PROGRAM

Twenty-Eighth Annual Conference of the Western Finance Association

Chateau Whistler Resort
British Columbia
Canada
June 20-23, 1993
WESTERN FINANCE ASSOCIATION

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

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

The Association is an international organization with membership open to individuals from both the academic and professional community and to institutions. Membership includes subscriptions to any occasional or regular publications sponsored or co-sponsored by the Association. The 1993 membership dues ($US75.00) entitle the member to receive a notice of the annual meetings and a copy of the annual program, and (b) a reduction in the registration fee at the annual meetings. Members may also elect to pay in additional $US16.50 and receive the special issue of the Review of Financial Studies that contains papers presented at the symposium held at the 1993 WFA meetings (co-sponsored by Society for Financial Studies).

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

Professor Alan Hess
Secretary-Treasurer, WFA
Graduate School of Business Administration
University of Washington
D3-10
Seattle, WA 98195

A call for papers and participants for the 1994 conference of the Western Finance Association appears on the program's final page.
REGISTRATION INFORMATION

All sessions will be held at the Chateau Whistler Resort, Whistler, British Columbia, Canada. Use the enclosed/reservation card to obtain convention rates and mail as directed.

On-Site registration will be located in the Lobby during the conference beginning at 4:00 p.m., Sunday, June 20, 1993.

PRE-REGISTRATION

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

Professor Alan Hess
Secretary-Treasurer, WFA
School of Business Administration
University of Washington D1-10
Seattle, WA 98195

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

Pre-
On-Site
Registration
Registration

WFA member and/or participant $30.00 $55.00
Non-member $65.00 $75.00
Student no charge $30.00

Annual meeting, luncheon and featured speaker $26.00

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

ON-SITE REGISTRATION

Sunday, June 20, 4:00 p.m. - 8:00 p.m.
Monday, June 21, 8:00 a.m. - 5:00 p.m.
Tuesday, June 22, 8:00 a.m. - 12:00 noon

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

PROGRAM ADVERTISING

Alan Hess, University of Washington

WESTERN FINANCE ASSOCIATION

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1993 PROGRAM COMMITTEE

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Eric Hughison, California Institute of Technology
Charles J. Jacklin, Stanford University
Ravi Jagannathan, University of Minnesota
Christopher M. James, University of Florida
WFA Program Summary

Sunday, June 26

4:00 - 8:00 p.m. REGISTRATION - Frontrac Foyer
6:00 - 9:00 p.m. Reception - Empress A, B, C

Monday, June 27

7:00 - 8:15 a.m.
New York Stock Exchange Breakfast Seminar - Frontrac C

8:30 - 10:15 a.m.
Symposium: Foreign Exchange - Frontrac A
Announcement Effects of Financing Decisions - Frontrac B
Banking Regulation I - Empress A

Insider Trading - Empress B

Coffee Break

10:30 a.m. - 12:15 p.m.
Asset Pricing Theory - Frontrac A
Commodity Contingent Claims - Frontrac B
Ownership, Monitoring and Control - Frontrac C
Performance Evaluation - Empress A

Tax Effect on Asset Prices - Empress B

Lunch Break

1:45 - 2:15 p.m.
Society for Financial Studies; Membership Meeting - Empress B

2:30 - 4:45 p.m.
Symposium - Exchange Rates and Derivatives - Frontrac A
Costs of Institutional Trading - Frontrac B
Econometric Methods - Frontrac C
Investor Reaction to Information - Empress A

5:00 - 6:30 p.m.
WFA EXECUTIVE COMMITTEE and BOARD OF DIRECTORS
MEETING - Laurent Boardroom

5:30 - 7:30 p.m. No Host Cocktails - Frontrac Foyer
Tuesday, June 22

7:00 - 8:15 a.m.
Chicago Board of Trade Breakfast Seminar - Fronenac C

8:30 - 10:15 a.m.
Symposium—Japanese Equity Markets - Fronenac A
Asset Pricing with Stochastic Volatility - Fronenac B
Takeovers - Empress A
Banking Regulation I - Empress B

