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

# 2003 Program

38th Annual Conference
of the
Western Finance Association

The Meliá Cabo Real Convention Center
Beach & Golf Resort
Los Cabos, Mexico

June 18-20, 2003

## 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 2004 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 Meliá Cabo Real Convention Center Beach & Golf Resort in Los Cabos, Mexico. On-site registration for the conference will be located in the Foyer on the following schedule:

Wednesday, June 18, 2:00pm – 7:00pm
Thursday, June 19, 8:00am – 4:00pm
Friday, June 20, 8:00am – 12:00noon

### 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, Luncheon, and other special events will be done at the time of pre-registration on the WFA website and on-site (subject to availability) for those who do not pre-register. Registration is required for the Nasdaq Breakfast, the Journal of Investment Management/Fitch Lunch, the MIT Press/Oxford University Press Breakfast, the WFA annual luncheon, 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 Friday, June 20 from 5:00pm -6:00pm in Ixtapa. All subscribers to the Review of Financial Studies are members of the SFS.



## WESTERN FINANCE ASSOCIATION

### Officers and Executive Committee: 2002-2003

| | |
|---|---|
| President | Philip H. Dybvig, Washington University, St. Louis |
| President-Elect | René M. Stulz, Ohio State University |
| Vice President | Ravi Jagannathan, Northwestern University |
| Secretary-Treasurer | Robert Dammon, Carnegie Mellon University |
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| | Matt Spiegel, Yale University |
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| | Jamie Zender, University of Colorado, Boulder |

### Presidents: 1965-2003

| | | |
|---|---|---|
| 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 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, 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, Berkeley |
| 1984-85 | Seha Tinic | University of Texas, 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 |
| 2002-03 | René M. Stulz | Ohio State University |



## Distinguished Speakers

### WFA Annual Meeting Speakers 1979-2003

| 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 |
| 2003 | Los Cabos | Richard Kihlstrom |

## 2003 Program Committee

**Program Chair** René M. Stulz, Ohio State University
**Associate Program Chair** G. Andrew Karolyi, Ohio State University

Reena Aggarwal, Georgetown University
Torben Andersen, Northwestern University
Andrew Ang, Columbia University
Warren Bailey, Cornell University
Gurdip Bakshi, University of Maryland
Brad Barber, University of California
Geert Bekaert, Columbia University
Jonathan Berk, University of California, Berkeley
Hendrik Bessembinder, University of Utah
Sanjai Bhagat, University of Colorado, Boulder
Utpal Bhattacharya, Indiana University
Bruno Biais, IDEI Toulouse University
Tim Bollerslev, Duke University
Peter Bossaerts, California Institute of Technology
Jacob Boudoukh, IDC
Michael Brandt, University of Pennsylvania
David P. Brown, University of Wisconsin, Madison
Jeffrey Busse, Emory University
Jennifer Carpenter, New York University
David Chapman, University of Texas, Austin
Thomas Chemmanur, Boston College
Tarun Chordia, Emory University
Bhagwan Chowdhry, University of California, Los Angeles
Stijn Claessens, Universiteit van Amsterdam
Jennifer Conrad, University of North Carolina
Francesca Cornelli, London Business School
Joshua Coval, Harvard University
Domenico Cuoco, University of Pennsylvania
Robert Dammon, Carnegie Mellon University
Kent Daniel, Northwestern University
Diane Del Guercio, University of Oregon
David Denis, Purdue University
Diane Denis, Purdue University
Craig Doidge, University of Toronto
Gregory Duffee, University of California, Berkeley
Darrell Duffie, Stanford University
Philip Dybvig, Washington University, St. Louis
B. Espen Eckbo, Dartmouth College



Michael Fishman, Northwestern University
Mark Flannery, University of Florida
Jeff Fleming, Rice University
Paolo Fulghieri, University of North Carolina
Louis Gagnon, Queen's University
Chris Geczy, University of Pennsylvania
Simon Gervais, University of Pennsylvania
Ron Giammarino, University of British Columbia
William Goetzmann, Yale University
Robert Goldstein, Washington University, St. Louis
Paul Gompers, Harvard University
Gary Gorton, University of Pennsylvania
John Graham, Duke University
John Griffin, Arizona State University
Wayne Guay, University of Pennsylvania
Kathleen Hagerty, Northwestern University
Bing Han, Ohio State University
Larry Harris, University of Southern California/ SEC
Jeff Harris, University of Delaware
Milton Harris, University of Chicago
Campbell Harvey, Duke University
Joel Hasbrouck, New York University
John Heaton, University of Chicago
Jean Helwege, Ohio State University
David Hirshleifer, Ohio State University
Laurie Hodrick, Columbia University
Craig Holden, Indiana University
Burton Hollifield, Carnegie Mellon University
Harrison Hong, Stanford University
Edie Hotchkiss, Boston College
Kewei Hou, Ohio State University
Eric Hughson, University of Colorado, Boulder
Ravi Jagannathan, Northwestern University
Eslyn Jean-Baptiste, Columbia University
Narashimhan Jegadeesh, University of Illinois, Urbana-Champaign
Kose John, New York University
Christopher Jones, University of Southern California
Charles Jones, Columbia University
Philippe Jorion, University of California, Irvine
Jun-Koo Kang, Michigan State University
Anil Kashyap, University of Chicago
Gautam Kaul, University of Michigan
Donald Keim, University of Pennsylvania

Naveen Khanna, Michigan State University
Bong-Chan Kho, Seoul National University
Leonid Kogan, MIT
Robert Korajczyk, Northwestern University
Jennifer Koski, University of Washington
Rafael LaPorta, Harvard University
Chris Leach, University of Colorado, Boulder
Charles M.C. Lee, Cornell University
Michael Lemmon, University of Utah
Martin Lettau, New York University
Jonathan Lewellen, MIT
Karl Lins, University of Utah
Jun Liu, University of California, Los Angeles
Claudio Loderer, Universität Bern
Francis Longstaff, University of California, Los Angeles
Florencio Lopez-de-Silanes, Yale University
Anthony Lynch, New York University
Richard Lyons, University of California, Berkeley
Craig MacKinlay, University of Pennsylvania
Vojislav Maksimovic, University of Maryland
Andrew Metrick, University of Pennsylvania
Roni Michaely, Cornell University
Todd Milbourn, Washington University, St. Louis
Darius Miller, Indiana University
Bernadette Minton, Ohio State University
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Thomas Noe, Tulane University
Barbara Ostdiek, Rice University
Marco Pagano, Universita di Salerno
Jun Pan, MIT
Robert Parrino, University of Texas, Austin
Lubos Pastor, University of Chicago
George Pennacchi, University of Illinois , Urbana-Champaign
Enrico Perotti, Universiteit van Amsterdam
Mitchell Petersen, Northwestern University
Gordon Phillips, University of Maryland/ NBER
Monika Piazzesi, University of California, Los Angeles
Christo Pirinsky, Texas A&M University
Christopher Polk, Northwestern University
Manju Puri, Stanford University
Mark Ready, University of Wisconsin, Madison



