

EUROPEAN FINANCE ASSOCIATION 2003 ANNUAL MEETING

Loch Suite, Scottish Exhibition and Conference Centre,
Glasgow, Scotland

20th to 23rd August 2003

PROGRAMME

Wednesday 20th August

3:00pm - 7:00pm – Registration at the SECC

6:00pm - 8:00pm - Welcome Reception and Social Programme, SECC

Thursday 21st August

8:30am to 10:30am

Alsh 1 - Venture Capital

Chair: Ulrich Hege, HEC School of Management, France

Determinants of Venture Capital Performance: Europe and the United States

Ulrich Hege, HEC School of Management and CEPR, France, Armin Schwienbacher,
University of Namur, Belgium and Frédéric Palomino, Tilburg University and CEPR, Netherlands

Discussant: Jan Mahrt-Smith, University of Toronto, Canada

Venture Capital Investments by IPO Underwriters: Certification or Conflict of Interest?

Xi Li, University of Miami and Ronald W Masulis, Vanderbilt University, USA

Discussant: François Derrien, University of Toronto, Canada

A Law and Finance Analysis of Venture Capital Exits in Emerging Markets

Douglas Cumming, University of Alberta, Canada and Grant Fleming, Australian National University, Australia

Discussant: Sanjiv Das, Santa Clara University, USA

Occupational Choice and the Private Equity Premium Puzzle

Thomas Hintermaier, Institute for Advanced Studies, Austria and Thomas Steinberger,
European University Institute, Italy

Discussant: Efrat Tolkowsky, Technion Israel Institute of Technology, Israel

Alsh 2 - Capital Structure I

Chair: Jeffrey Callen, University of Toronto, Canada

Trade Credit: Suppliers as Debt Collectors and Insurance Providers

Vincente Cuñat, Universitat Pompeu Fabra, Spain & London School of Economics, UK

Discussant: Vidhan K Goyal, Hong Kong University of Science & Technology

Legal-System Arbitrage and the Theory of Multinational Finance

Thomas Noe, Tulane University, USA

Discussant: Naveen Khanna, Michigan State University, USA

On The Determinants of Corporate Debt Maturity Structure

Antonios Antoniou, University of Durham, UK, Yilmaz Guney, University of Surrey, UK, and

Krishna Paudyal, University of Durham, UK

Discussant: Andrew Roper, University of Wisconsin, USA

The Optimal Mix of Bank and Market Debt: An Asset Pricing Approach

Dirk Hackbarth, Indiana University, Christopher A Hennessy and Hayne E Leland,

University of California at Berkeley, USA

Discussant: Felix Meschke, Arizona State University, USA

Boisdale 1 - Asset Pricing I

Chair: Piet Sercu, Katholieke Universiteit Leuven, Belgium

The Role of Risk Aversion and Elasticity of Intertemporal Substitution in Dynamic Consumption and Portfolio Choice with Recursive Utility

Harjot S Bhamra and Raman Uppal, London Business School, UK

Discussant: Michael Gallmeyer, Carnegie Mellon University, USA

Equilibrium Asset Pricing with Time-Varying Pessimism

Alessandro Sbuelz, Tilburg University, Netherlands and Fabio Trojani, University of Southern Switzerland

Discussant: Lorenzo Cappiello, European Central Bank

Model Uncertainty, Limited Market Participation, and Asset Prices

H Henry Cao, University of North Carolina, USA, Tan Wang, University of British Columbia, Canada

and Harold H Zhang, University of North Carolina, USA

Discussant: Stephan Dieckmann, Carnegie Mellon University, USA

Financial Innovation in Segmented Markets

Rohit Rahi and Jean-Pierre Zigrand, London School of Economics, UK

Discussant: Joel Peress, INSEAD, France

Boisdale 2 – Banking I - Regulatory Concepts

Chair: Xavier Freixas, Universitat Pompeu Fabra and CEPR

On the Influence of Capital Requirements on Competition and Risk Taking in Banking

Peter JG Vlaar, De Nederlandsche Bank, Netherlands

Discussant: Alistair Milne, Cass Business School, UK

Regulatory Competition and Multi-national Banking

Dag Morten Dalen, Norwegian School of Management and Trond E Olsen,

Norwegian School of Economics and Business Administration, Norway

Discussant: Xavier Freixas, Universitat Pompeu Fabra and CEPR

Market Discipline, Disclosure and Moral Hazard in Banking

Erlend Nier and Ursel Baumann, Bank of England, UK

Discussant: Lorian Pelizzon, University of Padua, Italy

Carron 1 – Microstructure I

Chair: Roger D Huang, University of Notre Dame, USA

Price Discovery in a Market Under Stress: The U.S. Treasury Market in Fall 1998

Craig H Furfine, Federal Reserve Bank of Chicago, USA and Eli M Remolona, Bank for International Settlements, Switzerland