Coffee Break

10:30 a.m. - 12:15 p.m.
Financial Contracting - Fronenac A
Intraday Stock Price Dynamics - Fronenac B
Volatility and Equity Risk - Empress A
Fixed Income Markets - Empress B

12:30 - 2:15 p.m.
ANNUAL MEETING and Luncheon - Fronenac C
Distinguished Speaker: Alan Kraus, University of British Columbia

2:30 - 4:45 p.m.
Market Microstructure—Theory - Fronenac A
Symposium—Linksages Among Equity Markets - Fronenac B
Stock Index Derivatives - Empress A
Stock Price Reactions to Announcements - Empress B

5:30 - 7:30 p.m. No Host Cocktails - Fronenac Poynt

WFA Program Summary

Wednesday, June 23

8:00 - 10:15 a.m.
Empirical Studies of Market Making - Fronenac A
Multifactor Models of Asset Returns - Fronenac B
Capital Structure—Theory - Fronenac C
Initial Public Offerings - Empress A

Coffee Break

10:30 a.m. - 12:15 p.m.
Fees and Transaction Costs - Fronenac A
Banking - Fronenac B
Empirical Corporate Finance - Fronenac C
Derivative Securities - Empress A

AWARD WINNERS

Twitfts Awards for Best Student Papers

Edith Hochkins, New York University
"The Post-Bankruptcy Performance of Firms Emerging from Chapter 11"

Edward F. Neiting, University of Pennsylvania
"The Hidden Cost of Large Trades: The Price Effects of 'Shopping the Block'"

American Association of Individual Investors Award for Best Paper on Investments

Campbell R. Harvey, Duke University
"Predictable Risk and Returns in Emerging Markets"

Chicago Board of Trade Award for Best Paper on Futures

Paul A. Laux, University of Texas at Austin
"Intraday Price Formation in the Stock Index Futures Market"

New York Stock Exchange Award for Best Paper on Equity Trading

Wayne Ferson, University of Washington
Robert Korajczyk, Northwestern University
"De Arbitrage Pricing Models Explain the Predictability of Stock Returns?"

The Role of Growth Opportunities in Stock Price Reactions to Common Stock Offerings: Tree Cash Flow Hypothesis or Informational Signaling Hypothesis - Hei-Wai Lee, University of South Florida

Discussion:
Ron Michaelson, Cornell University
Bony Ofer, Northwestern University
Esben Eckbo, University of British Columbia

BANKING REGULATION I - Empress A
Chair: Christopher M. James, University of Florida

Self-Interested Bank Regulation: Theory and Policy - Implications - Arneid W. A. Boot, University of Amsterdam and Anjan V. Thakor, Indiana University

Bank Regulatory Triage: Optimal Closure Rules and An Economic Explanation of Forbearance - Raman Kumar and George E. Morgan, Virginia Polytechnic Institute and State University

Rent, Regulation, and Risk-Taking in the Banking Industry - Thomas H. Noe and Michael J. Rebello, Georgia State University and Larry D. Wall, Federal Reserve Bank of Atlanta

Discussion:
Helena Malina, University of British Columbia
Sankarshan Acharya, Federal Reserve Board
Christopher James, University of Florida

ANNOUNCEMENT EFFECTS OF FINANCING DECISIONS - Fronmec B
Chair: Martin O'Hara, Cornell University

Cash Flow Signalling Hypothesis vs. Free Cash Flow Hypothesis: The Case of Dividend Change Announcements - Pyung Sig Yoon and Laura T. Steck, University of Texas at Austin

INSIDER TRADING - Empress B
Chair: Allan Kiehne, Stanford University

Insider Trading, Outside Search and Resource Allocation: Why Firms and Society May Disagree on Insider Trading Restrictions - Michael Bradley, Naveen Khanna and Steven L. Slezen, University of Michigan