Jay Ritter, University of Florida
Bryan Routledge, Carnegie Mellon University
Pedro Santa-Clara, University of California, Los Angeles
Paola Sapienza, Northwestern University
Jim Schallheim, University of Utah
Paul Schultz, University of Notre Dame
Lemma Senbet, University of Maryland
Duane Seppi, Carnegie Mellon University
Piet Sercu, Katholieke Universiteit Leuven
Henri Servaes, London Business School
Jay Shanken, Emory University
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
Chris Telmer, Carnegie Mellon University
Siew Hong Teoh, Ohio State University
Karin Thorburn, Dartmouth College
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
Maria Vassalou, Columbia University
Dimitri Vayanos, MIT
Pietro Veronesi, University of Chicago
S. Viswanathan, Duke University
Ernst-Ludwig von Thadden, University of Lausanne
Michael Weisbach, University of Illinois, Urbana-Champaign
Russell Wermers, University of Maryland
Ingrid Werner, Ohio State University
Rohan Williamson, Georgetown University
Andrew Winton, University of Minnesota
Kent Womack, Dartmouth College
Jeffrey Wurgler, New York University
David Yermack, New York University
Josef Zechner, University of Vienna
Guofu Zhou, Washington University, St. Louis
Luigi Zingales, University of Chicago

## PROGRAM SUMMARY

### Wednesday, June 18, 2003

2:00 pm – 7:00 pm

On-site Registration – Meliá Cabo Real Hotel, *Foyer*

6:00 pm – 8:00 pm

Goldman Sachs Reception – *Pergolas I*

### Thursday, June 19, 2003

7:00 am – 8:30 am

Nasdaq Breakfast – *El Quetzal*

8:00 am – 4:00 pm

On-site Registration - Meliá Cabo Real Hotel, *Foyer*

8:15 am - 10:00 am

Derivatives Pricing - *Cancun*
Portfolio Choice - *Vallarta*
Scope and Size of Firms - *Cabo Real IV*
Limit Order Markets – *Cabo Real II*
IPOs – *Cabo Real III*

10:00 am – 10:15 am

Coffee Break - *Foyer*



10:15 am – 12:00 noon

Corporate Finance and Asset Returns – *Cancun*
Fixed Income – *Vallarta*
Venture Capital and Entrepreneurship – *Cabo Real II*
Analysts – *Cabo Real III*
Trading Models – *Cabo Real IV*

12:30 pm – 2:00 pm

Journal of Investment Management/Fitch Lunch – *Cabo Real I*

2:45 pm – 4:30 pm

Capital Structure – *Cabo Real II*
Mutual Funds – *Cabo Real III*
Default Risk and Asset Prices - *Cancun*
Liquidity - *Vallarta*
International Finance – *Cabo Real IV*

5:00 pm – 6:30 pm

WFA Executive Committee and Board of Directors Meeting – *Directors Room*

6:00 pm – 8:00 pm

Cornerstone Research Reception – *Pergolas I*

### Friday, June 20, 2003

7:00am – 8:30am

MIT Press/Oxford University Press Breakfast - *El Quetzal*

8:00 am – 12:00 noon

On-site Registration - Meliá Cabo Real Hotel, *Foyer*

8:15 am - 10:00 am

Investor Rights and Corporate Finance – *Cabo Real II*
Performance Evaluation – *Cabo Real III*
New Frontiers - *Cancun*
Strategic Trading - *Vallarta*
Managers in Corporations – *Cabo Real IV*

10:00 am – 10:15 am

Coffee Break - *Foyer*

10:15 am – 12:00 noon

Corporate Control - *Cancun*
Portfolio Choice of Individual Households - *Vallarta*
Payout Policy – *Cabo Real II*
Empirical Microstructure – *Cabo Real III*
Emerging Markets – *Cabo Real IV*

12:15 pm – 2:00 pm

WFA 2003 Annual Meeting and Luncheon - *Cabo Real I*

2:45 pm – 4:30 pm

Empirical Corporate Finance – *Cabo Real II*
On the Bubble – *Cabo Real III*
Banking - *Cancun*
Option Pricing - *Vallarta*
Risk and Return of Non-Standard Investments – *Cabo Real IV*



5:00 pm – 6:30 pm

SFS Annual Meeting – *Ixtapa Room*

6:00 pm – 8:00 pm

Review of Financial Studies/Barclay Global Investors Reception - *Pergolas I*

## Saturday, June 21, 2003

7:00 am – 8:30 am

Wharton Research Data Services Breakfast - *El Quetzal*

8:15 am - 10:00 am

Financial Econometrics - *Cancun*
Risk Management - *Vallarta*
Disclosure – *Cabo Real IV*
Behavioral Finance – *Cabo Real II*
Governance – *Cabo Real III*

10:00 am – 10:15 am

Coffee Break- *Foyer*

10:15 am – 12:00 noon

Asset Pricing – *Cabo Real II*
Executive Compensation – *Cabo Real III*
Information and Asset Prices - *Cancun*
Corporate Theory - *Vallarta*
Does Location Matter?- *Cabo Real IV*

## BEST PAPER AWARDS

### Caesarea Award
for the best paper on risk management

*Dynamic Risk Management: Theory and Evidence* 339
**Frank Fehle**
**Sergei Tsyplanov**
University of South Carolina

### Nasdaq Award
for the best paper on capital formation

*Private Equity in the Developing World: The Determinants of Transaction Structures*
**Josh Lerner**
Harvard University and NBER
**Antoinette Schoar**
MIT and NBER

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

*Asset Pricing with Liquidity Risk*
**Viral Acharya**
London Business School
**Lasse H. Pedersen**
New York University



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

*Fund Flow Volatility and Performance*
**David Rakowski**
Georgia State University

### Trefftzs Award
for the best student paper

*An Equilibrium Model of Investment Under Uncertainty*
**Robert Novy-Marx**
University of California, Berkeley

### Western Finance Association Award
for the best paper in corporate finance

*Corporate Finance and the Term Structure of Interest Rates*
**James Dow**
London Business School and CEPR
**Gary Gorton**
University of Pennsylvania and NBER
**Arvind Krishnamurthy**
Northwestern University