Discussant: Ilya Strebulaev, London Business School, UK

Order Submission Strategies and Information: Empirical Evidence from the NYSE

Alessandro Beber, University of Trento, Italy and Cecilia Caglio, Università Bocconi, Italy

Discussant: Knut Griese, University of Cologne, Germany

Anatomy of a Market Crash: A Market Microstructure Analysis of the Turkish Overnight Liquidity Crisis

Jón Danielsson, London School of Economics, UK and Burak Saltoglu, Marmara University, Turkey

Discussant: Esa Jokivuolle, Helsinki School of Economics, Finland

Return-Volume Dependence and Extremes in International Equity Markets

Terry A Marsh, University of California at Berkeley, USA, and Niklas Wagner, Munich University of Technology, Germany

Discussant: Seppo Ikäheimo, Helsinki School of Economics, Finland

Carron 2 – Earnings and Accounting Issues I

Chair: Elroy Dimson, London Business School, UK

The Consensus-beating Game

Mark H Liu, Boston College and Tong Yao, University of Arizona, USA

Discussant: Alistair Byrne, AEGON Asset Management, UK

The Determinants of International Analyst Research Coverage

Omesh Kini, Georgia State University, USA, Shehzad Mian, Emory University, USA, Michael Rebello and Anand Venkateswaran, Georgia State University, USA

Discussant: Daphne Lui, London Business School, UK

Auditor Compensation and Audit Failure: An Empirical Analysis

Mukesh Bajaj, LEG LLC, Katherine Gunny, University of California at Berkeley and Atulya Sarin, Santa Clara University, USA

Discussant: Ana Vidolovska, London Business School, UK

Accounting Anomalies and Information Uncertainty

Jennifer Francis, Duke University, USA, Ryan LaFond, University of Wisconsin, USA, Per Olsson, Duke University, USA, and Katherine Schipper, Financial Accounting Standards Board, USA

Discussant: Pauline Weetman, University of Strathclyde, UK

Dochart 1 - Symposium on Empirical Derivatives Research: Information and Prices

Chair: Stephen Taylor, Lancaster University, UK

Complete Markets, Informed Trading and Equity Option Introductions

Robert Faff, Monash University, Australia and David J Hillier, University of Strathclyde, UK

Discussant: Frank Fehle, University of South Carolina, USA

Interest Rate Caps "Smile" Too! But Can the LIBOR Market Models Capture It?

Robert Jarrow, Haitao Li, and Feng Zhao Cornell University, USA

Discussant: Siegfried Trautmann, Johannes Gutenberg Universität, Mainz, Germany

The Effect of Macroeconomic News on Beliefs and Preferences: Evidence from the Options Market

Allesandro Beber, University of Trento, Italy and Michael W Brandt, Wharton School,

University of Pennsylvania & NBER, USA

Discussant: Stewart Hodges, Warwick Business School, UK

Dochart 2 – International Financial Markets: Issues in Monetary and Economic Policy I

Chair: Scott Linn, University of Oklahoma, USA

Pricing Debit Card Payment Services: An IO Approach

Wilko Bolt, De Nederlandsche Bank, Netherlands and Alexander F Tieman,

International Monetary Fund, USA

Discussant: Kent Matthews, Cardiff Business School, UK

Neglected Effect of Fiscal Policy on Stock and Bond Returns

José A Tavares, Universidade Nova de Lisboa, Portugal and Rossen Valkanov,

University of California in Los Angeles, USA

Discussant: Laurence Copeland, Cardiff Business School, UK

Why Borrowers Pay Premiums to Larger Lenders: Empirical Evidence from Sovereign Syndicated Loans

Issam Hallak, CFS, Goethe University Frankfurt, Germany

Discussant: Scott Linn, University of Oklahoma, USA

Efficiency and The Bear: Short-Sales And Markets Around The World

Arturo Bris, William N Goetzmann and Ning Zhu, Yale School of Management, USA

Discussant: Frank de Jong, Tilburg University, The Netherlands

11:00am - 12:30am

Lomond Panel Discussion: Market Microstructure and Liquidity 1: Time Series and Cross Sectional Variations

Panelists: Rob Engel, New York University (Chair)
Chester Spatt, Carnegie Mellon University
Narayan Naik, London Business School
Tarun Chordia, Emory University

Alsh 1 - Agency Theory and Contracting

Chair: Kristian Miltersen, Norwegian School of Economics and Business Administration

Underinvestment, Capital Structure and Strategic Debt Restructuring

Grzegorz Pawlina, Lancaster University, UK

Discussant: Bart Lambrecht, University of Cambridge, UK

Organizational Form and Product Market Competition: Are Focused Firms Weak Competitors?

Naveen Khanna, Michigan State University, USA and Sheri Tice, Tulane University, USA

Discussant: Armin Schwienbacher, University of Namur, Belgium

The Role of Termination in Employment Contracts: Theory and Evidence from the Careers of Movie Directors

S Abraham Ravid, Yale University, USA and Kose John, New York University, USA and Jayanthi Sunder, Cornell University, USA

Discussant: Ulrich Hege, HEC Paris, France

Alsh 2 - Securities Issuance I

Chair: Robert S Hansen, Tulane University, USA

Relationship Rating: How Do Bond Rating Agencies Process Information?