Private Information, Market Efficiency and Insider Trading: A Rational Expectations Approach - Thomas J. George, Ohio State University and H. Nejat Seyhan, University of Michigan
Insider Trading and Antitakeover Measures - Ken John and Larry H. P. Lang, New York University and Feng-Ting L. Shih, Rider College

Discussants:
Matthew Spiegel, University of California at Berkeley
Bruce Grundy, University of Pennsylvania
Esben Eckbo, University of British Columbia

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

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

ASSET PRICING THEORY - Frontenac A
Chair: Hua He, University of California at Berkeley

Production and the Real Rate of Interest: A Sample Path Equilibrium - David Feldman, University of Illinois at Chicago
Nonlinearities in Asset Prices and Informed Noise Trading - Pierfriggi Baldi, New York University, Giuseppe Bertola, Princeton University and Silveta Foresi, New York University

Discussants:
Steven Hanson, Yale University
S. Maksimovic, Washington University
Jiang Wang, Massachusetts Institute of Technology

COMMODITY CONTINGENT CLAIMS - Frontenac B
Chair: Kenneth J. Singleton, Stanford University

The Valuation of Commodity Contingent Claims - Gonzalo Cowan and Eduardo S. Schwartz, University of California at Los Angeles
Price Dynamics in Physical/Commodity Spot and Futures Markets: Spreads, Spillovers, Volatility, and Convergence in Refined Petroleum Products - Victor K. Ng and Stephen Craig Parong, University of Michigan
Backwardation in Oil Futures Markets: Theory and Empirical Evidence - Robert H. Litzenberger and Nir Rabinowitz, University of Pennsylvania

Discussants:
Suresh Sundaresan, Columbia University
Peter Bossaerts, California Institute of Technology
Gordon Phillips, Purdue University

OWNERSHIP, MONITORING AND CONTROL - Frontenac C
Chair: Artur Raviv, Northwestern University

Large Shareholder Activism, Risk Shifting, and Financial Market Equilibrium - Anat R. Admati and Paul Pfleiderer, Stanford University and Josef Zechner, University of British Columbia
Majority Owner-Managers and Organization Efficiency - David J. Denis and Diane K. Denis, Virginia Polytechnic Institute and State University
Corporate Takeovers, Firm Performance, and the Board of Directors - Omesh Kini and William A. Kracaw, Pennsylvania State University and Shehzad Mian, Emory University

Discussants:
Kathleen Hagerty, Northwestern University
M. P. Narayanan, University of Michigan
Avin Klay, Tel Aviv University

PERFORMANCE EVALUATION - Empress A
Chair: Mark Grinblatt, University of California at Los Angeles

The Pricing of Closed-End Funds: Discounts and Managerial Performance - J. B. Chay, University of Auckland and Charles Trzcinka, State University of New York at Buffalo
The Performance of Bond Mutual Funds - Christopher R. Blake, Fordham University, Edwin J. Elton and Martin J. Gruber, New York University
Attrition and Mutual Fund Performance, Evidence From a Survivorship-Bias Free Database - William N. Goetzmann, Columbia University and Stephen J. Brown, New York University

Discussants:
Tanu Chordia, University of California at Los Angeles
Busadi Wermers, University of California at Los Angeles
Rob K遭czyk, Northwestern University
TAX EFFECTS ON ASSET PRICES - Empress B
Chair: Robert Dammon, Carnegie Mellon University

Preferred and Taxes: The Relative Price of Dividends and Coupons
Bruce D. Gravel, University of Pennsylvania

Estimation of Implicit Tax Parameters from Prices of Default Free
Bonds - Richard C. Green, Carnegie Mellon University and Bemi A. Cegarra,
University of Illinois at Chicago

International Portfolio Investment with Dividend Impatience
Taxes - John Bowers, Fowk Russell Company and Justin Wood, University of New
South Wales

Discussants:

Sugato Bhattacharya, Carnegie Mellon University
Wayne Penson, University of Washington
Frank Miller, Queen’s University

Lunch Break 12:15 - 1:45 p.m.

