
W E S T E R N

F I N A N C E

WFA

A S S O C I A T I O N

2002 PROGRAM

37th Annual Conference
of the
Western Finance Association

The Canyons Resort
Park City, Utah

June 23–26, 2002

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 and regular publications sponsored or co-sponsored by the Association. Two classes of membership are available: lifetime membership (\$100.00) and three year membership (\$30.00). Members of the Association are entitled to receive a reduction in the registration fee at the annual meetings. You are invited to join or renew on-line at the WFA's informational web site, <http://www.westernfinance.org>.

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

Professor Robert Dammon
Secretary-Treasurer, WFA
Graduate School of Industrial Administration
Carnegie Mellon University
Pittsburgh, PA 15213
email: dammon@cmu.edu
telephone: (412) 268-3696

A call for papers and participants for the 2003 Conference of the Western Finance Association appears at the end of this program.

REGISTRATION AND HOTEL INFORMATION

All sessions and conference functions will be held in or outside the Grand Summit Hotel at the Canyons Resort in Park City, Utah. On-site registration for the conference will be located in the Ballroom Lobby, on the following schedule:

Sunday, June 20, 2:00 pm - 7:00 pm
Monday, June 21, 8:00 am - 4:00 pm
Tuesday, June 22, 8:00 am - noon

PRE-REGISTRATION

Pre-registration is being handled this year via our web site, which can be found at <http://www.westernfinance.org>. Those who pre-register are entitled to a discount on registration fees. To qualify for these discounted rates you must pre-register before June 1. See the web site for details or send your check to the Secretary Treasurer at the address shown on the previous page.

FEE SCHEDULE

	Pre-Registration	On-site Registration
WFA member	\$50	\$85
Non-member	\$80	\$125
Student	No charge	\$30

SPECIAL EVENT REGISTRATION

Registration for the WFA Annual Meeting and Luncheon is done at the time of registration for the meetings. Other special event registration will take place on-site near the meeting registration. Registration is required for the Nasdaq Breakfast, the New York Stock Exchange Lunch, the MIT Press/Oxford University Press Breakfast, and the Wharton Research Data Services Breakfast.

SOCIETY FOR FINANCIAL STUDIES MEMBERSHIP MEETING

All members of the SFS are invited to attend the Annual Meeting to be held on Tuesday, June 22 from 5:00–6:00 pm in Kokopelli I. All subscribers to the Review of Financial Studies are members of the SFS.

WESTERN FINANCE ASSOCIATION

Officers and Executive Committee: 2001–2002

President	Douglas W. Diamond, University of Chicago
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Presidents: 1965–2002

1965–66	Kenneth L. Trefftz	University of Southern California
1966–67	Edward Reed	University of Oregon
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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 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 Tinic	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 Los Angeles
1991–92 Stephen Brown	New York University
1992–93 Hans Stoll	Vanderbilt University
1993–94 Kenneth Singleton	Stanford University
1994–95 Milton Harris	University of Chicago
1995–96 Chester S. Spatt	Carnegie Mellon University
1996–97 Michael Brennan	University of California Los Angeles
1997–98 Maureen O'Hara	Cornell University
1998–99 Franklin Allen	University of Pennsylvania
1999–00 Richard C. Green	Carnegie Mellon University
2000–01 Wayne Ferson	University of Washington
2001–02 Douglas W. Diamond	University of Chicago

Distinguished Speakers

WFA Annual Meeting Speakers 1979–2002

Year	Location	Speaker
1979	San Francisco	Nils Hakansson
1980	San Diego	Kenneth Arrow
1981	Jackson Lake	Eugene Fama
1982	Portland	Stephen Ross
1983	Long Beach	Myron Scholes
1984	Vancouver	Richard Roll
1985	Scottsdale	Robert Litzenberger
1986	Colorado Springs	Merton Miller
1987	San Diego	Edward Kane
1988	Napa	Sanford Grossman
1989	Seattle	William Sharpe
1990	Santa Barbara	Michael Brennan
1991	Jackson Lake	Fischer Black
1992	San Francisco	Myron Scholes
1993	Whistler	Alan Kraus
1994	Santa Fe	Mark Rubinstein
1995	Aspen	Kenneth French
1996	Sunriver	Joseph Williams
1997	San Diego	Richard Thaler
1998	Monterey	Milton Harris
1999	Santa Monica	Andrei Shleifer
2000	Sun Valley	Kenneth Singleton
2001	Tucson	Robert Shiller
2002	Park City	Albert S. "Pete" Kyle

2002 Program Committee

Program Chair Philip H. Dybvig, Washington University in Saint Louis
Associate Program Chair Guofu Zhou, Washington University in Saint Louis

Yacine Aït-Sahalia, Princeton University
Torben Andersen, Northwestern University
Kerry Back, Washington University in Saint Louis
Gurdip Bakshi, University of Maryland
Brad Barber, University of California - Davis
Nicholas Barberis, University of Chicago
Geert Bekaert, Columbia University
Jonathan Berk, University of California - Berkeley
Hendrik Bessembinder, University of Utah
Sanjai Bhagat, University of Colorado - Boulder
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Sugato Bhattacharyya, University of Michigan
Bruno Biais, IDEI Toulouse University
Tim Bollerslev, Duke University
Arnoud W. A. Boot, University of Amsterdam
Peter Bossaerts, California Institute of Technology
Jacob Boudoukh, Arison School of Business, IDC
Michael Brennan, University of California Los Angeles
David Brown, University of Wisconsin - Madison
Jennifer Carpenter, New York University
John Chalmers, University of Oregon
David Chapman, University of Texas - Austin
Thomas Chemmanur, Boston College
Tarun Chordia, Emory University
Bhagwan Chowdhry, University of California Los Angeles
William Christie, Vanderbilt University
Jennifer Conrad, University of North Carolina
Francesca Cornelli, London Business School
Joshua Coval, Harvard Business School
Domenico Cuoco, University of Pennsylvania
Robert Dammon, Carnegie Mellon University
Kent Daniel, Northwestern University