Alexander W Butler, Rice University and Kimberly J Rodgers, Pennsylvania State University, USA

Discussant: Aneel Keswani, City University, UK

Does Capital Market Monitoring Prune Shareholder Wealth before Equity Offers? A Resolution of the Pre-offer Loss Puzzle

Oya Altinkilic, University of Pittsburgh, USA and Robert S Hansen, Tulane University, USA

Discussant: Avi Wohl, Tel Aviv University, Israel

Bookbuilding vs. Fixed Price Revisited: The Effect of Aftermarket Trading

Walid Y Busaba, University of Western Ontario, Canada and Chun Chang, University of Minnesota, USA

Discussant: Vikram Nanda, University of Michigan, USA

Boisdale 1 - Behavioural Finance I

Chair: Piet Sercu, Katholieke Universiteit Leuven, Belgium

Overconfidence and Delegated Portfolio Management

Frederic Palomino and Abdolkarim Sadrieh, Tilburg University, The Netherlands

Discussant: Andrei Simonov, Stockholm School of Economics, Sweden

Behavioral Biases and Investments

Massimo Massa, INSEAD, France and Andrei Simonov, Stockholm School of Economics, Sweden

Discussant: Alessandro Sbeulz, Tilburg University, The Netherlands

Changing Names with Style: Mutual Fund Name Changes and their Effects on Fund Flows

Michael J Cooper, Purdue University, USA, Huseyin Gulen, Virginia Tech, USA, and

P Raghavendra Rau, Purdue University, USA

Discussant: Joost Driessen, University of Amsterdam, The Netherlands

Boisdale 2 – Banking II - Risk Measurement and Procyclicality

Chair: Konstantinos Tsatsaronis, Bank for International Settlements

Risk Assessment for Banking Systems

Helmut Elsinger, University of Vienna, Martin Summer, Österreichische Nationalbank, Austria and Alfred Lehar, University of British Columbia, Canada

Discussant: Martin Ruckes, University of Wisconsin, USA

Pro-Cyclicality, Empirical Credit Cycles, and Dynamic Credit Risk Models

Siem Jan Koopman, André Lucas and Pieter Klaasen, Vrije Universiteit Amsterdam, Netherlands

Discussant: Patricia Jackson, Bank of England, UK

Measuring Systemic Risk: A Risk Management Approach

Alfred Lehar, University of Vienna, Austria

Discussant: Konstantinos Tsatsaronis, Bank for International Settlements

Carron 1 – Earnings and Accounting Issues II

Chair: Sasson Bar-Yosef, Hebrew University of Jerusalem, Israel

Accounting Choice, Corporate Governance and Firm Performance

Robert Bowen, University of Washington, Shivarama Rajgopal and

Mohan Venkatachalam, Duke University, USA

Discussant: Yanling Guan, London Business School, UK

Mark-to-Market Accounting and Valuation: Evidence from UK Real Estate and Investment Companies

Jo Danbolt, University of Glasgow, UK and William Rees, University of Amsterdam, The Netherlands

Discussant: Maria Simatova, London Business School, UK

Executive Compensation and Analyst Guidance: The Link between CEO Compensation and Expectations Management

Guido Bolliger, University of Neuchâtel & FAME, and Manuel Kast, University of Lausanne & FAME, Switzerland

Discussant: William Rees, University of Amsterdam, Netherlands

Carron 2 - Mutual Funds I

Chair: Maria Vassalou, Columbia University, USA

Market Timing and Security Market Line Analysis

Alexander Kempf and Klaus Kreuzberg, University of Cologne, Germany

Discussant: John Boyd, University of Minnesota, USA

Estimating the Dynamics of Mutual Fund Alphas and Betas

Harry Mamaysky, Morgan Stanley, Matthew Spiegel and Hong Zhang, Yale School of Management, USA

Discussant: Vikas Agarwal, Georgia State University, USA

Evaluating Fixed Income Fund Performance with Stochastic Discount Factors

Wayne Ferson, Boston College, USA, and Darren Kisgen and Tyler Henry, University of Washington, USA

Discussant: Ian Cooper, London Business School, UK

Dochart 1 - Symposium on Empirical Derivatives Research: Pricing Models

Chair: Siegfried Trautmann, Johannes Gutenberg Universität, Mainz, Germany

Specification Analysis of Option Pricing Models Based on Time-Changed Lévy Processes

Jing-Zhi Huang, Penn State & New York University, and Liuren Wu Fordham University, USA