## PROGRAM DETAIL

### Wednesday, June 18, 2003, 2:00 pm – 7:00 pm

On-site Registration- Meliá Cabo Real Hotel, *Foyer*

### Wednesday, June 18, 2003, 6:00 pm – 8:00 pm

Goldman Sachs Reception – *Pergolas I*

### Thursday, June 19, 2003, 7:00 am – 8:30 am

Nasdaq Breakfast – *El Quetzal*

### Thursday, June 19, 2003, 8:00 am – 4:00 pm

On-site Registration - Meliá Cabo Real Hotel, *Foyer*

### Thursday, June 19, 2003, 8:15 am – 10:00 am

Derivatives Pricing - *Cancun*
Jeff Fleming, *Rice University*

**An Empirical Analysis of the Dynamic Relationship Between Investment Grade Bonds and Credit Default Swaps**
Roberto Blanco, *Banco de Espana*
Simon Brennan, *Bank of England*
Ian Marsh, *Bank of England*

**Electricity Forward Prices: A High-Frequency Empirical Analysis**
Francis A. Longstaff, *University of California, Los Angeles*
Ashley W. Wang, *University of California, Los Angeles*

**Uncertainty, Volatility, and Option Markets**
Andrea Buraschi, *London Business School*
Alexei Jiltsov, *Lehman Brothers*



**Discussants:**
Gurdip Bakshi, *University of Maryland*
Hendrik Bessembinder, *University of Utah*
Chris Kirby, *University of Texas, Dallas*

Portfolio Choice - *Vallarta*
Domenico Cuoco, *University of Pennsylvania*

**Hedging, Stock Market Participation, and Portfolio Choice**
Massimo Massa, *INSEAD*
Andrei Simonov, *Stockholm School of Economics*

**Optimal Life-Cycle Asset Allocation: Understanding the Empirical Evidence**
Francisco Gomes, *London Business School*
Alexander Michaelides, *London School of Economics*

**Optimal Lifetime Consumption-Portfolio Strategies under Trading Constraints and Recursive Preferences**
Mark Schroder, *Michigan State University*
Costis Skiadas, *Northwestern University*

**Discussants:**
Luigi Guiso, *University of Sassari*
Valery Polkovnichenko, *University of Minnesota*
Thaleia Zariphopoulou, *University Texas, Austin*

Scope and Size of Firms – *Cabo Real IV*
David Denis, *Purdue University*

**On the Origin of Diversification Discounts**
James Ang, *Florida State University*
Yingmei Cheng, *Florida State University*
Gregory Nagel, *Florida State University*

**Do Diversified Firms Have Deeper Pockets?**
Valentin Dimitrov, *Tulane University*
Sheri Tice, *Tulane University*

**Fighting for Talent: Risk-Taking, Corporate Volatility, and Organizational Change**
Guido Friebel, *IDEI Tolouse University*
Mariassunta Giannetti, *Stockholm School of Economics*

**Corporate Control Contests and the Disciplining Effect of Spin-offs: A Theory of Performance and Value Improvements in Spin-offs**
Thomas Chemmanur, *Boston College*
An Yan, *Fordham University*

**Discussants:**
Matthew Billett, *University of Iowa*
Murillo Campello, *University of Illinois, Urbana-Champaign*
S. Abraham Ravid, *Yale University / Rutgers University*
Holger Mueller, *New York University*

## Limit Order Markets – *Cabo Real II*
## Ingrid Werner, *Ohio State University*

**Lifting the Veil: An Analysis of Pre-Trade Transparency at the NYSE**
Ekkehart Boehmer, *New York Stock Exchange*
Gideon Saar, *New York University*
Lei Yu, *New York University*

**Does Anonymity Matter in Electronic Limit Order Markets?**
Thierry Foucault, *HEC*
Sophie Moinas, *HEC*
Erik Theissen, *Bonn University*

**On an Open Limit Order Book—How Can We Use It or...Can We?**
Xiaoxin Wang, *Pennsylvania State University*

**Discussants:**
Craig Holden, *Indiana University*
Duane Seppi, *Carnegie Mellon University*
Joel Hasbrouck, *New York University*



## IPOs - Cabo Real III
## Francesca Cornelli, *London Business School*

**IPO Pricing with Bookbuilding and a When-Issued Market**
Wolfgang Aussenegg, *Vienna University of Technology*
Pegaret Pichler, *Boston College*
Alex Stomper, *University of Vienna*

**Do Institutions Receive More Favorable Allocations in IPOs with Better Long Run Returns?**
Beatrice Boehmer, *University of Georgia*
Ekkehart Boehmer, *New York Stock Exchange*
Raymond P.H. Fishe, *University of Miami*

**Crystal Balls or Collusion? An Examination of Large Sell Orders in Cold IPO Aftermarkets**
C.N.V. Krishnan, *Case Western Reserve University*
Ajai K. Singh, *Case Western Reserve University*
Allan A. Zebedee, *San Diego State University*

**Venture Capital Investments by IPO Underwriters: Certification or Conflict of Interest**
Xi Li, *University of Miami*
Ronald W. Masulis, *Vanderbilt University*

**Discussants:**
David Goldreich , *London Business School*
Reena Aggarwal, *Georgetown University*
Carola Schenone, *University of Minnesota*
Ayako Yasuda, *University of Pennsylvania*

## Thursday, June 19, 2003, 10:00 am – 10:15 am

Coffee Break - *Foyer*

## Thursday, June 19, 2003, 10:15 am – 12:00 noon

### Corporate Finance and Asset Returns - *Cancun*
Chris Telmer, *Carnegie Mellon University*

**Corporate Finance and the Term Structure of Interest Rates**
James Dow, *London Business School*
Gary Gorton, *University of Pennsylvania*
Arvind Krishnamurthy, *Northwestern University*

**An Equilibrium Model of Investment Under Uncertainty**
Robert Novy-Marx, *University of California, Berkeley*

**Asset Prices and Business Cycles with Costly External Finance**
Joao Gomes, *University of Pennsylvania*
Amir Yaron, *University of Pennsylvania*
Lu Zhang, *University of Rochester*

**Discussants:**
Murray Carlson, *University of British Columbia*
Bryan Routledge, *Carnegie Mellon University*
Maria Vassalou, *Columbia University*

### Fixed Income - *Vallarta*
Richard Stanton, *University of California, Berkeley*

**Identification and Estimation of "Maximal" Affine Term Structure Models: An Application to Stochastic Volatility**
Pierre Collin-Dufresne, *Carnegie Mellon University*
Robert Goldstein, *Washington University, St. Louis*
Christopher S. Jones, *University of Southern California*