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Diane Denis, Purdue University
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Darrell Duffie, Stanford University
Andrea Eisfeldt, Department of Finance
Heber Farnsworth, Washington University in Saint Louis
Michael Fishman, Northwestern University
Mark Flannery, University of Florida
Thierry Foucault, HEC School of Management
Paolo Fulghieri, INSEAD
Ron Giammarino, University of British Columbia
William Goetzmann, Yale University
Robert Goldstein, Washington University in Saint Louis
Paul Gompers, Harvard University
John Graham, Duke University
Milton Harris, University of Chicago
Larry Harris, University of Southern California
Joel Hasbrouck, New York University
John Heaton, University of Chicago
Robert Heinkel, University of British Columbia
David Hirshleifer, Ohio State University
Craig Holden, Indiana University
Burton Hollifield, Carnegie Mellon University
Edie Hotchkiss, Boston College
Pat Hughes, University of California Los Angeles
David Ikenberry, Rice University
Ronen Israel, Interdisciplinary Center Herzliya (IDC)
Ravi Jagannathan, Northwestern University
Narasimhan Jegadeesh, University of Illinois at Urbana-Champaign
Kose John, New York University
Charles Jones, Columbia University
Philippe Jorion, University of California - Irvine
Avner Kalay, University of Utah and Tel-Aviv University
Avi Kamara, University of Washington
Raymond Kan, University of Toronto
Andrew Karolyi, Ohio State University

Anil Kashyap, Bank of England
Gautam Kaul, University of Michigan
Donald Keim, University of Pennsylvania
Naveen Khanna, Michigan State University
Robert Korajczyk, Northwestern University
Jennifer Koski, University of Washington
Alan Kraus, University of British Columbia
Owen Lamont, University of Chicago
Chris Leach, University of Colorado - Boulder
Charles M.C. Lee, Cornell University
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Marco Pagano, Università di Salerno
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Jim Schallheim, University of Utah
Anjolein Schmeits, Washington University in Saint Louis
Paul Schultz, University of Notre Dame
John Scruggs, Washington University in Saint Louis
Paul Seguin, University of Minnesota
Lemma Senbet, University of Maryland
Duane Seppi, Carnegie Mellon University
Piet Sercu, Katholieke Universiteit Leuven
Henri Servaes, London Business School
Raj Singh, University of Minnesota
Steve Slezak, University of North Carolina
David Smith, Board of Governors of the Federal Reserve System
Matthew Spiegel, Yale University
Richard Stanton, University of California - Berkeley
Laura Starks, University of Texas - Austin
Neal Stoughton, University of California - Irvine
Per Stromberg, University of Chicago
Avanidhar Subrahmanyam, University of California Los Angeles
Suresh Sundaresan, Columbia University
Elizabeth Tashjian, University of Utah
Chris Telmer, Carnegie Mellon University
Walter Torous, University of California Los Angeles
Alex Triantis, University of Maryland
Charles Trzcinka, Indiana University
Peter Tufano, Harvard University
Raman Uppal, London Business School
Dimitri Vayanos, Massachusetts Institute of Technology
Pietro Veronesi, University of Chicago
S. Viswanathan, Duke University
Ingrid Werner, Nasdaq Economic Research
Andrew Winton, University of Minnesota
Kent Womack, Dartmouth College
Fernando Zapatero, University of Southern California
Luigi Zingales, University of Chicago

PROGRAM SUMMARY

Sunday, June 23, 2002

2:00pm - 7:00pm

On-site Registration - *Ballroom Lobby*

6:00pm - 8:00pm

Goldman Sachs Reception - *Kokopelli II & III*

Monday, June 24, 2002

7:00am - 8:30am

Nasdaq Breakfast - *Forum*

8:00am - 4:00pm

On-site Registration - *Ballroom Lobby*

8:15am - 10:00am

Financial Crises - *Kokopelli I*
Organizational Form - *Kokopelli II*
Asset Pricing and the Macroeconomy - *Kokopelli III*
Stock Characteristics - *White Pine I*
Information Across Securities - *White Pine II*

10:00am - 10:15am

Coffee Break - *Ballroom Lobby*

10:15am - 12:00noon

Bank Regulation - *Kokopelli I*
Executive Compensation - *Kokopelli II*
Investment Theory - *Kokopelli III*
Financial Econometrics - *White Pine I*
Regulatory Issues - *White Pine II*

12:30pm - 2:00pm

New York Stock Exchange Lunch - *Forum*

2:45pm - 4:30pm

Banking Relationships - *Kokopelli I*
Risk in the Firm - *Kokopelli II*
Market Makers - *Kokopelli III*
Individual and Institutional Investors - *White Pine I*
Volatility - *White Pine II*

5:00pm - 6:30pm

WFA Executive Committee and Board of Directors Meeting
- *Silverado*

6:00pm - 8:00pm Cornerstone Research Reception - *Kokopelli II & III*

<p>Tuesday, June 25, 2002</p>	<p>12:15pm - 2:00pm</p>
<p>7:00am - 8:30am</p> <p>MIT Press/Oxford University Press Breakfast - <i>Forum</i></p>	<p>WFA2002 Annual Meeting and Luncheon - <i>Forum</i> Keynote Speaker: Albert S. “Pete” Kyle, Duke University Sponsored by LECG</p>
<p>8:00am - 12:00pm</p> <p>On-site Registration - <i>Ballroom Lobby</i></p> <p>8:15am - 10:00am</p> <p>Empirical Banking - <i>Kokopelli I</i> Boundaries of the Firm - <i>Kokopelli II</i> IPO Pricing - <i>Kokopelli III</i> Strategic Trading - <i>White Pine I</i> Predictability of Stock Returns - <i>White Pine II</i></p>	<p>2:45pm - 4:30pm</p> <p>Interest Derivatives - <i>Kokopelli I</i> Corporate Control - <i>Kokopelli II</i> Momentum - <i>Kokopelli III</i> International Financial Markets - <i>White Pine I</i> Individual Investor Behavior - <i>White Pine II</i></p>
<p>10:00am - 10:15am</p> <p>Coffee Break - <i>Ballroom Lobby</i></p>	<p>5:00pm - 6:00pm</p> <p>SFS Annual Meeting - <i>Kokopelli I</i></p>
<p>10:15am - 12:00noon</p> <p>Institutions and Liquidity - <i>Kokopelli I</i> Corporate Incentives - <i>Kokopelli II</i> Alternative Preferences and Beliefs - <i>Kokopelli III</i> International Perspectives on Growth - <i>White Pine I</i> Cross-sectional Stock Returns - <i>White Pine II</i></p>	<p>6:00pm - 8:00pm</p> <p>Review of Financial Studies/Barclays Global Investments Reception - <i>Kokopelli II & III</i></p>
	<p>Wednesday, June 26, 2002</p> <p>7:00am - 8:30am</p> <p>Wharton Research Data Services Breakfast - <i>Forum</i></p>