Discussant: Chenghu Ma, University of Essex, UK

Pure Jump Lévy Processes for Asset Price Modeling

Helyette Geman, ESSEC, France

Discussant: Elisa Luciano, University of Turin, Italy

The Importance of the Loss Function in Option Valuation

Peter Christoffersen and Kris Jacobs, McGill University, Canada and CIRANO

Discussant: Menachem Brenner, Stern School of Business, New York University, USA

Dochart 2 - International Financial Markets: Integration and Efficiency I

Chair: Kevin Keasey, Leeds University Business School, UK

Idiosyncratic Risk, Market Risk and Correlation Dynamics in European Equity Markets

Colm Kearney and Valerio Pot?, Trinity College Dublin, Ireland

Discussant: Nuno Fernandes, IESE Business School, Spain

Round-the-Clock Price Discovery for Cross-Listed Stocks: US-Dutch Evidence

Siem Jan Koopman, André Lucas and Bert J Menkveld, Vrije Universiteit Amsterdam, The Netherlands

Discussant: Patrick McColgan, University of Aberdeen, UK

Contagion Versus Interdependence: A Re-examination of Asian-Crisis Stock Market Co-movements

Stefanie Kleimeier, Thorsten Lehnert, Willem Verschoor, Universiteit Maastricht, The Netherlands

Discussant: François Longin, ESSEC, France

12:30pm to 2:00pm Lunch

2:00pm to 3:00pm

Keynote Address in the Lomond Suite
"Measuring the Value of Dynamic Correlations"
Professor Robert Engle, New York University

3:30pm to 5:00pm

**Lomond Panel Discussion: Market Microstructure and Liquidity 2:
 Regulatory and Practitioner Perspectives**

Panelists: **Paul Schultz, Notre Dame University (Chair)**
Marco Pagano, Universita di Salerno
Paul Bennett, New York Stock Exchange
Matthew Elderfield, Financial Securities Authority
Yair E Orgler, Chair, Tel Aviv Stock Exchange

Alsh 1 - Executive Compensation I

Chair: Neal Stoughton, University of California at Irvine

Managerial Hedging and Incentive Compensation in Stock Market Economies

Viral V Acharya, London Business School & CEPR, UK and Alberto Bisin, New York University, USA
Discussant: Antonio Mello, University of Wisconsin, USA

Executive Compensation and Managerial Risk-taking

Jeffrey L Coles, Arizona State University, Naveen D Daniel and Lalitha Naveen,
 Georgia State University, USA
Discussant: Otto Randl, University of Vienna, Austria

Stock Based Compensation and Stock Trading

Riccardo Calcagno, Tilburg University, The Netherlands and Florian Heider, New York University, USA
Discussant: Peter Roosenboom, Erasmus University, Rotterdam

Alsh 2 - Securities Issuance II

Chair: Josef Zechner, University of Vienna, Austria

Competition in IPO Underwriting: Time Series Evidence

Mukesh Bajaj, Sumon Mazumdar, LECG LLC, Andrew H Chen, Southern Methodist University and
 Atulya Sarin, Santa Clara University, USA
Discussant: Wolfgang Aussenegg, Vienna Technical University, Austria

Who Benefits from IPO Underpricing? Evidence from Hybrid Bookbuilding Offerings

Vincente Pons, Yale University, USA
Discussant: Daniel Dorn, Columbia University USA

Boisdale 1 - Behavioural Finance II

Chair: Frans de Roon, Tilburg University, The Netherlands

Stock Market as a 'Beauty Contest': Investor Beliefs and Price Bubbles sans Dividend Anchors
Shinichi Hirota, Waseda University, Japan and Shyam Sunder, Yale School of Management, USA
Discussant: Raghavendra Rau, Purdue University, USA

A SAD Day for Behavioral Finance? Winter Blues and Time Variation in the Price of Risk
Ian Garrett, University of Manchester, UK, Mark Kamstra, Atlanta Federal Reserve Bank, USA, and Lisa Kramer, University of Toronto, Canada
Discussant: Kris Jacobs, McGill University, Canada

Company Stock in 401(k) Plans
Gur Huberman, Columbia Business School, USA and Paul Sengmueller, University of Amsterdam, Netherlands
Discussant: André Lucas, Vrije Universiteit Amsterdam, The Netherlands

Boisdale 2 - Credit Risk I

Chair: Maria Vassalou, Columbia University, USA

Equity Returns Following Changes in Default Risk: New Insights into the Informational Content of Credit Ratings
Maria Vassalou and Yuhang Xing, Columbia University, USA
Discussant: Nikunj Kapadia, University of Massachusetts-Amherst, USA

Dynamics of the Credit Risk Premium: The Effects of Inflation and Earnings Uncertainty
Alexander David, Olin School of Business, USA
Discussant: Alex Taylor, University of Cambridge, UK

Strategic Behavior, Capital Structure, and Credit Spreads: An Empirical Investigation
Sergei A Davydenko and Ilya Strebulaev, London Business School, UK
Discussant: Joel Reneby, Stockholm School of Economics, Sweden