Monday, June 21
1:45 - 2:15 p.m.

Society for Financial Studies - Membership Meeting - Empress B

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

SYMPOSIUM—EXCHANGE RATES AND DERIVATIVES - Fronenac A
Chair: Robert Cumby, New York University

Corporate Incentives for Hedging and Hedge Accounting - Peter M. DeMarco,
Hoover Institution/Stanford University and Darrell Duffie, Stanford University

Pricing Foreign-Currency Options: A Comparison of the Modified Black-
Scholes Model and a Modified Merton Model - Dermin Lieu, National Sun Yat-
Sen University

Concentrated Trading in the Foreign Exchange Futures Markets: Adverse
Selection or Market Chopitis? - Michael Ferguson, Commodity Futures Trading
Commission, Steven C. Mann, University of Utah and Leonard J. Schleck,
Commodity Futures Trading Commission

Equilibrium Microstructure in the Foreign Exchange Market - Richard K.
Lyons, Columbia University

Discussants:

Lenna Snellet, University of Maryland
James Bodurtha, University of Michigan
Joel Habrouck, New York University
Mark Flood, Federal Reserve Bank of St. Louis

COSTS OF INSTITUTIONAL TRADING - Fronenac B
Chair: Chester Spitz, Carnegie Mellon University

for and Execution of Institutional Equity Trades - Donald Y. Keirn and Ananth
Madhavan, University of Pennsylvania

The Cost of Institutional Trading - Erik R. Sirri and Scott Bluedell, Harvard
University

The Hidden Cost of Large Trades: The Price Effects of “Stepping the
Block” - Edward F. Nelling, University of Pennsylvania

The Price, Volatility, Volume, and Liquidity Effects of Changes in Federal
Reserve Margin Requirements on both Marginable and Non-marginalable OTC
Stocks - Stephen W. Pratt and K. S. Maurice Fox, Indiana University

Discussants:

Ducar Sepic, Carnegie Mellon University
Josef Lakatos, University of Illinois at Urbana-Champaign
Bruno Iahia, Groupe HEC and Carnegie Mellon University
Eric Hughson, California Institute of Technology

ECONOMETRIC METHODS - Fronenac C
Chair: Tim Bollerslev, Northwestern University

Bayesian Analysis of Stochastic Volatility Models - Eric Jacquier, Cornell
University, Nikola G. Polson and Peter E. Kost, University of Chicago

Econometric Evaluation of Intertemporal Asset Pricing Models Using
Volatility Bounds - Lars Peter Hansen, University of Chicago, John Heaton,
Massachusetts Institute of Technology and Enzo Luciano, Northwestern University

Stock Market Returns and Dividend Yields: A Helicopter Tour -
Peter Alger and Peter K. Clark, University of California at Davis

A Multivariate Analysis of the Predictable Variation in Stock and Bond
Returns - Christopher M. Kirby, Duke University
Discussants:

Torben G. Andersen, Northwestern University
Craig Burnside, University of Pittsburgh
John Y. Campbell, Princeton University
Phillip Braun, Northwestern University

INVESTORS REACTION TO INFORMATION - Empress A
Chair: Alan Kraus, University of British Columbia

Overreaction, Delayed Reaction, and Co-Variances of Profits - Narasimhan Jegadeesh and Sheridan Titman, University of California at Los Angeles

An Empirical Analysis of Insider Trades, News and Stock Prices - R. Glen Donaldson, University of British Columbia and Frank Michlar, Princeton University

Security Analysis and Trading Patterns when Some Investors Receive Information before Others - David Hirshleifer, University of California at Los Angeles, Aroon Subrahmanyam, Columbia University and Sheridan Titman, University of California at Los Angeles


Discussions:

Werner DeBondt, University of Wisconsin at Madison
Lisa Meulbroek, Harvard University
Eric Paghson, California Institute of Technology
Burton G. Malkiel, University of British Columbia.