8:15am - 10:00am

Accounting and Finance - *Kokopelli I*
Theoretical Corporate - *Kokopelli II*
Transaction Costs and Liquidity - *Kokopelli III*
Aggregation of Portfolio Choice - *White Pine I*
Asset Pricing Puzzles - *White Pine II*

10:00am - 10:15am

Coffee Break - *Ballroom Lobby*

10:15am - 12:00noon

Alternative Investments - *Kokopelli I*
Short Sales - *Kokopelli II*
Corporations and the Stock Market - *Kokopelli III*
Equity Premium Puzzle - *White Pine I*
Factor Models of Security Returns - *White Pine II*

BEST PAPER AWARDS

Caeserea Award
for the best paper on risk management

*Exotics and Electrons:
Electric Power Crises and Financial Risk Management*
Suman Banerjee
Tom Noe
Tulane University

Nasdaq Award
for the best paper on capital formation

Does Local Financial Development Matter?
Luigi Guiso
University of Sassari, Ente Luigi Einaudi, and CEPR
Paola Sapienza
Northwestern University and CEPR
Luigi Zingales
University of Chicago, NBER, and CEPR

New York Stock Exchange Award
for the best paper on equity trading

Securities Lending, Shorting, and Pricing
Darrell Duffie
Stanford
Nicolae Garleanu
INSEAD
Lasse Heje Pedersen
New York University

Society of Quantitative Analysts Award
for the student paper of most relevance
to quantitative practitioners

Does the Market Conspire Against the Weak?
An Empirical Study of Front Running Behavior During the LTCM Crisis
Fang Cai
University of Michigan

Trefftzs Award
for the best student paper

On the Performance of Mutual Fund Managers
Klaas P. Baks
Emory University

Western Finance Association Award
for the best paper in corporate finance

Optimal Imprecision and Ignorance
Chandra Kanodia
Rajdeep Singh
Andrew Spero
University of Minnesota

PROGRAM DETAIL

Sunday June 23, 2002, 2:00pm - 7:00pm

On-site Registration - *Ballroom Lobby*

Sunday June 23, 2002, 6:00pm - 8:00pm

Goldman Sachs Reception - *Kokopelli II & III*

Monday June 24, 2002, 7:00am - 8:30am

Nasdaq Breakfast - *Forum*

Monday June 24, 2002, 8:00am - 4:00pm

On-site Registration - *Ballroom Lobby*

Monday June 24, 2002, 8:15am - 10:00am

Financial Crises - *Kokopelli I*
Arnoud W. A. Boot, *University of Amsterdam*

**Legal Institutions, Structure of Foreign Capital Flow and
Financial Crises**

Julan Du, *The Chinese University of Hong Kong*

**What Happens in Banking Crises? Moral Hazard vs. Credit
Crunch**

Nobuhiko Hibara, *Columbia University*

Liquidity Shortages and Banking Crises

Douglas W. Diamond, *University of Chicago*
Raghuram Rajan, *University of Chicago*

Discussants

Michael Lemmon, *University of Utah*
Edie Hotchkiss, *Boston College*
Jianping Qi, *University of South Florida*

Organizational Form - Kokopelli II
David Ikenberry, *Rice University*

Does Function Follow Organizational Form? Evidence From the Lending Practices

Allen Berger, *Federal Reserve Board*
Nate Miller, *Federal Reserve Board*
Mitch Petersen, *Northwestern University*
Raghuram Rajan, *University of Chicago*
Jeremy Stein, *Harvard Economics*

Investment Opportunities, Liquidity Premium and Conglomerate Mergers

Chun Chang, *University of Minnesota*
Xiaoyun Yu, *Indiana University*

Modeling and Measuring Russian Corporate Governance: The Case of Preferred and Common Shares

William N. Goetzmann, *Yale School of Management*
Matthew Spiegel, *Yale School of Management*
Andrey Ukhov, *Yale School of Management*

Discussants

James Weston, *Rice University*
S. Abraham Ravid, *Rutgers University*
Alexander Dyck, *Harvard Business School*

Asset Pricing and the Macroeconomy - Kokopelli III
Chris Telmer, *Carnegie Mellon University*

Macro Factors and the Affine Term Structure of Interest Rates
Tao Wu, *Federal Reserve Bank of San Francisco*

Fed Funds Rate Targeting, Monetary Regimes and the Term Structure of Interbank Rates

Vassil A. Konstantinov, *University of Wyoming, College of Business*

Characterizing Asymmetric Information in International Equity Markets

Rui Albuquerque, *University of Rochester*
Gregory Bauer, *University of Rochester*
Martin Schneider, *UCLA*

Discussants

Michael Gallmeyer, *Carnegie Mellon University*
Clara Vega, *University of Pennsylvania, Economics Department*
Michael J. Schill, *University of Virginia*

Stock Characteristics - White Pine I
Henri Servaes, *London Business School*

Intertemporal Capital Asset Pricing and the Fama-French Three-factor Model

Michael J. Brennan, *UCLA*
Ashley Wang, *UCLA*
Yihong Xia, *University of Pennsylvania*

Default Risk in Equity Returns

Maria Vassalou, *Columbia University*
Yuhang Xing, *Columbia University*

Is Learning a Dimension of Risk?