**Comparing Multifactor Models of the Term Structure**
Michael W. Brandt, *University of Pennsylvania*
David A. Chapman, *University of Texas, Austin*

**An Empirical Investigation of Ex Ante Variables Under Habit Consumption Model**
Leonardo Madureira, *University of Pennsylvania*



**Discussants:**
Bing Han, *Ohio State University*
Greg Duffee, *University of California, Berkeley*
Martin Lettau, *New York University*

### Venture Capital and Entrepreneurship – *Cabo Real II*
Manju Puri, *Stanford University*

**Grandstanding, Certification, and the Underpricing of Venture Capital Backed IPOs**
Peggy M. Lee, *Emory University*
Sunil Wahal, *Emory University*

**Private Equity in the Developing World: The Determinants of Transaction Structures**
Josh Lerner, *Harvard University*
Antoinette Schoar, *MIT*

**The Influence of Complementarity on the Performance of Entrepreneurial Companies**
Mukunthan Santhanakrishnan, *Arizona State University*

**Discussants:**
Yael Hochberg, *Stanford University*
Roberta Romano, *Yale University*
Laura Lindsey, *Stanford University*

### Analysts – *Cabo Real III*
Kent Womack, *Dartmouth College*

**All-star Analyst Turnover, Investment Bank Market Share, and the Performance of Initial Public Offerings**
Jonathan Clarke, *Georgia Institute of Technology*
Craig Dunbar, *University of Western Ontario*
Kathleen M. Kahle, *University of Pittsburgh*

**Relative Performance and Institutional Reaction to Underwriter Analyst Recommendations**
Sergey Iskoz, *MIT*

**Analysts Weighting of Private and Public Information**
Qi Chen, *Duke University*
Wei Jiang, *Columbia University*

**Discussants:**
Laurie Krigman, *Babson College*
Leslie Boni, *University of New Mexico*
Terence Lim, *Goldman Sachs Asset Management*

## Trading Models – *Cabo Real IV*
## Maureen O'Hara, *Cornell University*

**A Model of Volatility Spillover and Stochastic Liquidity**
Masahiro Watanabe, *Yale University*

**Search and Endogenous Concentration**
Dimitri Vayanos, *MIT*
Tan Wang, *University of British Columbia*

**Cladistic Asset Pricing**
Dan Bernhardt, *University of Illinois, Urbana-Champaign*
Bart Taub, *University of Illinois, Urbana-Champaign*

**Discussants:**
David Easley, *Cornell University*
Ananth Madhavan, *ITG, Inc.*
Kerry Back, *Washington University, St. Louis*

# Thursday, June 19, 2003, 12:30 pm – 2:00 pm

Journal of Investment Management/Fitch Lunch – *Cabo Real*



# Thursday, June 19, 2003, 2:45 pm – 4:30 pm

## Capital Structure – *Cabo Real II*
## Robert McDonald, *Northwestern University*

**The Effect of Capital Structure When Expected Agency Costs are Extreme**
Campbell R. Harvey, *Duke University*
Karl V. Lins, *University of Utah*
Andrew H. Roper, *University of Wisconsin, Madison*

**Capital Structure and Transparency**
Andres Almazan, *University of Texas, Austin*
Javier Suarez, *Centro de Estudios Monetarios y Financieros*
Sheridan Titman, *University of Texas, Austin*

**Horses and Rabbits? Optimal Dynamic Capital Structure from Stockholder and Manager Perspectives**
Nengjiu Ju, *University of Maryland*
Robert Parrino, *University of Texas, Austin*
Allen Poteshman, *University of Illinois, Urbana-Champaign*
Michael Weisbach, *University of Illinois, Urbana-Champaign*

**Discussants:**
Jamie Zender, *University of Colorado, Boulder*
Ronald Giammarino, *University of British Columbia*
Mark Loewenstein, *Boston University*

## Mutual Funds – *Cabo Real III*
## William Goetzmann, *Yale University*

**Mutual Fund Performance with Learning Across Funds**
Christopher S. Jones, *University of Southern California*
Jay Shanken, *Emory University*

**Fund Flow Volatility and Performance**
David Rakowski, *Georgia State University*

**Mutual Fund Flows and Performance in Rational Markets**
Jonathan Berk, *University of California, Berkeley*
Richard C. Green, *Carnegie Mellon University*

**Discussants:**
Jessica Wachter, *New York University*
Laura Starks, *University of Texas, Austin*
Philip Dybvig, *Washington University, St. Louis*

## Default Risk and Asset Prices - *Cancun*
Walter Torous, *University of California, Los Angeles*

**Are Jumps in Corporate Bond Yields Priced? Modeling Contagion via the Updating of Beliefs**
Pierre Collin-Dufresne, *Carnegie Mellon University*
Robert Goldstein, *Washington University, St. Louis*
Jean Helwege, *Ohio State University*

**How Much of the Corporate-Treasury Yield Spread is Due to Credit Risk?**
Jing-Zhi Huang, *Pennsylvania State University*
Ming Huang, *Stanford University*

**Inferring Marginal Tax Rates from Green's Model with Default**
Sheen Liu, *Syracuse University*
Junbo Wang, *Syracuse University*
Chunchi Wu, *Syracuse University*

**Discussants:**
Suresh Sundaresan, *Columbia University*
Clifford Ball, *Vanderbilt University*
Rossen Valkanov, *University of California, Los Angeles*



## Liquidity - *Vallarta*
Christopher Geczy, *University of Pennsylvania*

**Shorting Restrictions, Liquidity, and Returns**
Charles M. Jones, *Columbia University*

**Macroeconomic Sources of Systematic Liquidity**
Akiko Fujimoto, *Yale University*

**Asset Pricing with Liquidity Risk**
Viral V. Acharya, *London Business School*
Lasse H. Pedersen, *New York University*

**Discussants:**
David Musto, *University of Pennsylvania*
Tarun Chordia, *Emory University*
John Heaton, *University of Chicago*

## International Finance – *Cabo Real IV*
Vihang Errunza, *McGill University*

**International Stock Market Integration: A Dynamic General Equilibrium Approach**
Harjoat S. Bhamra, *London Business School*

**A Dynamic Equilibrium Model of Real Exchange Rates with General Transaction Costs**
Gautam Goswami, *Fordham University*
Milind M. Shrikhande, *Georgia State University*
Liuren Wu, *Fordham University*

**The Euro Is Good After All: Corporate Evidence**
Arturo Bris, *Yale University*
Yrjo Koskinen, *Stockholm School of Economics*
Mattias Nilsson, *Stockholm School of Economics*