Monday, June 21 5:00-6:30 p.m.

WFA EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEETING - Lauder Boardroom

Monday, June 21 6:30-7:30 p.m.

No-Host Cocktails-Fronenac Foyer

Tuesday, June 22 7:00-8:55 a.m.

CHICAGO BOARD OF TRADE BREAKFAST SEMINAR - Fronenac C
Tuesday, June 23 8:30-10:15 a.m.

SYMPOSIUM—JAPANESE EQUITY MARKETS - Fronenac A
Chair: James Hodder, University of Wisconsin at Madison


The Ex-Dividend Day Behavior of Stock Prices: The Case of Japan - Kiyoshi Kato, Nanzan University and the University of Utah and Uri Loewenstein, University of Utah

An Intraday Transactions Data of Nikkei Stock Average Index Futures Price Behavior and Index Arbitrage Profitability - Y. Peter Chung, University of California at Riverside, Jun-Roo Kang and S. Glenn Peters, University of Rhode Island

Discussions:

Mark Taddy, University of Wisconsin at Madison
Ravi Jagannathan, University of Minnesota
Craig MacKinlay, University of Pennsylvania

ASSET PRICING WITH STOCHASTIC VOLATILITY - Fronenac B
Chair: Ayman Hindy, Stanford University


Pricing Stock Options in a Jump-Diffusion Model with Stochastic Volatility and Interest Rates: Applications of Fourier Inversion Methods - Louis O. Scott, University of Georgia

ARCH Processes and Option Valuation - Kausik Amin and Victor K. Ng, University of Michigan

Discussions:

Steven Heston, Yale University
Yacine Ait-Sahalia, Massachusetts Institute of Technology
Kenneth Singleton, Stanford University

TAKEOVERS - Empress A
Chair: Josef Zechner, University of British Columbia
The Analytics of Takeover Bidding: Initial Bids and Their Premia -
Sagato Bhattacharya, Carnegie Mellon University

In Defense of Defensive Measures - Oded H. Sarig, Tel Aviv University and Eli Talmor, University of California at Irvine

Are Entrenched Managers Bad Managers: An Empirical Investigation -
Lynn Pi, California State University at Hayward and Stephen G. Turnes, Georgia State University

Discussants:
Noel Stoughton, University of California at Irvine
Robert Heinkel, University of British Columbia
Larry Dann, University of Oregon

BANKING REGULATION II - Empress B
Chair: Charles J. Jacklin, Stanford University

Universal Banking: Should Banks Hold Equity in Borrowing Firms? -
Mitchell Berlin, Kose Jure and Anthony Saunders, New York University

Is the Glass-Steagall Act obsolete? A Study of the U.S. Experience with
Universal Banking before 1933 - Randall S. Kroszner and Raghuram G. Rajan,
University of Chicago

Loan Monitoring, Competition and Socially Optimal Bank Capital Regulations -
Supo C. Mazumdar, McGill University and Suk Heun Yoon, Korea Institute of Finance

Discussants:
Anjan Thakor, Indiana University
Alan Hess, University of Washington
Allen Berger, Board of Governors of the Federal Reserve

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

Tuesday, June 22

10:30 a.m.-12:15 p.m.