Andrei Simonov, *Stockholm School of Economics*
Massimo Massa, *INSEAD*

Discussants

Pascal Maenhout, *INSEAD*
Long Chen, *Michigan State University*
Francisco Gomes, *London Business School*

Information Across Securities - *White Pine II*
Michael Fishman, *Northwestern University*

Time-varying Covariances of Asset Returns: A Rational Expectations Equilibrium Model

Ruy M. Ribeiro, *University of Chicago*
Pietro Veronesi, *University of Chicago*

Do Correlated Exposures Influence Intermediary Decision-making? Evidence from Trading Behavior of Equity Dealers

Narayan Y. Naik, *London Business School*
Pradeep K. Yadav, *New York University and University of Strathclyde*

Transmission of Liquidity Shocks across Investors and Securities
Chitru Fernando, *University of Michigan*

Discussants

Amnon Levy, *KMV*
Patrik Sandas, *University of Pennsylvania*
Venky Panchapagesan, *Washington University in Saint Louis*

Monday June 24, 2002, 10:00am - 10:15am

Coffee Break - *Ballroom Lobby*

Monday June 24, 2002, 10:15am - 12:00noon

Bank Regulation - *Kokopelli I*
Lawrence Goldberg, *University of Miami*

Market Forces at Work in the Banking Industry: Evidence from the Capital Buildup of the 1990s

Mark J. Flannery, *University of Florida*
Kasturi P. Rangan, *Case Western Reserve University*

Allocating Bank Regulatory Powers: Lender of Last Resort, Deposit Insurance, and Supervision

Charles M. Kahn, *University of Illinois*
Joao A. C. Santos, *Federal Reserve Bank of New York*

Is the International Convergence of Capital Adequacy Regulation Desirable?

Viral V. Acharya, *London Business School*

Discussants

Jie Gan, *Columbia University*
Sylvia Hudgins, *Old Dominion University*
Jun Yang, *Washington University in Saint Louis*

Executive Compensation - *Kokopelli II*
Todd Milbourn, *Washington University in Saint Louis*

Do Underwater Executive Stock Options Still Work? The Effect of Stock Price Movements on Managerial Incentive-Alignment

Lisa Meulbroek, *Harvard Business School*
Li Jin, *Harvard Business School*

Executive Stock Option Repricing: The Cost to Firms and Value to Executives

N. K. Chidambaran, *Tulane University*
Nagpurnanand R. Prabhala, *University of Maryland*

CEO Compensation, Directors' Compensation, and Firm Performance: Evidence of Cronyism

Ivan Brick, *Rutgers University*
Oded Palmon, *Rutgers University*
John Wald, *Rutgers University*

Discussants

Larry Fauver, *University of Miami*
Anup Agrawal, *University of Alabama*
Robert Parrino, *University of Texas - Austin*

Investment Theory - *Kokopelli III*
Domenico Cuoco, *University of Pennsylvania*

Optimal Consumption and Portfolio Choices with Risky Housing and Stochastic Labor Income

Rui Yao, *University of North Carolina at Chapel Hill*
Harold H. Zhang, *University of North Carolina at Chapel Hill*

Optimal Consumption and Investment with Transaction Costs and Multiple Stocks

Hong Liu, *Washington University in Saint Louis*

The Real Option to Delay Annuitization: It's Not Now-or-Never

Moshe A. Milevsky, *York University - Canada*
Virginia R. Young, *University of Wisconsin - Madison*

Discussants

Richard Stanton, *University of California at Berkeley*
Sanjiv Das, *Santa Clara University*
Chen, Ren-RAW, *Rutgers University*

Financial Econometrics - *White Pine I*
Yacine Aït-Sahalia, *Princeton University*

Nonparametric Specification Testing for Continuous-Time Models with Application to Spot Interest Rates

Yongmiao Hong, *Department of Economics, Cornell University*
Haitao Li, *Johnson Graduate School of Management, Cornell University*

An Exact Bayes Test of Asset Pricing with Application to International Markets

Doron Avramov, *University of Maryland*
John Chao, *University of Maryland*

Empirical Asset Pricing: the Beta Method versus the Stochastic Discount Factor Method

Raymond Kan, *University of Toronto*
Guofu Zhou, *Washington University in Saint Louis*

Discussants

Kevin Q. Wang, *University of Toronto*
Jean-Marie Dufour, *Département d'économique, Université de Montréal*
Robert Kimmel, *Princeton University*

Regulatory Issues - *White Pine II*
Sanjai Bhagat, *University of Colorado at Boulder*

The Impact of Broker Votes on Shareholder Voting and Proposal Passage

Jennifer E. Bethel, *Babson College*
Stuart L. Gillan, *TIAA-CREF Institute*

Competition among Regulators

Robert Marquez, *University of Maryland*
Giovanni Dell'Araccia, *IMF*

Circuit Breakers with Uncertainty About the Presence of Informed Agents: I Know What You Know....I Think

Lucy F. Ackert, *Kennesaw State University*
Bryan K. Church, *Georgia Institute of Technology*
Narayanan Jayaraman, *Georgia Institute of Technology*

Discussants

Walid Y. Busaba, *University of Arizona*
Alexander David, *Washington University in Saint Louis*
George Pennacchi, *University of Illinois at Urbana-Champaign*

Monday June 24, 2002, 12:30pm - 2:00pm

New York Stock Exchange Lunch - *Forum*

Monday June 24, 2002, 2:45pm - 4:30pm

Banking Relationships - *Kokopelli I*
Thomas Chemmanur, *Boston College*

**The Long-term Relationship Between Firms and Underwriters:
The Seven Percent Solution Revisited**
Chitru S. Fernando, *University of Michigan Business School*
Paul A. Spindt, *Tulane University, Freeman School of Business*
Vladimir A. Gatchev, *Tulane University, Freeman School of Business*

Agency Costs, Bank Specialness and Renegotiation
Sreedhar T Bharath, *New York University*