Carron 1 - Market Efficiency

Chair: Frans Tempelaar, University of Groningen, The Netherlands

Market Informational Inefficiency, Risk Aversion and Quantity Grid
Jean-Paul Decamps, Gremaq Université de Toulouse, France and Stefano Lovo, HEC School of Management, France
Discussant: Jean-Pierre Zigrand, London School of Economics, UK

Failure is an Option: Impediments to Short Selling and Options Prices
Richard B Evans, Christopher C Geczy, David K Musto, Wharton School at University of Pennsylvania, and Adam V Reed, University of North Carolina, USA
Discussant: Günter Franke, University of Konstanz, Germany

Does Ownership Dispersion Discourage Information Production?
Joel Peress, INSEAD, France
Discussant: Barbara Petracchi, University of Trieste, Italy

Carron 2 - Asset Allocation I

Chair: Björn Hansson, Lund University, Sweden

Offsetting the Incentives: Risk Shifting and Benefits of Benchmarking in Money Management

Suleyman Basak, London Business School and CEPR, UK, Anna Pavlova, MIT, USA, and Alex Shapiro, Stern School of Business, New York University, USA

Discussant: Michael Gallmeyer, Carnegie Mellon University, USA

How Important is Intertemporal Risk for Asset Allocation

Bruno Gerard, Norwegian School of Management, Norway, and Guojun Wu, University of Michigan, USA

Discussant: Jonathan Fletcher, University of Strathclyde, UK

Dochart 1 - Empirical Derivatives Research: Hedging

Chair: Gordon Gemmill, City University Business School, UK

Are There Speculative Components In Corporate Hedging and Do They Add Value?

Tim R Adam, Hong Kong University of Science and Technology, Hong Kong and Chitru S Fernando, University of Oklahoma, USA

Discussant: Söhnke M Bartram, Lancaster University, UK

International Evidence on Financial Derivatives Usage

Söhnke M Bartram, Lancaster University, UK, Gregory W Brown, University of North Carolina and Frank R Fehle, University of South Carolina, USA

Discussant: Allesandro Beber, University of Trento, Italy

Pricing and Hedging Vulnerable Credit Derivatives with Copulas

Umberto Cherubini, University of Bologna & ICER, Turin and Elisa Luciano, University of Turin & ECER, Turin, Italy

Discussant: Robert Tompkins, Vienna University of Technology, Austria

Dochart 2 - Derivatives Valuation

Chair: Helyette Geman, ESSEC, France

On the Suboptimality of Single-Factor Exercise Strategies for Bermudan Swaptions

Mikkel Svenstrup, ScanRate Financial Systems, Denmark

Discussant: Kristian R Miltersen, Norwegian School of Economics and Business Administration, Norway

Linear-Quadratic Jump-Diffusion Modeling with Application to Stochastic Volatility

Peng Cheng, HEC Lausanne and FAME, Olivier Scaillet, HEC Geneve and FAME, Switzerland

Discussant: Christian Koziol, University of Mannheim, Germany

Pricing Power Derivatives: a Two-Factor Jump-Diffusion Approach

Pablo Villaplana, Universidad Carlos III, Spain

Discussant: Mikkel Svenstrup, ScanRate Financial Systems, Denmark

6:00pm to 8:00pm Civic Reception and Social Programme, Glasgow City Chambers

The evening begins with a Glasgow's School's Pipe Band playing in George Square and concludes with a Scottish Folk Music programme provided by Saint Fiddlers.

Friday 22nd August

8:30am to 10:30am

Alsh 1 - Executive Compensation II

Chair: S Abraham Ravid, Yale University, USA

The Role of Founders in Large Companies

Darius Palia and S Abraham Ravid, Yale University, USA

Discussant: Claudio Loderer, University of Berne, Switzerland

Executive Loans

Kuldeep Shastri, University of Pittsburgh, USA

Discussant: Annemarie Sapusek, University of Halle, Germany

Alsh 1 - Corporate Governance I

Chair: S Abraham Ravid, Yale University, USA

Structural Models and Endogeneity in Corporate Finance

Jeffrey L Coles, and Felix Meschke, Arizona State University, USA, and Michael Lemmon, University of Utah, USA

Discussant: Bernt Arne Ødegaard, Norwegian School of Management

Board Seat Accumulation By Executives: A Shareholder's Perspective

Tod Perry, Arizona State University, USA and Urs C Peyer, INSEAD, France

Discussant: Arturo Bris, Yale School of Management, USA

Alsh 2 - Mergers, Takeovers and Divestitures

Chair: Jan Mahrt-Smith, Rotman School of Management, University of Toronto, Canada & London Business School, UK

Valuation Waves and Merger Intensity: The Empirical Evidence

Matthew Rhodes-Kropf, Columbia University, USA, David Robinson, Columbia University, USA, and S Viswanathan, Duke University, USA

Discussant: Paolo Volpin, London Business School, UK

Does Investor Misvaluation Drive the Takeover Market?