FINANCIAL CONTRACTING - Frontera A
Chair: Voyislav Maksimovic, University of Maryland

The Benefits of Firm-Creditor Relationships: Evidence from small business data -
Mitchell A. Petersen and Raghuram Rajan, University of Chicago

Linear Securities as Optimal Contracts in Environments with an Infinite
Number of Bad Projects - S. Abraham Ravi, Haifa University and Matthew Spiegel,
University of California at Berkeley

The Design of Bankruptcy Procedures - Milton Harris, University of Chicago and
Acar Raviv, Northwestern University

Discussants:
Alan Hess, University of Washington
Neal Stoughton, University of California at Irvine
Carliss Baldwin, Harvard University

INTRADAY STOCK PRICE DYNAMICS - Frontera B
Chair: Robert Whaley, Duke University

Testing For Effects of the Introduction of the Major Market Index Contract
on the Underlying Stocks Using Intraday Data - Hong Choi and Avanidhar
Subrahmanyam, Columbia University

Intraday Price Formation in the Stock Index Futures Market - Paul A. Laux,
University of Texas at Austin

Dynamic Price Discovery - Putten Hinda and Robert Schwartz, New York University

Discussants:
Tao Koo, New York University
Jayaram Mathuswamy, National University of Singapore
Peter Carr, Cornell University

VOLATILITY AND EQUITY RISK - Empress A
Chair: Shamsul Kandil, Tel Aviv University

Myopic Loss Aversion and the Equity Premium Puzzle - Shlomo Benartzi and
Richard H. Thaler, Cornell University

Asset Return Volatility with Extremely Small Costs of Consumption Adjustment -
David Marshall, Northwestern University

Nonlinearities in the Relation between the Equity Risk Premium and the
Term Structure - Jacob Boudoukh, New York University, Matthew Richardson,
University of Pennsylvania and Robert F. White, New York University
FIXED INCOME MARKETS - Empress B

Chair: Walter Torous, University of California at Los Angeles


Pool Heterogeneity and Rational Learning: The Valuation of Mortgage-Backed Securities - Richard Stanton, University of California at Berkeley

Negative Put and Call Prices Implicit in Callable Treasury Bonds - Michael T. Edison, Harvard University; David Fehr, ARGYL Associates; and Scott P. Mason, Harvard University

Discussions:

Kent Daniel, University of Chicago
Jonathan Berk, University of British Columbia
Bruce Tuckman, New York University/University of California at Los Angeles

Tuesday, June 22 12:30 - 2:15 p.m.

ANNUAL MEETING AND LUNCHEON - Fronenac C

Distinguished Speaker: Alastair Macdonald, University of British Columbia

MARKET MICROSTRUCTURE- THEORY - Fronenac A

Chair: Kathleen Hagger, Northwestern University

Strategic Trading with Asymmetrically Informed Traders and Long-Lived Information - F. Douglas Foster and S. Venkatesh, Duke University

Limit and Market Orders with Optimizing Traders - Praveen Kumar and Duane Seppi, Carnegie Mellon University

Saturday, June 22 2:30 - 4:45 p.m.

Os Intraday Risk Premia - Matthew Spiegel, University of California at Berkeley and Arvind Subramanian, Columbia University

Market Making and the Bundling of Financial Services - Richard R. Linsey, Yale University

Discussions:

Costas Skiadas, Northwestern University
Ananth Madhavan, University of Pennsylvania
Erno Luttmer, Northwestern University
Ruth Freydenman, University of British Columbia

SYMPOSIUM—LINKAGES AMONG EQUITY MARKETS - Fronenac B

Chair: Philippe Bonjean, University of California at Irvine

Economic News and Equity Market Linkages Between the U.S. and U.K. - Kent G. Reeker, Temple University; Joseph E. Flannery, University of Illinois; and Joseph Friedman, Temple University

Predictable Risk and Returns in Emerging Markets - Campbell R. Harvey, Duke University

Closed-end Country Funds and U.S. Market Sentiment - James N. Bodurtha Jr., University of Michigan; Dong-Soon Kim; Swang Yeong Research Institute; and Charles M. C. Lee, University of Michigan


Discussions:

Yasuhiro Hamao, Columbia University
Aziz Dwecha, BARRA
Jeffrey Pontiff, University of Washington
Geert Rouwenhorst, Yale University

