurchases - David Ikenberry, Rice University, Josef Lakonishok, University of Illinois at Urbana-Champaign and Theo Vermaelen, INSEAD

The Timing and Subsequent Performance of New Issues - Timothy Loughran, University of Iowa and Jay R. Ritter, University of Illinois at Urbana-Champaign

Discussants:

Ravi Bansal, Duke University
Allan Kleidon, Cornerstone Research
Robert McDonald, Northwestern University
Laurie Bagwell, Northwestern University

TERM STRUCTURE OF INTEREST RATES - I - Zia C
Mark Grinblatt, UCLA

Reverse Engineering the Yield Curve - David K. Backus, New York University and Stanley E. Zin, Carnegie Mellon University

The Term Premium: Default, Liquidity and Interest Rate Risks - Alan C. Hess and Avraham Kamara, University of Washington

The Yield Curve and Bond Option Prices with Discrete Shifts in Economic Regimes - Vasanttilak Naik, The University of British Columbia and Moon Hoe Lee, University of Saskatchewan

Default Risk and Interest Rate Risk: The Term Structure of Default Spreads - Lars T. Nielsen, Jesus Saa-Requejo and Pedro Santa-Clara, INSEAD

Discussants:

Sanjiv Das, New York University
Bruce Tuckman, New York University
David Feldman, University of Illinois at Chicago
Jiang Wang, Massachusetts Institute of Technology

ECONOMETRIC METHODOLOGY - Anasazi North
Ananth Madhavan, University of Pennsylvania

Nonparametric Pricing of Interest Rate Derivative Securities - Yacine Ait-Sahalia, University of Chicago

Selecting Models to Forecast Financial Returns: A New Criterion - Peter Bossaerts, California Institute of Technology and Pierre Hillion, INSEAD

The Statistics of Long Horizon Regressions Revisited - Jacob Boudoukh, New York University and Matthew Richardson, University of Pennsylvania

On the Use of Variance Ratios - Charles M. Jones and Gautam Kaul, The University of Michigan

Discussants:

Francis Longstaff, UCLA
Joel Hasbrouck, New York University
Jennifer Conrad, University of North Carolina
Tim Bollerslev, Northwestern University

SYMPOSIUM: CAPITAL STRUCTURE DECISIONS - Zia B
Franklin Allen, University of Pennsylvania

Growth and Leverage - James L. Berens and Charles J. Cuny, University of California at Irvine

Capital Structure, Agency Costs, and Changes in Organizational Form - Aswath Damodaran, Kose John and Crocker H. Liu, New York University

The Risk-Shifting Motive, Convertible Debt Issue and Call Strategies: Theory and Preliminary Evidence - Yul W. Lee, The University of Rhode Island

Efficient Sourcing and Corporate Capital Structure in Imperfect Product Markets - Venkat Subramaniam, The University of Texas at Austin

Discussants:

Oded Sarig, Tel Aviv University
Sanjai Bhagat, University of Colorado
Josef Zechner, University of Vienna
Vojislav Maksimovic, University of Maryland

Monday, June 20 5:00 - 6:30 p.m.

WFA EXECUTIVE COMMITTEE and BOARD OF DIRECTORS MEETING - De Vargas Room

Monday, June 20 6:30 - 8:30 p.m.

No Host Cocktails - Anasazi South

Tuesday, June 21 7:00 - 8:15 a.m.

CHICAGO BOARD OF TRADE BREAKFAST SEMINAR - Anasazi South

Tuesday, June 21 8:30 - 10:15 a.m.

OPTION PRICING THEORY - Anasazi North
Kenneth Singleton, Stanford University

Valuing Options on Volatility - Andreas Grunbichler and Francis A. Longstaff, University of California at Los Angeles

Options, Information Revelation, and Self-Induced Price Uncertainty - Alan Kraus, The University of British Columbia and Maxwell Smith, Prudential Capital Management

Implementing Option Pricing Models when Asset Returns Are Predictable - Andrew W. Lo and Jiang Wang, Massachusetts Institute of Technology

Discussants:

Ayman Hindy, Stanford University
Hua He, University of California at Berkeley
Jeff Fleming, Rice University

TERM STRUCTURE OF INTEREST RATES - II - Zia B
Deborah Lucas, Northwestern University

On Unit Roots and the Estimation of Interest Rate Dynamics - Clifford A. Ball, Vanderbilt University and Walter N. Torous, University of California at Los Angeles

