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

<table>
<thead>
<tr>
<th></th>
<th>Pre-Registration</th>
<th>On-site Registration</th>
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</thead>
<tbody>
<tr>
<td>WFA member</td>
<td>$50</td>
<td>$85</td>
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<tr>
<td>Non-member</td>
<td>$80</td>
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<tr>
<td>Student</td>
<td>No charge</td>
<td>$30</td>
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</tbody>
</table>

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 Luncheon, 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
President-Elect | Philip H. Dylwig, Washington University in Saint Louis
Vice President | René Stultz, Ohio State University
Secretary-Treasurer | Robert Dammon, Carnegie Mellon University
Past President | Wayne Ferson, Boston College
Directors | Hank Bessembinder, Emory University
| Peter DeMarzo, Stanford University
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| Vojislav Maksimovic, University of Maryland
| Matt Spiegel, Yale University
| Jaime Zender, University of Colorado

Presidents: 1965–2002

1965–66 Kenneth L. Treftz | 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 Hertzog | 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
### Distinguished Speakers

**WFA Annual Meeting Speakers 1979–2002**

<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>1979</td>
<td>San Francisco</td>
<td>Nils Hakansson</td>
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<tr>
<td>1980</td>
<td>San Diego</td>
<td>Kenneth Arrow</td>
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<td>1981</td>
<td>Jackson Lake</td>
<td>Eugene Fama</td>
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<tr>
<td>1982</td>
<td>Portland</td>
<td>Stephen Ross</td>
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<td>1983</td>
<td>Long Beach</td>
<td>Myron Scholes</td>
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<tr>
<td>1984</td>
<td>Vancouver</td>
<td>Richard Rol</td>
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<tr>
<td>1985</td>
<td>Scottsdale</td>
<td>Robert Litzenberger</td>
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<td>1986</td>
<td>Colorado Springs</td>
<td>Merton Miller</td>
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<td>1987</td>
<td>San Diego</td>
<td>Edward Kane</td>
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<td>1988</td>
<td>Napa</td>
<td>Sanford Grossman</td>
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<td>1989</td>
<td>Seattle</td>
<td>William Sharpe</td>
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<td>1990</td>
<td>Santa Barbara</td>
<td>Michael Brennan</td>
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<td>1991</td>
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<td>1992</td>
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<td>1993</td>
<td>Whistler</td>
<td>Alan Kraus</td>
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<td>1994</td>
<td>Santa Fe</td>
<td>Mark Rubinstein</td>
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<td>1995</td>
<td>Aspen</td>
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<td>1996</td>
<td>Sunriver</td>
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<td>1997</td>
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<td>1998</td>
<td>Monterey</td>
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<td>1999</td>
<td>Santa Monica</td>
<td>Andrei Shleifer</td>
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<td>2000</td>
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<td>Kenneth Singleton</td>
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<td>2001</td>
<td>Tucson</td>
<td>Robert Shiller</td>
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<td>2002</td>
<td>Park City</td>
<td>Albert S. &quot;Pete&quot; Kyle</td>
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2002 Program Committee

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Affiliation</th>
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<tbody>
<tr>
<td>Yacine Ait-Sahalia</td>
<td>Princeton University</td>
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<td>Torber Andersen</td>
<td>Northwestern University</td>
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<td>Kerry Back</td>
<td>Washington University in Saint Louis</td>
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<td>Guudp Bakshi</td>
<td>University of Maryland</td>
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<td>Brad Barber</td>
<td>University of California - Davis</td>
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<td>Nicholas Barberis</td>
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<td>Hendrik Bessembinder</td>
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<td>Sanjai Bhagat</td>
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<td>Peter Bossaerts</td>
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<td>Jacob Boudoukh</td>
<td>Arizona School of Business, IDC</td>
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<td>William Christie</td>
<td>Vanderbilt University</td>
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<td>Jennifer Conrad</td>
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<td>Francesca Cornelli</td>
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<td>Edie Hotchkiss</td>
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<td>Pat Hughes</td>
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<td>David Ikenberry</td>
<td>Rice University</td>
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<td>Ronen Israel</td>
<td>Interdisciplinary Center, Herzliya (IDC)</td>
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<td>Ravi Jagannathan</td>
<td>Northwestern University</td>
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<td>Narasimhan Jegadeesh</td>
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<td>Kose John</td>
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<td>Charles Jones</td>
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<td>Philippe Jorion</td>
<td>University of California - Irvine</td>
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<tr>
<td>Avner Kalay</td>
<td>University of Utah and Tel-Aviv University</td>
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<tr>
<td>Avi Kamara</td>
<td>University of Washington</td>
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<tr>
<td>Raymond Kan</td>
<td>University of Toronto</td>
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<td>Andrew Karolyi</td>
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Anil Kashyap, Bank of England
Gautam Kaui, University of Michigan
Donald Krim, 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
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Hong Liu, Washington University in Saint Louis
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Mark Loewenstein, Boston University
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Ananth Madhavan, ITG Inc
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Tom Miller, Washington University in Saint Louis
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Kjell Nyborg, European Central Bank
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Paul Schultz, University of Notre Dame
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Paul Seguin, University of Minnesota
Lenna Semet, University of Maryland
Duane Sefpre, Carnegie Mellon University
Pier Sercu, Katholieke Universiteit Leuven
Henri Servaes, London Business School
Raj Singh, University of Minnesota
Steve Siezak, 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 Telen, 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, Nacyd 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
Tuesday, June 25, 2002