Ming Dong, York University, Canada, David Hirshleifer, Ohio State University, USA, Scott Richardson, Wharton School, USA, and Siew Hong Teoh, Ohio State University, USA

Discussant: François Derrien, Rotman School of Management, University of Toronto, Canada

Contingent Value Rights in Acquisitions: Theory and Empirical Evidence

Sris Chatterjee and An Yan, Fordham University, USA

Discussant: Spencer Martin, WP Carey School of Business, Arizona State University, USA

Cross-Country Determinants of Mergers and Acquisitions

Stefano Rossi and Paolo Volpin, London Business School, UK

Discussant: Thomas Noe, AB Freeman School of Business, Tulane University, USA

Boisdale 1 - Asset Pricing II

Chair: Raman Uppal, London Business School, UK

Idiosyncratic Risk and Creative Destruction in Japan

Yasushi Hamao, University of Southern California, Jianping Mei, New York University and Yexiao Xu, University of Texas at Dallas, USA

Discussant: John Boyd, University of Minnesota, USA

Are Italian Household Portfolios Efficient? An Analysis Conditional on Housing

Loriana Pelizzon and Guglielmo Weber, University of Padua, Italy

Discussant: Ian Tonks, Bristol University, UK

Interpreting Risk Premia Across Size, Value, and Industry Portfolios

Ravi Bansal, Duke University, Robert F Dittmar and Christian T Lundblad, Indiana University, USA

Discussant: Niklas Wagner, University of Mannheim, Germany

Boisdale 2 - Credit Risk II

Chair: Nikunj Kapadia, University of Massachusetts-Amherst, USA

An Econometric Model of Credit Spreads with Re-balance, ARCH and Jump Effects

Herman Bierens, Penn State University, USA, Jing-zhi Huang, Penn State University & Stern School, USA and Weipeng Kong, Penn State University, USA

Discussant: Rolf Poulsen, University of Copenhagen, Denmark

Understanding the Recovery Rates on Defaulted Securities

Viral V Acharya, London Business School, UK, Sreedhar T Bharath, University of Michigan, USA and Anand Srinivasan, University of Georgia, USA

Discussant: Herbert Rijken, Stern School of Business, NYU, USA

Chapter 11, Private Workouts and Corporate Debt Pricing under Asymmetric Information

Nan Chen, Columbia University, USA

Discussant: Stefan Weber, Technical University of Berlin, Germany

What Did the Credit Market Expect of Argentina Default? Evidence from Default Swap Data

Frank X Zhang, Federal Reserve Board, USA

Discussant: Klaus Duellmann, Deutsche Bundesbank, Germany

Carron 1 – Microstructure II

Chair: Kjell G Nyborg, London Business School, UK

Determinants of Order Choice on the New York Stock Exchange

Andrew Ellul and Craig W Holden, Indiana University, USA, Pankaj Jain, University of Memphis, USA, and Robert Jennings, Indiana University, USA

Discussant: Kojo Menyah, London Metropolitan University, UK

Are Domestic Investors More Informed Than Foreign Investors? Evidence from the Perfectly Segmented Market in China

Kalok Chan, Hong Kong University of Science and Technology, Bert J Menkveld, Vrije Universiteit Amsterdam, The Netherlands and Zhishu Yang, Tsinghua University, China

Discussant: Orly Sade, Hebrew University of Jerusalem, Israel

The Microstructure of EuroMTS

Yiu Chung Cheung and Frank de Jong, University of Amsterdam, The Netherlands and Barbara Rindi, Bocconi University, Italy

Discussant: Cynthia van Hulle, Catholic University Leuven, Belgium

Trading Costs of Public Investors with Voluntary and Obligatory Market-Making: Evidence from Market Reforms

Narayan Y Naik, London Business School, UK and Pradeep K Yadav, SIRIF, UK

Discussant: Jing Yang, Bank of England, UK

Carron 2 - Asset Allocation II

Chair: Günter Franke, University of Konstanz, Germany

Real Estate and its Role in Asset Allocation

Cornelia Kullman, University of British Columbia, Canada and Stephan Siegel, Columbia University, USA

Discussant: Anthony Sanders, OSU

Dynamic Asset Allocation Under Mean-Reverting Returns, Stochastic Interest Rates and Inflation Uncertainty

Claus Munk, University Of Southern Denmark, Carsten Sørensen, Copenhagen Business School and Tina Nygaard Vinther, Simcorp Denmark A/S

Discussant: Alessandro Beber, University of Trento, Italy

Carron 2 - VaR

Chair: François Longin, ESSEC, France

CVaR as a Measure of Risk: Implications for Portfolio Selection

Gordon J Alexander, University of Minnesota, USA and Alexandre Baptista, University of Arizona, USA

Discussant: Alfred Lehar, University of British Columbia, Canada

An Evaluation Framework for Alternative VaR Models

Dennis Bams, Maastricht University & ING Group, Thorsten Lehnert, Maastricht University & LIFE and Christian CP Wolff, Maastricht University, LIFE & CEPR, Netherlands