**Dynamic Relations between International Equity and Currency Markets:**
Bill Francis, *University of South Florida*
Iftekhar Hasan, *New Jersey Institute of Technology*
Delroy Hunter, *University of South Florida*

**Discussants:**
Joshua White, *Harvard University*
Yiorgos Allayannis, *University of Virginia*
Darius Miller, *Indiana University*
Francesca Carrieri, *McGill University*

## Thursday, June 19, 2003, 5:00 pm – 6:30 pm

WFA Executive Committee and Board of Directors Meeting – *Directors Room*

## Thursday, June 19, 2003, 6:00 pm – 8:00 pm

Cornerstone Research Reception – *Pergolas I*

## Friday, June 20, 2003, 7:00 am – 8:30 am

MIT Press/Oxford University Press Breakfast - *El Quetzal*

## Friday, June 20, 2003, 8:00 am – 12:00 noon

On-site Registration – Meliá Cabo Real Hotel, *Foyer*



## Friday, June 20, 2003, 8:15 am - 10:00 am

Investor Rights and Corporate Finance- *Cabo Real II*
Rafael La Porta, *Harvard University*

**Investor Protection, Optimal Incentives, and Economic Growth**
Rui Castro, *Universite de Montreal*
Gian Luca Clementi, *Carnegie Mellon University*
Glenn MacDonald, *Washington University, St. Louis*

**The Effect of External Finance and Internal Capital Markets on the Equilibrium Allocation of Capital**
Heitor Almeida, *New York University*
Daniel Wolfenzon, *New York University*

**Firm-Specific Resources, Financial-Market Development, and the Growth of U.S. Multinationals**
Susan Feinberg, *University of Maryland*
Gordon Phillips, *University of Maryland*

**U.S. Cross-Listings and the Private Benefits of Control: Evidence from Dual Class Firms**
Craig Doidge, *University of Toronto*

**Discussants:**
Chris Telmer, *Carnegie Mellon University*
Arvind Krishnamurthy, *Northwestern University*
Mihir Desai, *Harvard University*
B. Espen Eckbo, *Dartmouth College*

Performance Evaluation – *Cabo Real III*
Russell Wermers, *University of Maryland*

**Do mutual fund managers time the market?**
Michael J. Cooper, *Purdue University*
Huseyin Gulen, *Virginia Tech University*
P. Raghavendra Rau, *Purdue University*

**How to Tell If a Money Manager Knows More?**
Sergey Iskoz, *MIT*
Jiang Wang, *MIT*

**Judging Fund Managers by the Company They Keep**
Randolph Cohen, *Harvard University*
Joshua Coval, *Harvard University*
Lubos Pastor, *University of Chicago*

**Discussants:**
Diane Del Guercio, *University of Oregon*
Neal Stoughton, *University of California, Irvine*
Roger Edelen, *University of Pennsylvania*

## New Frontiers - *Cancun*
## Jeff Wurgler, *New York University*

**A Simple Theory of the "Cubic" Laws of Stock Market Activity**
Xavier Gabaix, *MIT*
Parameswaran Gopikrishnan, *Boston University*
Vasiliki Plerou, *Boston University*
H. Eugene Stanley, *Boston University*

**Capacity Constrained Learning and Asset Price Co-movement**
Lin Peng, *Baruch College*
Wei Xiong, *Princeton University*

**Optimal Expectations**
Markus K. Brunnermeier, *Princeton University*
Jonathan A. Parker, *Princeton University*

**Testing CAPM in Real Markets: Implications from Experiments**
Peter Bossaerts, *California Institute of Technology*

**Disscussants:**
Jose Scheinkman, *Princeton University*
Ming Huang, *Stanford University*
Augustin Landier, *University of Chicago*
Jonathan Berk, *University of California, Berkeley*



## Strategic Trading - *Vallarta*
## Kathleen Hagerty, *Northwestern University*

**Crushed by a Rational Stampede: Strategic Share Dumping and Share-holder Insurrection**
Mukarram Attari, *University of Wisconsin, Madison*
Suman Banerjee, *Tulane University*
Tom Noe, *Tulane University*

**Strategic Trading Behavior, Price Distortion, and Market Depth in a Manipulated Market: Anatomy of a Squeeze**
John Merrick, *Baruch College*
Narayan Naik, *London Business School*
Pradeep Yadav, *University of Strathclyde*

**Commonality in Liquidity and Market Collapse: Theory and Application to the Market for Perps**
Chitru Fernando, *University of Oklahoma*
Richard Herring, *University of Pennsylvania*

**Discussants:**
Nisan Langberg, *Northwestern University*
Avanidhar Subrahmanyam, *University of California, Los Angeles*
Todd Pulvino, *Northwestern University*

## Managers in Corporations – *Cabo Real IV*
## Naveen Khanna, *Michigan State University*

**Corporate Culture and Organization Capital: Firm Value and Human Resource Implications**
Bhagwan Chowdhry, *University of California, Los Angeles*
Mark Garmaise, *University of California, Los Angeles*

**Determinants of Corporate Borrowing: A Behavioral Perspective**
Dirk Hackbarth, *University of California, Berkeley*

**Real Options, Agency Conflicts, and Financial Policy**
David Mauer, *Southern Methodist University*
Sudipto Sarkar, *McMaster University*

**Discussants:**
Ramana Sonti, *Tulane University*
Alex Triantis, *University of Maryland*
Avner Kalay, *University of Utah*

## Friday, June 20, 2003, 10:00 am – 10:15 am

Coffee Break - *Foyer*

## Friday, June 20, 2003, 10:15 am – 12:00 noon

### Corporate Control - *Cancun*
Paul Malatesta, *University of Washington*

**Multiple Shareholders and Control Contests**
Francis Bloch, *University Aix, Marseille*
Ulrich Hege, *HEC*

**Optimal Toeholds in Takeover Contests**
Eitan Goldman, *University of North Carolina*
Jun Qian, *Boston College*

**Sources of Gains in Horizontal Mergers: Evidence from Customer, Supplier, and Rival Firms**
C. Edward Fee, *Michigan State University*
Shawn Thomas, *University of Pittsburgh*

**Tender Offer Spreads and Merger Arbitrage**
Micah Officer, *University of Southern California*

**Discussants:**
Darius Palia, *Rutgers University*
Chris Leach, *University of Colorado, Boulder*
Anil Makhija, *Ohio State University*
Malcolm Baker, *Harvard University*



### Portfolio Choice of Individual Households - *Vallarta*
Brad Barber, *University of California, Davis*

**Local does as Local is: Information Content of the Geography of Individual Investors' Common Stock Investments**
Zoran Ivkovich, *University of Illinois, Urbana-Champaign*
Scott Weisbenner, *University of Illinois, Urbana-Champaign*