STOCK INDEX DERIVATIVES - Empress A

Chair: Hans Stelt, Vanderbilt University

The Rationality of Early Exercise Decisions: Evidence from the S&P 100 Index Options Market - Fernando Diz and Tom Flinucane, Syracuse University
**Pricing of Stock Index Futures Spreads: Theory and Evidence** - Pradeep K. Yadav, University of Strathclyde and Peter V. Pope, University of Strathclyde/New York University

**Direct Tests of Index Arbitrage Models** - Robert Neal, University of Washington and United States Securities and Exchange Commission

**The Integration of Stock Futures, Options, and Option Market Returns** - Jeff Fleming, Barbara Bennett Ostdiek and Robert E. Whaley, Duke University

**Discussants:**
- Craig Lewis, Vanderbilt University
- George Ioannou, New York Stock Exchange
- Hendrik Bessembinder, Arizona State University
- Craig MacKinlay, University of Pennsylvania

**STOCK PRICE REACTIONS TO ANNOUNCEMENTS** - Erpess B
Chair: Joel Lakonishok, University of Illinois at Urbana-Champaign

**Ex-Dividend Price Behavior of Common Stocks: New Support for an Old Theory** - John H. Boyd and Ravi Jagannathan, Federal Reserve Bank of Minneapolis and University of Minnesota

**Stock Split Signaling and Reputations** - Eugene Millette, University of Wyoming and Timothy Manaul, University of Montana

**Timing of Annual Earnings Announcements and Information Asymmetry** - Belinda Macklow and Ken Shaw, University of Wisconsin at Madison

**The Choice Between Dividends and Stock Repurchases and their Interrelated Information Content** - Svetlana Kamina, Indiana University, George Yanitides, University of South Florida and Steven Raymer, Fordham University

**Discussants:**
- Stephen Brown, New York University
- David Ebenberry, Rice University
- Charles Lee, University of Michigan
- Laurie Bagwell, Northwestern University

**Wednesday, June 23 8:30-10:15 a.m.**

**EMPIRICAL STUDIES OF MARKET MAKING** - Frontenac A
Chair: Donald Keim, University of Pennsylvania

- Entry, Exit, Market Makers and the Bid-Ask Spread - Sunil Wahal, University of North Carolina at Chapel Hill
- Life in the Pit: Competitive Marketmaking and Inventory Control - Steven Manens and Steven C. Mann, University of Utah
- The Market for Market Makers: An Empirical Analysis of Intraday Quote and Trade Activity for NASDAQ Stocks - R.C. Chan, Ohio State University, William G. Chrissie, Vanderbilt University and Paul H. Schultz, Ohio State University

**Discussants:**
- Joel Huberbruck, New York University
- Ananth Madhavan, University of Pennsylvania
- Lawrence Harris, University of Southern California

**MULTIFACTOR MODELS OF ASSET RETURNS** - Frontenac B
Chair: Bruce N. Lehmann, University of California at San Diego

- Do Arbitrage Pricing Models Explain The Predictability of Stock Returns? - Wayne Ferson, University of Washington and Robert Korjczyk, Northwestern University
- Distinguishing Among Asset Pricing Theories: An Ex Ante Analysis - A. Craig MacKinlay, University of Pennsylvania

**Discussants:**
- Peter Knez, University of Wisconsin at Madison
- Narasimhan Jagadeesh, University of California at Los Angeles
- John Heaton, Massachusetts Institute of Technology

**Tuesday, June 21 5:30-7:30 p.m.**

**No Host Cocktails-Frontenac Foyer**

**CAPITAL STRUCTURE - THEORY** - Frontenac C
Chair: Lemont Stolitzer, University of Maryland
The Design of Internal Control and Capital Structure - Elazar Berkovich and Ronen Israel, University of Michigan

Agency, Capital Structure and Equilibrium - Joseph T. Williams, University of British Columbia