Equilibrium in Asset Leasing Markets - Steven R. Grenadier, Stanford University

Real Interest Rates and Inflation: An Ex-Ante Empirical Analysis - Shmuel Kandel Tel-Aviv University and University of Pennsylvania and Aharon R. Ofer and Oded Sarig, Tel-Aviv University

Discussants:

Erzo Luttmer, Northwestern University
Avanidhar Subrahmanyam, UCLA
Jonathan Berk, University of British Columbia

PERFORMANCE EVALUATION - Zia A
Stephen Brown, New York University

Measuring Fund Strategy and Performance in Changing Economic Conditions - Wayne E. Ferson, University of Washington and Rudi W. Schadt, University of Chicago

Another Look at the Cross-Section of Expected Stock Returns - S. P. Kothari and Jay Shanken, University of Rochester and Richard G. Sloan, University of Pennsylvania

The Long-Run Performance following Seasoned Equity Offerings - D. Katherine Spiess and John Affleck-Graves, University of Notre Dame

Discussants:

William Goetzmann, Yale University
Jianping Mei, New York University
Jay Ritter, University of Illinois at Urbana-Champaign

INVESTMENT BANKING AND VENTURE CAPITAL - Zia C
Chester Spatt, Carnegie Mellon University

Optimal Investment, Monitoring, and the Staging of Venture Capital - Paul A. Gompers, University of Chicago

The Posted-Price Paradox: Evidence on the Flotation Mechanism Selection Process in France - Benoit Leleux, INSEAD and Remy Paliard, Groupe ESC Lyon

Commercial Banks in Investment Banking: Conflict of Interest or Certification Role? An empirical study of the pricing of public security underwritings - Manju Puri, New York University

Discussants:

Robert Dammon, Carnegie Mellon University
Bruno Biais, Toulouse University
Raghuram Rajan, University of Chicago

Coffee Break 10:15 - 10:30 a.m.

Tuesday, June 21 10:30 a.m. - 12:15 p.m.

ASSET PRICING THEORY - I - Anasazi North
Shmuel Kandel, Tel Aviv University and University of Pennsylvania

Optimal Consumption and Portfolio Rules with Durability and Habit Formation - Ayman Hindy, Stanford University, Chi-fu Huang, Massachusetts Institute of Technology and Hang Zhu, CitiBank

Dynamic Non-Myopic Portfolio Behavior - Tong Kim and Edward Omberg, San Diego State University

Valuing Risky Debt: A New Approach - Francis A. Longstaff and Eduardo S. Schwartz, University of California at Los Angeles

Discussants:

George Constantinides, University of Chicago
David Feldman, University of Illinois at Chicago
Suleyman Basak, University of Pennsylvania

TOPICS IN EMPIRICAL ASSET PRICING - Zia C
Ravi Jagannathan, University of Minnesota

Expected Long-Run Real Rates of Return on Stocks, Government Bonds, and the Expected Equity Premium, 1934-1992 - Paul H. Kupiec, Board of Governors of the Federal Reserve System

Temporary Components of Stock Returns: What Do the Data Tell Us? - Christopher G. Lamoureux and Guofu Zhou, Washington University

An Empirical Investigation of Manipulation in Seasoned Equity Offerings - Assem Safieddine and William Wilhelm, Boston College

Discussants:

Narasimhan Jegadeesh, University of Illinois at Urbana-Champaign
Robert F. Whitelaw, New York University
Vikram Nanda, University of Southern California

WORLD MARKETS - Zia A
Robert Hodrick, Northwestern University

Time-Varying World Market Integration - Geert Bekaert, Stanford University and Campbell R. Harvey, Duke University

Does Industrial Structure Explain the Benefits of International Diversification? - Steven L. Heston and K. Geert Rouwenhorst, Yale University

International Financial Flows with Segmented Goods Markets: A General Equilibrium Analysis - Raman Uppal, University of British Columbia

Discussants:

Burton Hollifield, University of British Columbia
Philippe Jorion, University of California at Irvine
Simon Wheatley, University of Washington

ASSET PRICING THEORY - II - Zia B
Jiang Wang, Massachusetts Institute of Technology

Dynamic Aggregation and Computation of Equilibria in Finite-Dimensional Economies with Incomplete Financial Markets - Domenico Cuoco and Hua He, University of California at Berkeley

Asset Market Equilibrium with General Securities, Tastes, Returns, and Information Asymmetries - Kenneth L. Judd and Antonio Bernardo, Stanford University

A Theory of the Dynamics of Security Returns around Market Closures - Steve L. Slezak, The University of Michigan

Discussants:

Kerry Back, Washington University in St. Louis
Peter Bossaerts, California Institute of Technology
Albert Kyle, Duke University

Tuesday, June 21 12:30 - 2:15 p.m.