Discussant: Engelbert J. Dockner, University of Vienna, Austria

Dochart 1 - Empirical Derivatives Research: Equity Index Options

Chair: Wolfgang Bühler, University of Mannheim, Germany

Closed-form Transformation from Risk-neutral to Real-world Distributions

Xiaoquan Liu, Mark B Shackleton, Stephen J Taylor, Lancaster University, UK, X Xu, Beijing University, China

Discussant: Peter Hördahl, European Central Bank

Does Skewness Matter? Evidence from the Index Options Market

Madhu Kalimipalli, Wilfrid Laurier University and Ranjini Sivakumar, University of Waterloo, Canada

Discussant: Mark Shackleton, Lancaster University, UK

The Favorite Longshot Bias in S&P 500 Options: The Return to Bets and the Cost of Insurance

Stewart D Hodges, University of Warwick, UK, Robert G Tompkins, Vienna University of Technology, Austria and William T Ziemba, University of British Columbia, Canada

Discussant: Stephen Taylor, Lancaster University, UK

Dochart 2 – Issues in Economic and Monetary Policy II

Chair: Laurence Copeland, Cardiff Business School, UK

Banks' Participation in the Eurosystem Auctions and Money Market Integration

Maurizio Ordine and Antonio Scalia, Banca d'Italia, Italy

Discussant: Wilko Bolt, De Nederlandsche Bank, Netherlands

The Cost of Barriers to Entry: Evidence from the Corporate Euro Bond Market

João AC Santos, Federal Reserve Bank of New York, USA and Kostas Tsatsaronis, Bank for International Settlements, Switzerland

Discussant: Peter McAdam, European Central Bank, Germany

Dochart 2 - Interest Rates

Chair: Laurence Copeland, Cardiff Business School, UK

A Joint Econometric Model of Macroeconomic and Term Structure Dynamics

Peter Hördahl, Oreste Tristani and David Vestin, European Central Bank, Germany

Discussant: Ivan Paya, Cardiff Business School, UK

Macro Factors and the Term Structure of Interest Rates

Hans Dewachter, KU Leuven, Belgium & Erasmus University Rotterdam, Netherlands, and Marco Lyrio, KU Leuven, Belgium

Discussant: Ilan Cooper, Norwegian School of Management, Norway

11:00am to 12:30pm

Lomond Panel Discussion: Hedge Funds

Panelists: Narayan Naik, London Business School (Chair)
 William Goetzmann, Yale University
 William Fung, PI Asset Management and LBS
 Vikas Agarwal, Georgia State University
 Dennis Logue, University of Oklahoma

Alsh 1 - Executive Compensation III

Chair: Robert Geske, UCLA, USA

Option Compensation, Accounting Choice and Industrial Competition

Neal M Stoughton, University of California at Irvine, USA and Kit Pong Wong, University of Hong Kong

Discussant: Sudipto Dasgupta, HKUST

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

Nenmara K Chidambaran, Rutgers University, USA, and Nagpurnanand R Prabhala, University of Maryland, USA

Discussant: Rudiger Fahlenbrach, Wharton School

The Valuation of Employee Stock Options - How Good is the Standard?

Peter Raupach, Goethe University Frankfurt am Main, Germany

Discussant: Jingzhi Huang, Penn State University

Alsh 2 - Securities Issuance III

Chair: William Megginson, University of Oklahoma, USA

How Should A Firm Go Public? A Dynamic Model of the Choice between Fixed-price offerings and Auctions in IPOs and Privatizations

Thomas J Chemmanur and Huanliang Liu, Boston College, USA

Discussant: Clara Raposo, ISCTE Lisbon, Portugal

Does it Pay to be Loyal?

Timothy R Burch, University of Miami, USA, Vikram Nanda University of Michigan, USA

and Vincent A Warther, Lexicon Inc., USA

Discussant: Robert Hansen, Tulane University, USA

Europe's 'New' Stock Markets

Laura Bottazzi and Marco Da Rin, Universita' di Torino, Italy

Discussant: Josef Schuster, London School of Economics, UK

Boisdale 1 - Behavioural Finance III

Chair: Bruno Gerard, Norwegian School of Management

Momentum and Reversal Dynamics in US Valuation Ratios

Jerry Coakley, University of Essex and Ana-Maria Fuertes, Cass Business School, UK

Discussant: Marno Verbeek, Erasmus University Rotterdam, The Netherlands

Earnings Forecast Revisions and Information Dissemination

Timo Rothovius, University of Vassa, Finland

Discussant: Bert Menkveld, Vrije Universiteit Amsterdam, The Netherlands

Boisdale 2 – Banking III - Conflicts of Interest and Competition

Chair: Lawrence Goldberg, University of Miami, USA

Chinese Walls in German Banks

Alfred Lehar, University of British Columbia, Canada and Otto Randl, University of Vienna, Austria

Discussant: Markus Ricke, University of Münster, Germany

Conflicts of Interest and Credible Information Provision by Specialized and One-Stop Banks