**Bank-Firm Relationships and Bank Competition in the
Corporate Bond Underwriting Market**
Ayako Yasuda, *University of Pennsylvania*

Discussants
Donghang Zhang, *University of South Carolina*
Anjolein Schmeits, *Washington University in Saint Louis*
Nicola Cetorelli, *Federal Reserve Bank of Chicago*

Risk in the Firm - *Kokopelli II*
Manju Puri, *Stanford University*

**Exotics and the Electron: Electric Power Crises and Financial
Risk Management**
Suman Banerjee, *Tulane University, Freeman School of Business*
Tom Noe, *Tulane University, Freeman School of Business*

**Fixed versus Floating: Corporate Debt and Interest Rate Risk
Management**
Michael Faulkender, *Northwestern University*

**Diversification Discount or Premium? New evidence from BITS
Establishment-level Data**
Belén Villalonga, *Harvard University*

Discussants
Yu Wang, *Boston University*
Gregory W. Brown, *The University of North Carolina at Chapel Hill*
Amy Dittmar, *Indiana University*

Market Makers - *Kokopelli III*
Ingrid Werner, *Nasdaq Economic Research*

**Evidence on the Speed of Convergence of Prices to Market
Efficiency**
Tarun Chordia, *Emory University*
Richard Roll, *UCLA*
Avanidhar Subrahmanyam, *UCLA*

The Value of the Specialist: Empirical Evidence from the CBOE
Amber Anand, *Syracuse University, School of Business*
Daniel G. Weaver, *Baruch College, Zicklin School of Business*

**On the Optimal Allocation of New Security Listings to
Specialists**
Günter Strobl, *University of Pennsylvania*

Discussants
James J. Angel, *Georgetown University*
Terrence Hendershott, *University of California at Berkeley*
Shane Corwin, *University of Notre Dame*

Individual and Institutional Investors - *White Pine I*
Mary M. Bange, *University of South Carolina*

**All that Glitters: The Effect of Attention and News on the
Buying Behavior of Individual and Institutional Investors**
Brad M. Barber, *UC-Davis*
Terrance Odean, *UC-Berkeley*

On the Performance of Mutual Fund Managers
Klaas P. Baks, *Emory University*

Star Power: The Effect of Morningstar Ratings on Mutual Fund Flows

Diane Del Guercio, *University of Oregon*
Paula A. Tkac, *Federal Reserve Bank of Atlanta*

Discussants

Lu Zheng, *University of Michigan*
Bing Liang, *Case Western Reserve University*
Jonathan Taylor, *Washington University in Saint Louis*

Volatility - White Pine II

David Brown, *University of Wisconsin - Madison*

Market Timing, Volatility Timing and Portfolio Returns

Michael Johannes, *Columbia University*
Nicholas Polson, *University of Chicago*
Jon Stroud, *University of Pennsylvania*

Expected Stock Market Volatility and Bond Returns: Evidence of Flight-to-Quality?

Chris Stivers, *University of Georgia*
Licheng Sun, *University of Georgia*

Modeling and Forecasting Realized Volatility

Torben G. Andersen, *Northwestern University*
Tim Bollerslev, *Duke University*
Francis X. Diebold, *University of Pennsylvania*
Paul Labys, *University of Pennsylvania*

Discussants

Miguel Ferreira, *ISCTE School of Business, Lisbon, Portugal*
Paskalis Glabadanidis, *Washington University in Saint Louis*
Akhtar Siddique, *Georgetown University*

Monday June 24, 2002, 5:00pm - 6:30pm

WFA Executive Committee and Board of Directors Meeting
- Silverado

Monday June 24, 2002, 6:00pm - 8:00pm

Cornerstone Research Reception - *Kokopelli II & III*

Tuesday June 25, 2002, 7:00am - 8:30am

MIT Press/Oxford University Press Breakfast - *Forum*

Tuesday June 25, 2002, 8:00am - 12:00pm

On-site Registration - *Ballroom Lobby*

Tuesday June 25, 2002, 8:15am - 10:00am

Empirical Banking - Kokopelli I

Chris Leach, *University of Colorado at Boulder*

Chinese Walls in German Banks

Alfred Lehar, *University of Vienna*
Otto Randl, *University of Vienna*

Trade Credit, Financial Intermediary Development and Industry Growth

Raymond Fisman, *Columbia University*
Inessa Love, *The World Bank*

Market Concentration and Loan Portfolios in Commercial Banking

Daniel Bergstresser, *MIT*

Discussants

Michael Stutzer, *University of Iowa*
David Smith, *Board of Governors of the Federal Reserve System*
Michael Fuerst, *University of Miami*

Boundaries of the Firm - Kokopelli II
Milton Harris, *University of Chicago*

Boundaries of the Firm: Evidence from the Banking Industry
James S. Linck, *University of Georgia*
Clifford W. Smith, Jr., *University of Rochester*
James A. Brickley, Jr., *University of Rochester*

Strategic Alliances and the Boundaries of the Firm
David Robinson, *Columbia University*

Organizational Form, Endogenous Information Collection, and Stock Price Efficiency
Eitan Goldman, *University of North Carolina at Chapel Hill*

Discussants
Laura Lindsey, *Stanford University*
Gordon Phillips, *MIT*
Wouter Dessein, *Chicago GSB Economics*

IPO Pricing - Kokopelli III
Jay Ritter, *University of Florida*

Pseudo Market Timing and the Long-Run Underperformance of IPOs
Paul Schultz, *University of Notre Dame*

Are IPOs Underpriced?
Amiyatosh K. Purnanandam, *Cornell University*
Bhaskaran Swaminathan, *Cornell University*

IPO pricing in the dot-com bubble
Alexander P. Ljungqvist, *New York University*
William J. Wilhelm, Jr., *University of Oxford, Saïd Business School*

Discussants
Inmoo Lee, *Korea University*
Kent Womack, *Dartmouth College*
Ann Sherman, *University of Notre Dame*

Strategic Trading - White Pine I
Heber Farnsworth, *Washington University in Saint Louis*