**The Local Bias of Individual Investors**
Ning Zhu, *Yale University*

**Are Italian Household Portfolios Efficient? An Analysis Conditional on Housing**
Pelizzon Loriana, *University of Padua*
Guglielmo Weber, *University of Padua*

**Taxable and Tax-Deferred Portfolio Choices: An Empirical Analysis of Tax Efficiency**
Gene Amromin, *Board of Governors of the Federal Reserve*

**Discussants:**
Mark Seasholes, *University of California, Berkeley*
Annette Vissing-Jorgensen, *Northwestern University*
Clemens Sialm, *University of Michigan*
Payout Policy – *Cabo Real II*
Laurie Hodrick, *Columbia University*

### Payout Policy - *Cabo Real II*
Laurie Hodrick, *Columbia University*

**Stock Repurchase Waves: An Explanation of the Trends in Aggregate Corporate Payout Policy**
Amy Dittmar, *Indiana University*
Robert Dittmar, *Indiana University*

**Do Dividend Surprises Signal Future Profitability?**
Upinder Dhillon, *Binghamton University*
Kartik Raman, *Bentley College*
Gabriel Ramirez, *Kennesaw State University*

**Payout Policy in the 21st Century**
Alon Brav, *Duke University*
John R. Graham, *Duke University*
Campbell R. Harvey, *Duke University*
Roni Michaely, *Cornell University*

**Discussants:**
Francisco Pérez, *Columbia University*
Kose John, *New York University*
Jennifer Koski, *University of Washington*

## Empirical Microstructure – *Cabo Real III*
## Charles Jones, *Columbia University*

**Price Discovery in the Equity Options Market: An Integrated Analysis of Trades and Quotes**
Yusif Simaan, *Fordham University*
Liuren Wu, *Fordham University*

**Ripples Through Markets: Inter-market Impacts Generated by Large Trades**
Andrew Ellul, *Indiana University*

**Common Cents? Tick Size, Trading Costs, and Mutual Fund Performance**
Nicolas P.B. Bollen, *Vanderbilt University*
Jeffrey Busse, *Emory University*

**Discussants:**
Robert Battalio, *University of Notre Dame*
Patrik Sandas, *University of Pennsylvania*
Larry Harris, *University of Southern California*

## Emerging Markets – *Cabo Real IV*
## Warren Bailey, *Cornell University*

**Capital Controls, Liberalizations, and Foreign Direct Investment**
Mihir A.Desai, *Harvard University*
C. Fritz Foley, *University of Michigan*
James R. Hines Jr., *University of Michigan*



**Evidence on the Foreign Share Discount Puzzle in China: Liquidity or Information Asymmetry?**
Kalok Chan, *Hong Kong University of Science and Technology*
Albert J. Menkveld, *Vrije Universiteit Amsterdam*
Zhishu Yang, *Tsinghua University, Beijing*

**Capital Account Liberalization: Allocative Efficiency or Animal Spirits**
Anusha Chari, *University of Michigan*
Peter Blair Henry, *Stanford University*

**Growth Volatility and Equity Market Liberalization**
Geert Bekaert, *Columbia University*
Campbell R. Harvey, *Duke University*
Christian Lundblad, *Indiana University*

**Discussants:**
Nandini Gupta, *University of Michigan*
Y. Peter Chung, *University of California, Riverside*
John Wald, *Rutgers University*
Yasushi Hamao, *University of Southern California*

# Friday, June 20, 2003, 12:15 pm – 2:00 pm

WFA 2003 Annual Meeting and Luncheon – *Cabo Real I*
Keynote Speaker: Richard Kihlstrom, University of Pennsylvania

# Friday, June 20, 2003, 2:45 pm – 4:30 pm

## Empirical Corporate Finance – *Cabo Real II*
## John McConnell, *Purdue University*

**Control Benefits and CEO Discipline in Automatic Bankruptcy Auctions**
B. Espen Eckbo, *Dartmouth College*
Karin S.Thorburn, *Dartmouth College*

**Structural Models and Endogeneity in Corporate Finance**
Jeffrey L. Coles, *Arizona State University*
Michael L. Lemmon, *University of Utah*
J. Felix Meschke, *Arizona State University*

**Industry Structure and Value-Motivated Conglomeration**
Timothy R. Burch, *University of Miami*
Vikram Nanda, *University of Michigan*
M.P.Narayanan, *University of Michigan*

**Discussants:**
Henri Servaes, *London Business School*
Lemma Senbet, *University of Maryland*
Nicole Boyson, *Purdue University*

## On the Bubble – *Cabo Real III*
Jay Ritter, *University of Florida*

**Investor Behavior over the Rise and Fall of Nasdaq**
John Griffin, *Arizona State University*
Jeffrey Harris, *University of Delaware*
Selim Topaloglu, *Purdue University*

**Internet Stock Message Boards and Stock Returns**
Werner Antweiler, *University of British Columbia*
Murray Z. Frank, *University of British Columbia*

**Stock Market as a "Beauty Contest": Investor Beliefs and Price Bubbles sans Dividend Anchors**
Shinichi Hirota, *Yale University*
Shyam Sunder, *Yale University*

**Discussants:**
Jason Karceski, *University of Florida*
Terrance Odean, *University of California, Berkeley*
Utpal Bhattacharya, *Indiana University*



## Banking - *Cancun*
Mark Flannery, *University of Florida*

**Competing for Securities Underwriting Mandates: Banking Relationships and Analyst Recommendations**
Alexander Ljungqvist, *New York University*
Felicia Marston, *University of Virginia*
William Wilhelm, *University of Virginia*

**Credit Risk Analysis and Security Design**
Roman Inderst, *London School of Economics*
Holger Mueller, *New York University*

**The Role of Banks in the Market for Liquidity**
Evan Gatev, *Boston College*
Philip Strahan, *Boston College*

**Discussants:**
Ajay Khorana, *Georgia Institute of Technology*
Ernst-Ludwig von Thadden, *Universite de Lausanne*
George Pennacchi, *University of Illinois, Urbana-Champaign*

## Option Pricing - *Vallarta*
Robert Whaley, *Duke University*

**Alternative Performance of Currency Option Pricing Models: A Study of the Japanese Yen**
Brice Dupoyet, *University of Washington*

**Specification Tests and Market Prices of Risk: Evidence from Option Prices**
Mark Broadie, *Columbia University*
Mikhail Chernov, *Columbia University*
Michael Johannes, *Columbia University*

**Stochastic Dominance Bounds on American Option Prices in Markets with Frictions**
George Constantinides, *University of Chicago*
Stylianos Perrakis, *Concordia University*