ANNUAL MEETING and Luncheon - Eldorado Court Restaurant
Distinguished Speaker: Mark Rubinstein, University of California at Berkeley

Tuesday, June 21 2:30 - 4:45 p.m.

RISK FACTORS AND THE PREDICTABILITY OF RETURNS - Zia C
Mark Weinstein, University of Southern California

On Selection Biases in Book-to-Market Based Tests of Asset Pricing Models - William J. Breen and Robert A. Korajczyk, Northwestern University

The Restrictions on Predictablity Implied by Rational Asset Pricing Models - Christopher Kirby, Duke University

Book-to-Market as a Surrogate for Priced Risk when Risk Is Time Varying - G. Sharathchandra and Rex Thompson, Southern Methodist University

Do Brokerage Analysts' Recommendations Have Predictive Ability? - Kent L. Womack, Cornell University

Discussants:

Stephen Brown, New York University
Giorgio De Santis, University of Southern California
Mark Grinblatt, UCLA
Vincent Warther, University of Southern California

STOCK PRICE REACTIONS - Zia B
Ronald Masulis, Vanderbilt University

The Behavior of Stock Prices Around Institutional Trades - Louis K. C. Chan and Josef Lakonishok, University of Illinois at Urbana-Champaign

Price Formation, Liquidity, and Volatility of Individual Stocks around Intermarket Trading: What's Different about Index Arbitrage? - Paul A. Laux, The University of Texas at Austin and Dean Furbush, Economists Incorporated

Why Do Stock Prices Move? A Transactions-Based Analysis - Ananth Madhavan, Matthew Richardson and Mark Roomans, University of Pennsylvania

Price Reactions to Public Announcements - B. Sailesh Ramamurtie and Michael J. Rebello, Georgia State University

Discussants:

Eric Hughson, Caltech and University of British Columbia
Duane Seppi, Carnegie Mellon University
Joel Hasbrouck, New York University
Tarun Chordia, Vanderbilt University

EMPIRICAL CORPORATE FINANCE - Zia A
S. Abraham Ravid, Rutgers University

Private versus Public Lending: Evidence from Covenants - Marcel Kahan and Bruce Tuckman, New York University

The Determinants of Capital Structure: Evidence from International Data - Raghuram G. Rajan and Luigi Zingales, University of Chicago

Resolution Preference, Managerial Myopia and Market Valuation: An Empirical Test - Harley E. Ryan, Georgia State University

Timing Decisions for Quarterly Earnings Announcements - Susan G. Watts, Indiana University

Discussants:

Avner Kalay, University of Utah
James Seward, Dartmouth College
Jose Suay, University of Arizona
Uri Loewenstein, University of Utah

SYMPOSIUM: BANKRUPTCY AND FINANCIAL DISTRESS - Anasazi North
Franklin Allen, University of Pennsylvania

The Design of Bankruptcy Law: A Case for Management Bias in Bankruptcy Reorganizations - Elazar Berkovitch, Tel Aviv University, Ronen Israel, University of Michigan and Carnegie Mellon University and Jaime F. Zender, University of Utah

How Long Do Junk Bonds Spend in Default? - Jean Helwege, Board of Governors of the Federal Reserve System

When Do Banks Take Equity? An Analysis of Bank Loan Restructurings and the Role of Public Debt - Christopher James, University of Florida

Bankruptcy and State Contingent Changes in the Ownership of Control - Avner Kalay, Tel Aviv University and Jaime F. Zender, University of Utah

Discussants:

Robert Gertner, University of Chicago
Julian Franks, London Business School
Raghuram Rajan, University of Chicago
Ronald Giammarino, University of British Columbia

Tuesday, June 21 6:30 - 8:30 p.m.

No Host Cocktails - Anasazi South

Wednesday, June 22 8:30 - 10:30 a.m.

EMPIRICAL MARKET MICROSTRUCTURE - Zia C
Allan Kleidon, Cornerstone Research

Buy-Sell Dependence and Classification Error in Market Microstructure Time-Series Models: A Markov Switching Regression Approach - Hyuk Choe, The Pennsylvania State University

Liquidity, Information, and Infrequently Traded Stocks - David Easley, Nicholas Kiefer, Maureen O'Hara and Joseph B. Paperman, Cornell University

Raising Rivals' Cost on the NYSE: Determinants of NYSE Market Share - Frederick H. Harris, Wake Forest University and Thomas H. McInish and Robert A. Wood, Memphis State University