Optimal Trading by a “Large Shareholder”
Peter DeMarzo, *Stanford University*
Branko Urosec, *University of California at Berkeley*

Does the Market Conspire Against the Weak? An Empirical Study of Front Running Behavior During the LTCM Crisis
Fang Cai, *University of Michigan Business School*

Strategic Behavior and Underpricing in Uniform Price Auctions: Evidence from Finnish Treasury Auctions
Matti Keloharju, *Helsinki School of Economics and Business Administration*
Kjell G. Nyborg, *London Business School*
Kristian Rydqvist, *Norwegian School of Management*

Discussants
Henry Cao, *University of North Carolina at Chapel Hill*
Wei Xiong, *Princeton University*
Jaime Zender, *University of Colorado*

Predictability of Stock Returns - White Pine II
Mark Weinstein, *USC*

Boundaries of Predictability: Noisy Predictive Regressions
Walter Torous, *UCLA*
Rossen Valkanov, *UCLA*

Is Time-Series Based Predictability Evident in Real-time?
Micheal J. Cooper, *Purdue University*
Huseyin Gulen, *Virginia Institute of Technology*

Stock Return Predictability, Conditional Asset Pricing Models and Portfolio Selection
Ane Tamayo, *London Business School*

Discussants

Stephen Foerster, *University of Western Ontario*
Yufeng Han, *Washington University in Saint Louis*
Timothy T. Simin, *Penn State University*

Tuesday June 25, 2002, 10:00am - 10:15am

Coffee Break - *Ballroom Lobby*

Tuesday June 25, 2002, 10:15am - 12:00noon

Institutions and Liquidity - *Kokopelli I*
Duane Seppi, *Carnegie Mellon University*

Liquidity Consequences of IPO Lockup Expirations
Charles Cao, *Penn State University*
Laura Field, *Penn State University*
Gordon Hanka, *Vanderbilt University*

Packaging Liquidity: Blind Auctions and Liquidity Provision
Kenneth A. Kavajecz, *University of Pennsylvania*
Donald B. Keim, *University of Pennsylvania*

Does an Electronic Stock Exchange Need an Upstairs Market?
Hendrik Bessembinder, *University of Utah*
Kumar Venkataraman, *Southern Methodist University*

Discussants

Elizabeth Tashjian, *University of Utah*
TBA
Larry Harris, *University of Southern California*

Corporate Incentives - *Kokopelli II*
Kose John, *New York University*

Return Sensitivity to Industry Shocks: Evidence on the (In)-Efficient Use of Internal Capital Markets
Joao F. Cocco, *London Business School*
Jan Mahrt-Smith, *London Business School*

Commercial Bank Underwriting: Conflict of Interest and Credible Commitment
Rajesh P. Narayanan, *Ohio University*
Kasturi P. Rangan, *Case Western Reserve University*
Nanda K. Rangan, *Ohio University*

Performance Incentives Within Firms: The Effect of Managerial Responsibility
Rajesh K. Aggarwal, *Dartmouth College*
Andrew A. Samwick, *Dartmouth College and NBER*

Discussants
Jayanthi Sunder, *New York University*
Jaeyoung Sung, *University of Illinois at Chicago*
Michael S. Weisbach, *University of Illinois at Urbana-Champaign*

Alternative Preferences and Beliefs - *Kokopelli III*
Dan Bernhardt, *Department of Economics, University of Illinois*

A Simple Theory of Asset Pricing under Model Uncertainty
Tan Wang, *University of British Columbia*
Leonid Kogan, *MIT*

Why Stocks May Disappoint
Andrew Ang, *Columbia Business School*
Geert Bekaert, *Columbia University*
Jun Liu, *UCLA*

Model Uncertainty and Liquidity
Bryan R. Routledge, *Carnegie Mellon University*
Stanley E. Zin, *Carnegie Mellon University, NBER*

Discussants

Alessandro Sbuelz, *Tilburg University*
Mark Loewenstein, *Boston University*
Eric Hughson, *University of Colorado*

International Perspectives on Growth - White Pine I
Utpal Bhattacharya, *Indiana University*

Reexamining the Relation between Debt Mix and Growth in Japan

Xueping Wu, *Hong Kong City University*
Piet Sercu, *Katholieke Universiteit Leuven*
Jun Yao, *Hong Kong City University*

The Growth of Global Equity Markets: A Closer Look

Kai Li, *Faculty of Commerce, University of British Columbia*

Does Local Financial Development Matter?

Luigi Guiso, *University of Sassari, Ente Luigi Einaudi and CEPR*
Paola Sapienza, *Northwestern University and CEPR*
Luigi Zingales, *University of Chicago, NBER, and CEPR*

Discussants

Avi Kamara, *University of Washington*
Sergei Sarkissian, *McGill University*
Mukarram Attari, *University of Wisconsin at Madison*

Cross-sectional Stock Returns - White Pine II
Jay Shanken, *University of Rochester*

Consumption, Dividends, and the Cross-Section of Equity Returns

Ravi Bansal, *Duke University*
Robert Dittmar, *Indiana University*
Christian Lundblad, *Indiana University*

Intertemporal CAPM and the Cross-Section of Stock Returns

Joseph Chen, *University of Southern California*

Liquidity Risk and Expected Stock Returns

Lubos Pastor, *University of Chicago*
Robert F. Stambaugh, *University of Pennsylvania*

Discussants

Lu Zhang, *University of Pennsylvania*
John Scruggs, *Washington University in Saint Louis*
Mark Ready, *University of Wisconsin - Madison*

Tuesday June 25 2002, 12:15pm - 2:00pm

WFA2002 Annual Meeting and Luncheon, - *Forum*
Keynote Speaker: Albert S. "Pete" Kyle, *Duke University*
Sponsored by LECG

Tuesday June 25, 2002, 2:45pm - 4:30pm

Interest Derivatives - Kokopelli I
Neil Pearson, *University of Illinois at Urbana-Champaign*

Stochastic Correlation and the Relative Pricing of Caps and Swaptions in a Generalized-Affine Framework