**Discussants:**
Jeremy Berkowitz, *University of Houston*
Gurdip Bakshi, *University of Maryland*
Nicolas Bollen, *Vanderbilt University*

Risk and Return of Non-Standard Investments–*Cabo Real IV*
Tobias Moskowitz, *University of Chicago*

**The Cash Flow, Return, and Risk Characteristics of Private Equity**
Alexander Ljungqvist, *New York University*
Matthew Richardson, *New York University*

**An Econometric Model of Performance Smoothing and Illiquidity in Hedge Fund Returns**
Mila Getmansky, *MIT*
Andrew W. Lo, *MIT*
Igor Makarov, *MIT*

**Do Hedge Funds Have Enough Capital? A Value-at-Risk Approach**
Anurag Gupta, *Case Western Reserve University*
Bing Liang, *Case Western Reserve University*

**Discussants:**
Antoinette Schoar, *MIT*
William Goetzmann, *Yale University*
Todd Pulvino, *Northwestern University*

## Friday, June 20, 2003, 5:00 pm – 6:00 pm

SFS Annual Meeting – *Ixtapa Room*

## Friday, June 20, 2003, 6:00 pm – 8:00 pm

Review of Financial Studies/Barclay Global Investors Reception - *Pergolas I*

## Saturday, June 21, 2003, 7:00 am – 8:30 am

Wharton Research Data Services Breakfast – *El Quetzal*



## Saturday, June 21, 2003, 8:15 am - 10:00 am

Financial Econometrics - *Cancun*
Pedro Santa-Clara, *University of California, Los Angeles*

**Maximum Likelihood Estimation of Latent Affine Processes**
David S. Bates, *University of Iowa*

**Analytic Evaluation of Volatility Forecasts**
Torben G. Andersen, *Northwestern University*
Tim Bollerslev, *Duke University*
Nour Meddahi, *University of Montreal*

**Inference about Survivors**
Robert Stambaugh, *University of Pennsylvania*

**Discussants:**
Bjorn Eraker, *Duke University*
Rossen Valkanov, *University of California, Los Angeles*
Peter Bossaerts, *California Institute of Technology*

Risk Management - *Vallarta*
Bernadette Minton, *Ohio State University*

**Dynamic Risk Management: Theory and Evidence**
Frank Fehle, *University of South Carolina*
Sergey Tsyplakov, *University of South Carolina*

**Do Banks Hedge in Response to the Financial Distress Costs?**
Amiyatosh Purnanandam, *Cornell University*

**Do Bank Risk Management and Regulatory Policy Reduce Risk in Banking?**
Loriana Pelizzon, *University of Padua*
Stephen M Schaefer, *London Business School*

**Discussants:**
David Haushalter, *Susquehanna International Group*
N.K. Chidambaran, *Rutgers University*
David C. Smith, *Federal Reserve Board*

Disclosure – *Cabo Real IV*
Michael Fishman, *Northwestern University*

**Accounting Transparency and the Term Structure of Credit Spreads**
Fan Yu, *University of California, Irvine*

**Is CEO Certification of Earnings Numbers Value-Relevant?**
Utpal Bhattacharya, *Indiana University*
Peter Groznik, *Indiana University*
Bruce Haslem, *Indiana University*

**Getting Bad News Out Early: Does it Really Help Stock Prices?**
Christopher T. Downing, *Federal Reserve Board*
Steven Sharpe, *Federal Reserve Board*

**Discussants:**
Jennifer Carpenter, *New York University*
Paola Sapienza, *Northwestern University*
Luca Benzoni, *University of Minnesota*

Behavioral Finance – *Cabo Real II*
Avanidhar Subrahmanyam, *University of California, Los Angeles*

**Individual Investor Sentiment and Comovement in Small Stock Returns**
Alok Kumar, *Cornell University*
Charles M.C. Lee, *Cornell University*

**Does Investor Misvaluation Drive the Takeover Market?**
Ming Dong, *York University*
David Hirshleifer, *Ohio State University*
Scott Richardson, *University of Pennsylvania*
Siew Hong Teoh, *Ohio State University*

**Stock Market Returns: A Temperature Anomaly**
Melanie Cao, *York University*
Jason Wei, *University of Toronto*

**Discussants:**
Spencer Martin, *Arizona State University*
David Robinson, *Columbia University*
Tyler Shumway, *University of Michigan*



Governance – *Cabo Real III*
Diane Denis, *Purdue University*

**Corporate Governance Convergence by Contract: Evidence from Cross-Border Mergers**
Arturo Bris, *Yale University*
Christos Cabolis, *Yale University*

**Industries, Investment Opportunities, and Corporate Governance Structures**
Stuart Gillan, *University of Delaware*
Jay Hartzell, *University of Texas, Austin*
Laura Starks, *University of Texas, Austin*

**Corporate Governance and Conditional Skewness around the World**
Kee-Hong Bae, *Korea University*
John Wei, *Hong Kong University of Science and Technology*

**Discussants:**
Kathryn Dewenter, *University of Washington*
Rohan Williamson, *Georgetown University*
Atulya Sarin, *Santa Clara University*

**Saturday, June 21, 2003, 10:0 0am – 10:15 am**

Coffee Break - *Foyer*

**Saturday, June 21, 2003, 10:15 am – 12:00 noon**

Asset Pricing – *Cabo Real II*
Martin Lettau, *New York University*

**Tests of the APT with a Dynamic Factor Structure and Multivariate Stochastic Volatility**
Federico Nardari, *Arizona State University*
John T. Scruggs, *University of Georgia*

**Expected Return and Asset Pricing**
Alon Brav, *Duke University*
Reuven Lehavy, *University of Michigan*
Roni Michaely, *Cornell University*

**Do Forecasts of Stock Returns also Forecast Covariances?**
Greg Duffee, *University of California, Berkeley*

**Discussants:**
Tim Simin, *Pennsylvania State University*
Wayne Ferson, *Boston College*
Kris Jacobs, *McGill University*

## Executive Compensation – *Cabo Real III*
Wayne Guay, *University of Pennsylvania*

**Can Managerial Superiority Explain High Executive Pay in Large Firms?: Evidence Supportive of Rosen's "Cloning" Hypothesis**
Teddy Oetomo, *University of Sydney*
Peter Swan, *University of New South Wales*

**Do Stock Prices Incorporate the Potential Dilution of Employee Stock Options?**
Gerald Garvey, *Claremont Graduate University*
Todd Milbourn, *Washington University, St. Louis*

**Optimal Exercise and Valuation of Executive Stock Options**
Ashay Kadam, *University of Michigan*
Peter Lakner, *New York University*
Anand Srinivasan, *University of Georgia*