Tests and Properties of Variance Ratios in Microstructure Studies - Tavy Ronen, University of Wisconsin at Madison

Discussants:

Stephen Gray, Stanford University
Bruce Lehmann, University of California at San Diego
Robert Schwartz, New York University
Tom Smith, Duke University

DERIVATIVE PRICING - Zia B
Robert McDonald, Northwestern University

Option Pricing Bounds with Transaction Costs - George M. Constantinides, University of Chicago

Stochastic Volatility and the Pricing of Futures Options - Som Dasgupta, J. P. Morgan and Cheng-few Lee, Rutgers University

Contingent Claim Replication in Continuous Time with Transaction Costs - Bjorn Flesaker, Merrill Lynch, and L. P. Hughston, Merrill Lynch International

The Valuation of Black-Scholes Options Subject to Intertemporal Default Risk - Don R. Rich, Virginia Polytechnic Institute and State University

Discussants:

Costis Skiadas, Northwestern University
Torben Andersen, Northwestern University
Suresh Sundaresan, Columbia University
David Bates, University of Pennsylvania

CORPORATE CONTROL - Zia A
M. P. Narayanan, University of Michigan

Employee Buyouts: Causes and Consequences - Susan Chaplinsky, Northwestern University and Greg Niehaus and Linda Van de Gucht, University of South Carolina

A Theory of Costly Sequential Bidding - Kent Daniel, University of Chicago and David Hirshleifer, University of California at Los Angeles

The Market for Corporate Control in Germany - Julian Franks, London Business School and Colin Mayer, University of Warwick

Why Are Leveraged Buyouts not Permanent? - Michel Habib, London Business School

Discussants:

Luigi Zingales, University of Chicago
Michael Fishman, Northwestern University
Kose John, New York University
Steve Slezak, University of Michigan

FINANCIAL CONTRACTS AND BANKRUPTCY - Anasazi North
Christopher James, University of Florida

Why Do Corporations Become Criminals? (Is Crime an Agency Cost?) - Cindy R. Alexander, U. S. Department of Justice and Mark A. Cohen, Vanderbilt University

The Welfare Costs of Absolute Priority Rules: Stochastic Versus Nonstochastic Monitoring in a Costly State Verification Environment - John H. Boyd, Federal Reserve Bank of Minneapolis and Bruce D. Smith, Cornell University

The Efficiency of Judicial Discretion in Bankruptcy Law - Ronald M. Giammarino, University of British Columbia and Ed Nosal, University of Waterloo

Prepacks: An Empirical Analysis of Prepackaged Bankruptcies - Elizabeth Tashjian and Ronald C. Lease, University of Utah and John J. McConnell, Purdue University

Discussants:

Michael Weisbach, University of Rochester
Subu Venkataraman, University of Florida
Tracy Lewis, University of Florida
Karen Wruck, Harvard University

Coffee Break 10:30 - 10:45 a.m.

Wednesday, June 22 10:45 a.m. - 12:30 p.m.

STOCHASTIC VOLATILITY - Zia A

Krishna Ramaswamy, University of Pennsylvania

Option Returns, Conditional Volatility and Expectations of Future Volatility - David P. Brown and Aamir M. Sheikh, Indiana University

Stochastic Volatility and Time Deformation: An Application of Trading Volume and Leverage Effects - Eric Ghysels and Joanna Jasiak, Université de Montreal

An Empirical Analysis of Alternative Parametric Arch Models - Wing H. Watt, University of Glasgow and Pradeep K. Yadav, University of Strathclyde

Discussants:

Walter Torous, UCLA
Peter Bossaerts, California Institute of Technology
Clifford Ball, Vanderbilt University

TOPICS IN INTERNATIONAL FINANCE - Zia C

Andrew Lo, Massachusetts Institute of Technology

Seasonality in Canadian Treasury Bond Returns: An Institutional Explanation - George Athanassakos and Yisong Tian, Wilfrid Laurier University

Transitory Price Changes and Price-Limit Rules: Evidence from the Tokyo Stock Exchange - Thomas J. George, The Ohio State University and Chuan-Yang Hwang, University of Pittsburgh

The Futures-Forward Eurodollar Rate Bias Revisited - Mark Grinblatt, University of California at Los Angeles and Narasimhan Jegadeesh, University of Illinois at Urbana-Champaign

Discussants:

Stephen Foerster, University of Western Ontario
Bruce Lehmann, University of California at San Diego
Jiang Wang, Massachusetts Institute of Technology

BANKING - Zia B

Lawrence Benveniste, Boston College

Bank-Balance Sheet Shocks and Aggregate Shocks: Their Dynamic Effects on Bank Capital and Lending - Diana Hancock, Board of Governors of the Federal Reserve System and James A. Wilcox, University of California at Berkeley