Pierre Collin-Dufresne, *Carnegie Mellon University*
Robert S. Goldstein, *Washington University in Saint Louis*

Interest Rate Swaps: An Asset-Allocation Perspective

George O. Aragon, *Boston College, Carroll School of Management*

Taxes, Default Risk and Yield Spreads

Sheen Liu, *Syracuse University*
Chunchi Wu, *Syracuse University*

Discussants

Francis Longstaff, *University of California, Los Angeles*
John Chalmers, *University of Oregon*
Robert Dammon, *Carnegie Mellon University*

Corporate Control - *Kokopelli II*
Paul Gompers, *Harvard University*

Does Inherited Control Hurt Firm Performance?
Francisco Perez-Gonzales, *Columbia University*

Why Must Entrepreneurs Hold Large Ownership Shares?
Optimal Contracting in Private and Newly Public Firms
Marianne P. Bitler, *RAND Corporation*
Tobias J. Moskowitz, *University of Chicago and NBER*
Annette Vissing-Jørgensen, *University of Chicago, NBER, and CEPR*

Benefits of Control? Evidence from Western European Acquisitions.
Mara Faccio, *University of Notre Dame*
John J. McConnell, *Purdue University*
David Stolin, *Ecole Supérieure de Commerce de Toulouse*

Discussants
David Denis, *Purdue University*
Bilge Yilmaz, *University of Pennsylvania*
TBA

Momentum - *Kokopelli III*
Anthony Lynch, *New York University*

The Seasonality of Momentum: Analysis of Tradability
Ronnie Sadka, *Northwestern University*

The Disposition Effect and Momentum
Mark Grinblatt, *UCLA*
Bing Han, *UCLA*

Downside Correlation and Expected Stock Returns
Andrew Ang, *Columbia University*
Joseph Chen, *University of Southern California*
Yuhang Xing, *Columbia University*

Discussants
John M. Griffin, *Arizona State University*
Simon Gervais, *University of Pennsylvania*
Gautam Kaul, *University of Michigan*

International Financial Markets - *White Pine I*
Uri Loewenstein, *University of Utah*

Long-Term Global Market Correlations
William N. Goetzmann, *Yale School of Management*
Lingfeng Li, *Yale University*
K. Geert Rouenherst, *Yale School of Management*

Why are Foreign Firms that List in the U.S. Worth More?
Craig Doidge, *Ohio State University*
Andrew Karolyi, *Ohio State University*
Rene Stulz, *Ohio State University*

Corruption and International Valuation: Does Virtue Pay?
Charles Lee, *Cornell University*
David T. Ng, *Cornell University*

Discussants
Shmuel Baruch, *University of Utah*
Jianping Mei, *New York University*
Karl Lins, *University of Utah*

Individual Investor Behavior - *White Pine II*
Richard Green, *Carnegie Mellon University*

Clearly Irrational Financial Market Behavior: Evidence from the Early Exercise of Exchange Traded Stock Options
Allen M. Potoshman, *University of Illinois at Urbana-Champaign*
Vitaly Serbin, *University of Illinois at Urbana-Champaign*

Social Interaction and Stock-Market Participation

Harrison Hong, *Stanford University*

Jeffrey Kubik, *Syracuse University*

Jeremy Stein, *Harvard University*

Can Individual Investors Beat the Market?

Joshua Coval, *Harvard Business School*

David Hirshleifer, *Ohio State University*

Tyler Shumway, *University of Michigan*

Discussants

Fan Yu, *University of California, Irvine*

Nicole Boyson, *Ohio State University*

Laura Frieder, *University of California, Los Angeles*

Tuesday June 25, 2002, 5:00pm - 6:00pm

SFS Annual Meeting - Kokopelli I

Tuesday June 25, 2002, 6:00pm - 8:00pm

**Review of Financial Studies/Barclays Global Investments Reception
- Kokopelli II & III**

Wednesday June 26, 2002, 7:00am - 8:30am

Wharton Research Data Services Breakfast - Forum

Wednesday June 26, 2002, 8:15am - 10:00am

Accounting and Finance - Kokopelli I

Steven Huddart, *Penn State University*

Stock Valuation Based on Book Values and Earnings: Theory and Empirical Tests

Gurdip Bakshi, *University of Maryland*

Nengjiu Ju, *University of Maryland*

An Examination of Institutional Trading Activity Before and After Regulation FD

Selim Topaloglu, *Arizona State University*

Analyzing the Analysts: When do Recommendations Add Value?

Narasimhan Jegadeesh, *University of Illinois at Urbana-Champaign*

Joonghyuk Kim, *Case Western Reserve University*

Susan D. Krische, *University of Illinois at Urbana-Champaign*

Charles M. C. Lee, *Cornell University*

Discussants

Richard Frankel, *MIT*

Venkat Eleswarapu, *Southern Methodist University*

Evrin Akdogu, *Washington University in Saint Louis*

Theoretical Corporate - Kokopelli II

Avner Kalay, *University of Utah and Tel-Aviv University*

A Dynamic Model of Optimal Capital Structure

Sheridan Titman, *University of Texas*

Sergey Tsyplov, *University of South Carolina*

Optimal Imprecision and Ignorance

Chandra Kanodia, *University of Minnesota*

Rajdeep Singh, *University of Minnesota*

Andrew Spero, *University of Minnesota*

**Financial Constraints and Investment-Cash Flow Sensitivities:
New Research Directions**

Heitor Almeida, *New York University*
Murillo Campello, *University of Illinois at Urbana-Champaign*

Discussants

Ronen Israel, *Interdisciplinary Center Herzliya (IDC)*
Sugato Bhattacharyya, *University of Michigan*
Efrat Tolkowsky, *Technion - Israel Institute of Technology*

Transaction Costs and Liquidity - Kokopelli III
Paul Seguin, *University of Minnesota*

**Informative Trading or Just Noise? An Analysis of Currency
Returns, Market Liquidity and Transaction Costs in Proximity
of Central Bank Interventions**
Paolo Pasquariello, *New York University*