**CEO Incentives and Earnings Management: Evidence from the 1990s**
Daniel Bergstresser, *Harvard University*
Thomas Philippon, *MIT*

**Discussants:**
John Core, *University of Pennsylvania*
Jarrad Harford, *University of Washington*
Anna Pavlova, *MIT*
Richard Frankel, *MIT*



## Information and Asset Prices – *Cancun*
Jennifer Conrad, *University of North Carolina*

**Uncertainty Risk and the Cross-sectional Returns—Theory and Evidence**
Zhe Zhang, *University of Iowa*

**The Impact of Illegal Insider Trading in Dealer and Specialist Markets: Evidence from a Natural Experiment**
Raymond P.H. Fishe, *University of Miami*
Michel A. Robe, *American University*

**Private Information Trading and Corporate Governance in Emerging Markets**
Olesya V. Grishchenko, *New York University*
Lubomir Litov, *New York University*
Jianping Mei, *New York University*

**Discussants:**
Zhenyu Wang, *Columbia University*
Steve Slezak, *University of Cincinnati*
Simon Gervais, *University of Pennsylvania*

## Corporate Theory - *Vallarta*
Ronald Giammarino, *University of British Columbia*

**Investment-Cash Flow Sensitivities: Constrained versus Unconstrained Firms**
Nathalie Moyen, *University of Colorado, Boulder*

**A Contracting Approach to Corporate Bankruptcy and Debt Structure**
Erik Berglof, *Stockholm School of Economics*
Gerard Roland, *University of California, Berkeley*
Ernst-Ludwig von Thadden, *Universite de Lausanne*

**Bidding with Securities: Auctions and Security Design**
Peter DeMarzo, *Stanford University*
Ilan Kremer, *Stanford University*
Andy Skrzypacz, *Stanford University*

**Discussants:**
Gilles Chemla, *University of British Columbia*
Sugato Bhattacharyya, *University of Michigan*
Burton Hollifield, *Carnegie Mellon University*

Does Location Matter? – *Cabo Real IV*
Joshua Coval, *Harvard University*

**Thy Neighbors Portfolio: Word-of-Mouth Effects in the Holdings and Trades of Money Managers**
Harrison Hong, *Stanford University*
Jeffrey Kubik, *Syracuse University*
Jeremy Stein, *Harvard University*

**Distance Still Matters: Evidence from Municipal Bond Underwriting**
Alexander W. Butler, *Rice University*

**Look Homeward, Investor**
Andriy Bodnaruk, *Stockholm School of Economics*

**Discussants:**
Anna Scherbina, *Harvard University*
Long Chen, *Michigan State University*
Kai Li, *University of British Columbia*



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Call for Papers and Participants
2004 ANNUAL MEETINGS OF
THE WESTERN FINANCE ASSOCIATION
June 23, 2004 to June 26, 2004
The Fairmont Waterfront, 900 Canada Place Way
Vancouver, BC V6C 3L5

Members and friends of the Western Finance Association are invited to submit papers to be considered for presentation at the 2004 Annual Meetings. Papers on any topic related to financial economics will be considered.

**Submission of papers** The WFA web site, *http://www.westernfinance.org*, will contain full instructions for submission, including required on-line registration, creation of the required cover page, the submission fee, and other vital instructions, starting on September 14, 2003. The submission fee will be waived for qualifying Ph.D. students. The deadline for submissions will be November 14, 2003. Papers will be reviewed anonymously by two members of the Program Committee, and authors will be notified of the Program Committee's decisions in February 2004.

**Best Paper Awards** (subject to change)

*Trefftzs Award* of $2,000 for the best student paper. Ph.D. students who have neither received their degree nor assumed a regular faculty position by the submission deadline should indicate eligibility for this award with their submissions.

*Society of Quantitative Analysts Award* of $2000 for the student paper of most relevance to quantitative practitioners.

*Caesarea Center Award* of $2,000 for the best paper on risk management.

*NASDAQ Award* of $2,000 for the best paper on capital formation.

*New York Stock Exchange Award* of $2,000 for the best paper on equity trading.

*WFA Corporate Finance Award* of $2,000 for the best corporate finance paper.

**Program Chair** Professor Ravi Jagannathan, *Northwestern University*
**Associate Program Chair** Professor Kathleen Hagerty, *Northwestern University*

**E-mail:** *wfa2004@kellogg.northwestern.edu*

WESTERN FINANCE

# WFA

ASSOCIATION

# 2003 PROGRAM

## Late Changes and Notes

38th Annual Conference
of the
Western Finance Association

Meliá Cabo Real
Convention Center Beach & Golf Resort
Los Cabos, Mexico

June 18-21, 2003

## Special Events

The MIT Press/Oxford University Press Breakfast scheduled for Friday, June 20, 2003 from 7:00am – 8:30am has been canceled.

## Paper Sessions

### Portfolio Choice – Vallarta
Thursday, June 19, 2003, 8:15am – 10:00am

Tobias Moskowitz of the University of Chicago will discuss "Hedging, Stock Market Participation, and Portfolio Choice" by Massimo Massa and Andrei Simonov.

### Liquidity – Vallarta
Thursday, June 19, 2003, 2:45pm – 4:30pm

Lubos Pastor of the University of Chicago will discuss "Asset Pricing with Liquidity Risk" by Viral V. Acharya and Lasse H. Pedersen.

### Default Risk and Asset Prices – Cancun
Thursday, June 19, 2003, 2:45pm – 4:30pm

Stephen Schaefer of the London Business School will discuss "Are Jumps in Corporate Bond Yields Priced? Modeling Contagion via the Updating of Beliefs" by Pierre Collin Dufresne, Robert Goldstein, and Jean Helwege

### New Frontiers – Cancun
Friday, June 20, 2003, 8:15am – 10:00am

Soeren Hvidkjaer of the University of Maryland will discuss "A Simple Theory of the "Cubic" Laws of Stock Market Activity" by Xavier Gabaix, Parameswaran Gopikrishnan, Vasiliki Plerou, and H. Eugene Stanley.



### Banking – Cancun
Friday, June 20, 2003, 2:45pm – 4:30pm

Kasturi Rangan of the Case Western Reserve University will chair the session.

### On the Bubble – Cabo Real III
Friday, June 20, 2003, 2:45pm – 4:30pm

Mark Seasholes will discuss "Internet Stock Message Boards and Stock Returns" by Werner Antweiler and Murray Z. Frank.

### Corporate Theory – Vallarta
Saturday, June 21, 2003, 10:15am – 12:00noon

Murray Carlson of the University of British Columbia will chair the session.