7:00am - 8:30am

MIT Press/Oxford University Press Breakfast - Forum

8:00am - 12:00pm

On-site Registration - Ballroom Lobby

8:15am - 10:00am

Empirical Banking - Kokopelli I
Boundaries of the Firm - Kokopelli II
IPO Pricing - Kokopelli III
Strategic Trading - White Pine I
Predictability of Stock Returns - White Pine II

10:00am - 10:15am

Coffee Break - Ballroom Lobby

10:15am - 12:00noon

Institutions and Liquidity - Kokopelli I
Corporate Incentives - Kokopelli II
Alternative Preferences and Beliefs - Kokopelli III
International Perspectives on Growth - White Pine I
Cross-sectional Stock Returns - White Pine II

12:15pm - 2:00pm

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

2:45pm - 4:30pm

Interest Derivatives - Kokopelli I
Corporate Control - Kokopelli II
Momentum - Kokopelli III
International Financial Markets - White Pine I
Individual Investor Behavior - White Pine II

5:00pm - 6:00pm

SFS Annual Meeting - Kokopelli I

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
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

Caesarea Award
for the best paper on risk management

Exotics and Electrons:
Electric Power Crises and Financial Risk Management
Suman Banerjee
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
Nicola Carleano
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 Furst 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
Kajdeep Singh
Andrew Sporo
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
Julian Du, The Chinese University of Hong Kong

What Happens in Banking Crises? Moral Hazard vs. Credit
Crunch
Nobuhiko Hibiya, Columbia University

Liquidity Shortages and Banking Crises
Douglas W. Diamond, University of Chicago
Raghuram Rajan, University of Chicago
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

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

Asset Pricing and the Macroeconomy - Kokopelli III
Chris Tcherni, 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

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
Yibong 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
Michael Gallmeyer, Carnegie Mellon University
Clara Vega, University of Pennsylvania, Economics Department
Michael J. Schill, University of Virginia
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
Chitra Fernando, University of Michigan

Discussants
Amnon Levy, KMV
Patrik Sandans, 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
Joan 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 Stiil 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
Nagpurmanand 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 Annuitzation: 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 Ait-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. Beitel, Babson College
Stuart L. Gillan, TIAA-CREF Institute

**Competition among Regulators**
Robert Marquez, University of Maryland
Giovanni Dell’Ariccia, 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
Narayan 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
Chitra 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 Specialization and Re-negotiation
Sreerhar T. Bharath, New York University

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

Discussants
Hongliang Zhang, University of South Carolina
Anjielme Schmitz, Washington University in Saint Louis
Nicola Cetorelli, Federal Reserve Bank of Chicago

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

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
Avadhandra 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
Gunther 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
Klaus 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 Glabadjanis, Washington University in Saint Louis
Akhtar Subide, 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 Lehari, University of Vienna
Onto Randi, 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

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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, Said Business School

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

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

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

Does the Market Conspire Against the Weak? An Empirical Study of Froot 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 Kelojarju, 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

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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?
Michael J. Cooper, Purdue University
Huseyin Gulen, Virginia Institute of Technology

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

Discussions
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

Discussions
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
Liquidity Risk and Expected Stock Returns
Labos 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
Chuenchi Wu, Syracuse University

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

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

Discussants
Alessandro Stubelz, Tilburg University
Mark Loewenstein, Boston University
Eric Hughson, University of Colorado

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

Reexaming the Relation between Debt Mix and Growth in Japan
Xueping Wu, Hong Kong City University
Piet Suren, 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, Universita di 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
Malarram Attari, University of Wisconsin at Madison

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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 Facio, University of Notre Dame
John J. McConnell, Purdue University
David Stolin, Ecole Superieure 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 Rouwenhorst, Yale School of Management

Why are Foreign Firms that List in the U.S. Worth More?
Craig Dodge, 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. Posthuma, 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 Friede, University of California, Los Angeles

Tuesday June 25, 2002, 5:00pm - 6:00pm
SPS 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
Nengju 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. Krebsche, 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 Tsyplyakov, 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
Munirlo Campello, University of Illinois at Urbana-Champaign

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

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

Informatheve 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
Lemia 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 Hackethal, 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 June 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. Grezadier, Stanford University

Discussants
Tom Müller, Washington University in Saint Louis
Chester Spatt, Carnegie Mellon University
Bic Gao, University of North Carolina

Short Sales - Kokopelli II
Fernando Zapaero, University of Southern California

Impediments to Short-Selling and Option Prices
Richard B. Evans, University of Pennsylvania
Christopher C. Geeczy, 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
Nicole Garleanu, INSEAD
Lasse Høj 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 Exuberation 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 Mmansy, 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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Call for Papers and Participants
2003 ANNUAL MEETINGS OF
THE WESTERN FINANCE ASSOCIATION
June 18–21, 2003
Melia Cabo Real Convention Center Beach and Golf Resort
Cabo San Lucas, Mexico

Members and friends of the Western Finance Association are invited to submit papers to be considered for presentation at the 2003 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, and other vital instructions, starting on September 15, 2002. The deadline for submissions will be November 15, 2002. 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, 2003. The submission fee of $20.00 per paper submitted is waived for qualifying PhD students (details on the web site).

Best Paper Awards (subject to change)

Trefitis 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 $2,000 for the student paper of most relevance to quantitative practitioners.

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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 René M. Stulti, The Ohio State University
Associate Program Chair Professor Andrew Karolyi, The Ohio State University
E-mail wfa2003@cob.osu.edu