Discussants:
Sanjukta Ashary, Federal Reserve Board
Raghuram Rajan, University of Chicago
Laurie Simon Bagwell, Northwestern University

INITIAL PUBLIC OFFERINGS - Empress A

Chair: Mark Weisweiler, University of Southern California

The Decision to Go Public: An Empirical Study of Swedish Corporations - Kenneth Higheim, Swedish School of Economics and Kristian Rydqvist, Stockholm School of Economics

Evidence on the Strategic Allocation of Initial Public Offerings - Yandhrum Weiss Hatley, University of Michigan and William J. Wilhelm, Boston College

Equity Offerings Following the IPO: Theory and Evidence - Ivo Welch, University of California at Los Angeles

Discussants:
Narasimhan Jegadeesh, University of California at Los Angeles
Vikram Nanda, University of Southern California
Jay Ritter, University of Illinois

Coffee Break

10:15-10:30 a.m.

Wednesday, June 23 10:30 a.m.-12:15 p.m.

FEES AND TRANSACTION COSTS - Frotenae A

Chair: Francis Longstaff, University of California at Los Angeles

Holding Costs and Equilibrium Arbitrage - Bruce Tuckman, New York University and University of California at Los Angeles and Jean-Luc Villa, Massachusetts Institute of Technology

The Effects of Transaction Costs on Consumption and Portfolio Choice When Investment Opportunities are Changing - Hyung Keun Koo, Washington University at St. Louis

The Structure of Mutual Fund Charges - Tarun Chordia, University of California at Los Angeles

Discussants:
Francis Longstaff, University of California at Los Angeles
Avi Kames, University of Washington
Andrew Karolyi, Ohio State University

BANKING - Frotenae B

Chair: Milton Harris, University of Chicago

Information Content in Bank Lines of Credit: Evidence From the Lender’s Perspective - M. Cary Collins and Raman P. DeGenaro, University of Tennessee, Fayez A. Elryan, Southeast Missouri State University and James W. Rappleye, University of Tennessee

Bank Liquidity and Stability in an Overlapping-Generations Model - Jianping Qi, Washington University in St. Louis

Reputation, Renegotiation, and the Choice between Bank Loans and Publicly Traded Debt - Thomas Ostermar and Paolo Fulghieri, Columbia University

Discussants:
Raghuram Rajan, University of Chicago
Bruce Smith, Cornell University
Gary Gorton, University of Chicago/University of Pennsylvania

EMPIRICAL CORPORATE FINANCE - Frotenae C

Chair: Michael Fishman, Northwestern University

Financing Decisions and the Investment Opportunity Set - John M. Finkerton, Virginia Polytechnic Institute and State University and Atulya Suri, Santa Clara University

Source of Gains in Asset Sales: Fit or Focus? - Kose John and Eli Ofek, New York University
Call for Papers and Participation
1994 ANNUAL MEETINGS OF
THE WESTERN FINANCE ASSOCIATION
June 19-22, 1994
Santa Fe, New Mexico

Members and friends of the Western Finance Association are invited to submit papers to be considered for presentation at the 1994 Annual Meetings. Papers on any topic related to financial economics will be considered.

Submission of Papers:
Send four (4) copies of the paper to the Program Chairman no later than November 15, 1993. Each paper should include an abstract that will assist the program chairman in classifying it. Author names, affiliations and acknowledgments shall appear on a separate page at the beginning of the manuscript. Papers absent author identification will be reviewed by two members of the program committee. Authors will be notified of the program committee's decision regarding their paper in February, 1994. Multiple submissions by the same author or submission of papers presented at other major finance meetings reduces the chance of acceptance. Abstracts and papers accepted for publication should not be submitted.

Submission Fee:
A check for $20.00 payable to the Western Finance Association should be included with each submitted paper. The fee will be used to help defray the cost of processing the paper.

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

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

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

Submit to:
Professor Milton Harris
Graduate School of Business
University of Chicago
1101 East 58th Street
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