Debt Covenants, Collateral, and Delegated Monitoring - Raghuram Rajan, University of Chicago and Andrew Winton, Northwestern University

Regulatory Structure and Investment Incentives in Banking - Sonya D. Stanton, The Ohio State University

Discussants:

Richard Shockley, Rice University
Anjan Thakor, Indiana University
Walid Bu-Saba, Boston College

Call for Papers and Participants

1995 ANNUAL MEETINGS OF THE WESTERN FINANCE ASSOCIATION

June 18-21, 1995
The Ritz-Carlton Hotel
Aspen, Colorado

Members and friends of the Western Finance Association are invited to submit papers to be considered for presentation at the 1995 Annual Meetings. Papers on any topic related to financial economics will be considered.

Submission of Papers:

Send **four (4)** copies of the paper to the Program Chairman no later than **November 15, 1994**. Each paper should include an abstract that will assist the program chairman in classifying it. Author names, affiliations and acknowledgements shall appear on a separate page at the beginning of the manuscript. Papers, absent author identification, will be reviewed by two members of the program committee. Authors will be notified of the program committee's decision regarding their paper in February, 1995. Multiple submissions by the same author or submission of papers presented at other major finance meetings reduce the chance of acceptance. Abstracts and papers accepted for publication should not be submitted. An author willing to serve as a potential discussant (even if his paper were not accepted for the program) should indicate his interest.

Submission Fee:

A check for $20.00 payable to the Western Finance Association should be included with each submitted paper. The fee will be used to help defray the cost of processing the paper. The submission fee is waived for students who have not received the Ph.D. at the submission deadline nor assumed a regular faculty position.

Best Paper Awards:

Trefftzs Award of $1,500 for the best student paper in honor of Kenneth L. Trefftzs, Professor of Finance, University of Southern California from 1941 to 1982, and the first president of the Western Finance Association. Any student who has not received the Ph.D. at the submission deadline nor assumed a regular faculty position is eligible for the award. **Please indicate your eligibility** for the award.

American Association of Individual Investors Award of $1,000 for the best paper on investments.

Chicago Board of Trade Award of $1,000 for the best paper on futures or options on futures.

New York Stock Exchange Award of $1,000 for best paper on equity trading.

Submit to:

Professor Chester Spatt
Program Chairman, 1995 WFA Meetings
Graduate School of Industrial Administration
Carnegie Mellon University
Pittsburgh, PA 15213-3890

Call for Papers

Symposium
on

Fixed-Income Securities

at
The Western Finance Association Meetings

June 18-21, 1995
The Ritz-Carlton Hotel
Aspen, Colorado

Authors are invited to submit papers on issues related to *Fixed-Income Securities*. Empirical and theoretical papers are welcome. Topics include, but are not limited to, the valuation and riskiness of fixed-income securities, the design and characteristics of debt instruments, the decisions of borrowers, lenders and intermediaries, swaps and private contracts, cross-currency issues, securitization, and mechanisms for issuing and trading debt.

Papers for the Symposium will be selected by the 1995 Program Chairman of the Western Finance Association in collaboration with the Editors of the *Review of Financial Studies*. Papers accepted for the Symposium at Aspen will then be considered as submissions for publication in a special issue of the *Review of Financial Studies* with publication decisions being made by the editors using the standard review process. The normal journal submission fee will be waived for such papers. If the author of a paper accepted for the Symposium at Aspen wishes to make revisions prior to review for publication, the new version must be received by the Executive Editor of the *Review of Financial Studies* by March 1, 1995. Otherwise, the original version will be reviewed for possible publication. Papers submitted for the Symposium may not be under review at other journals, but papers under consideration for the Symposium may be separately submitted to the *Review of Financial Studies* (although the journal submission fee will not be waived in this case). Submissions of sufficient quality that do not fit the Symposium may be included in regular WFA sessions.

Four (4) copies of submissions specifically marked **"Symposium"** should be sent to the WFA Program Chair by November 15, 1994. **A submission fee of $20,** payable to the Western Finance Association should accompany each submitted paper. The submission fee is waived for Ph.D. students who have neither received their degree nor assumed a regular faculty position by the submission deadline. Submitters must indicate their eligibility for such a waiver.

Professor Chester Spatt
Program Chairman, 1995 WFA Meetings
Graduate School of Industrial Administration
Carnegie Mellon University
Pittsburgh, PA 15213-3890

INDEX OF PARTICIPANTS