Leverage Recapitalizations and Liquidity
David A. Lesmond, *Tulane University*
Philip O'Connor, *Southern Utah University*
Lemma W. Senbet, *University of Maryland*

Price Impact Costs and the Limit of Arbitrage
Zhiwu Chen, *Yale School of Management*
Werner Stanzl, *Yale School of Management*
Masahiro Watanabe, *Yale School of Management*

Discussants

Craig Holden, *Indiana University*
Jennifer Koski, *University of Washington*
Joel Hasbrouck, *New York University*

Aggregation of Portfolio Choice - White Pine I
Burton Hollifield, *Carnegie Mellon University*

**A Theory of Mutual Funds: Optimal Fund Objectives and
Industry Organization**

Matthew Spiegel, *Yale School of Management*
Harry Mamaysky, *Yale School of Management*

The Aggregate Behaviour of Individual Investors
Andrew Jackson, *London Business School*

Community Effects and Externalities in Portfolio Choice
Peter DeMarzo, *Stanford University*
Ron Kaniel, *University of Texas, Austin*
Ilan Kremer, *Stanford University*

Discussants

Christine Parlour, *Carnegie Mellon University*
Jeffrey Harris, *University of Delaware and Nasdaq*
Dirk Hackbarth, *University of California, Berkeley*

Asset Pricing Puzzles - White Pine II
Greg Duffee, *University of California - Berkeley*

**Risks For The Long Run: A Potential Resolution of Asset
Pricing Puzzles**

Ravi Bansal, *Duke University*
Amir Yaron, *University of Pennsylvania*

Bond Risk Premia

John Cochrane, *University of Chicago and NBER*
Monika Piazzesi, *UCLA and NBER*

**Consumption, the Persistence of Shocks, and Asset-Pricing
Puzzles**

Juan Carlos Rodriguez, *University of Maryland, College Park*

Discussants

Jessica A. Wachter, *New York University*
Michael W. Brandt, *University of Pennsylvania*
Alex Shapiro, *New York University*

Wednesday June 26, 2002, 10:00am - 10:15am

Coffee Break - *Ballroom Lobby*

Wednesday Jun 26, 2002, 10:15am - 12:00noon

Alternative Investments - *Kokopelli I*

Charles Trzcinka, *Indiana University*

Testing for Market Rationality: Lessons from the OJ Market

Jacob Boudoukh, *New York University and IDC*

Matthew Richardson, *New York University*

YuQing Shen, *JP Morgan*

Robert Whitelaw, *New York University*

An Equilibrium Analysis of Exhaustible Resource Investments

Murray Carlson, *University of British Columbia*

Zeigham Khokher, *University of Western Ontario*

Sheridan Titman, *University of Texas at Austin*

An Equilibrium Analysis of Real Estate Leases

Steven R. Grenadier, *Stanford University*

Discussants

Tom Miller, *Washington University in Saint Louis*

Chester Spatt, *Carnegie Mellon University*

Bin Gao, *University of North Carolina*

Short Sales - *Kokopelli II*

Fernando Zapatero, *University of Southern California*

Impediments to Short-Selling and Option Prices

Richard B. Evans, *University of Pennsylvania*

Christopher C. Geczy, *University of Pennsylvania*

David K. Musto, *University of Pennsylvania*

Adam V. Reed, *University of North Carolina*

Securities Lending, Shorting, and Pricing

Darrell Duffie, *Stanford University*

Nicolae Garleanu, *INSEAD*

Lasse Heje Pedersen, *New York University*

**Equilibrium and Welfare in Markets with Financially
Constrained Arbitrageurs**

Denis Gromb, *London Business School*

Dimitri Vayanos, *MIT*

Discussants

Jonathan M. Karpoff, *University of Washington and Emory
University*

Benjamin Croitoru, *McGill University*

Alexandre M. Baptista, *University of Arizona*

Corporations and the Stock Market - *Kokopelli III*

Edward M. Rice, *University of Washington*

**Irrational Exuberance or Value Creation: Feedback Effect of
Stock Currency on Fundamental Value**

Naveen Khanna, *Michigan State University*

Ramana Sonti, *Kent State University*

Market Timing and Managerial Portfolio Decisions

Dirk Jenter, *Harvard Business School and Economics Department*

The Real Effect of Investor Sentiment

Christopher Polk, *Northwestern University*

Paola Sapienza, *Northwestern University*

Discussants

Chris Yung, *Washington University in Saint Louis*

Paul H. Malatesta, *University of Washington*

Vojislav Maksimovic, *University of Maryland*

Equity Premium Puzzle - *White Pine I*
Wayne Ferson, *Boston College*

The 6D Bias and the Equity Premium Puzzle

Xavier Gabaix, *MIT*
David Laibson, *Harvard*

An Ex-Ante Examination of the Equity Premium

R. Glen Donaldson, *University of British Columbia*
Mark Kamstra, *Federal Reserve Bank of Atlanta*
Lisa A. Kramer, *University of Toronto*

**Expectations of Equity Risk Premia, Volatility and Asymmetry
from a Corporate Finance Perspective**

John R. Graham, *Duke University*
Campbell R. Harvey, *Duke University*

Discussants

Jing-zhi Huang, *Penn State University*
Federico Nardari, *Arizona State University*
Ernst Maug, *Humboldt University of Berlin*

Factor Models of Security Returns - *White Pine II*
Robert Korajczyk, *Northwestern University*

On the Joint Pricing of Stocks and Bonds: Theory and Evidence

Harry Mamaysky, *Yale School of Management*

**On Pricing and Hedging in the Swaption Market: How Many
Factors, Really?**

Rong Fan, *Case Western Reserve University*
Anurag Gupta, *Case Western Reserve University*
Peter Ritchken, *Case Western Reserve University*

Extracting Factors with Maximum Explanatory Power

Yexiao Xu, *The University of Texas at Dallas*

Discussants

Pedro Santa-Clara, *University of California, Los Angeles*
Ananth Madhavan, *ITG Inc*
Christopher S. Jones, *University of Rochester*

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