Patrick Bolton, Princeton University & CEPR, USA, Xavier Freixas, Universitat Pompeu Fabra & CEPR, and Joel Shapiro, Universitat Pompeu Fabra, Italy

Discussant: Jianping Qi, University of South Florida, USA

Distance, Lending Relationships and Competition

Hans Degryse, KU Leuven & Tilburg University and Steven Ongena, Tilburg University, Netherlands

Discussant: Lawrence Goldberg, University of Miami, USA

Carron 1 - Liquidity

Chair: Rajna Gibson, University of Zurich, Switzerland

Liquidity and Bond Market Spreads

William RM Perraudin, Birkbeck College, Bank of England and CEPR, UK, and Alex P Taylor, University of Cambridge, UK

Discussant: Nicole Branger, University of Frankfurt, Germany

How to Measure Corporate Bond Liquidity?

Patrick Houweling, Albert Mentink and Ton Vorst, Erasmus University Rotterdam, Netherlands

Discussant: Andrew Ellul, Indiana University, USA

Valuation of Bond Illiquidity: An Option-Theoretical Approach

Christian Koziol and Peter Sauerbier, University of Mannheim, Germany

Discussant: Rajna Gibson, University of Zurich, Switzerland

Carron 2 - Mutual Funds II

Chair: Ian Cooper, London Business School, UK

The World of Mutual Funds

Ajay Khorana, University of Virginia, USA, Henri Servaes, London Business School & CEPR, UK

Peter Tufano, Harvard Business School & NBER, USA

Discussant: Stefan Ruenzi, University of Cologne, Germany

Judging Fund Managers By The Company They Keep

Randolph Cohen and Joshua D Coval, Harvard Business School, USA and Lubos Pastor, University of Chicago, USA

Discussant: Klaus Kreuzberg, University of Cologne, Germany

Tournaments in Mutual Fund Families

Alexander Kempf and Stefan Ruenzi, University of Cologne, Germany

Discussant: Jiangping Mei, Stern School of Business, NYU, USA

Dochart 1 - Empirical Derivatives Research: Option Prices

Chair: Stewart Hodges, Warwick Business School, UK

Co-movements in the Option and Spot Markets: Contrasting Equity-Index versus Firm-Level Behavior

Patrick J Dennis, University of Virginia, USA, Stewart Mayhew, US Securities and Exchange Commission, and Chris Stivers, University of Georgia, USA

Discussant: Lars Norden, Stockholm University, Sweden

Risk-Neutral Kurtosis, Jumps And Option Pricing: Evidence From 100 Most Actively Traded Firms on the CBOE

Charles Cao, Penn State University and Gurdip S Bakshi, University of Maryland, USA

Discussant: Kuldeep Shastri, University of Pittsburgh, USA

A Portfolio Perspective on Option Pricing Anomalies

Joost Dreissen, University of Amsterdam, Netherlands and Pascal Maenhout, INSEAD, France

Discussant: Kris Jacobs, McGill University, Canada

Dochart 2 - Currency Markets and Exchange Rates

Chair: Peter Schotman, University of Maastricht, Netherlands

Sources of Private Information in FX Trading

Andrew Carpenter, UBS Warburg and Jianxin Wang, University of New South Wales, Australia

Discussant: Geir Bjønnes, Stockholm Institute for Financial Research, Sweden

Can the Random Walk Model be Beaten in Out-of-Sample Density Forecasts: Evidence from Intraday Foreign Exchange Rates

Yongmiao Hong, Haitao Li and Feng Zhao, Cornell University, USA

Discussant: Bart Frijns, University of Maastricht, Netherlands

What UIP Tests on Extreme Samples Reveal about the Missing Variable

Piet Sercu and Martina Vanderbroek, KU Leuven, Belgium

Discussant: Rui Albuquerque, University of Rochester, USA

12:30pm to 2:00pm Lunch

2:00pm to 3:00pm

**Keynote Address in the Lomond Suite
"The Price of Everything"
 Professor Michael Brennan, UCLA**

3:30pm to 5:00pm

Lomond Panel Discussion: Future Directions

Panelists:
Stephen Figlewski, New York University (Chair)
Stephen Taylor, Lancaster University
Gurdip Bakshi, University of Maryland
Robert Geske, University of California in Los Angeles
Andrea Buraschi, London Business School
Marti Subramanyam, New York University

Alsh 1 - Corporate Governance II

Chair: Marco Pagano, Universita' di Salerno, Italy

Which Investors Fear Expropriation? Evidence from Investors' Stock Picking
 Mariassunta Giannetti and Andrei Simonov, Stockholm School of Economics
Discussant: P Raghavendra Rau, Purdue University, USA

**Private Benefits and Minority Shareholder Expropriation
 (or What Exactly Are Private Benefits of Control?)**
 Olaf Ehrhardt, Humboldt University and Eric Nowak, University of Southern Switzerland Lugano
Discussant: Hans Degryse, KU Leuven & Tilburg University

Governance Mechanisms and Equity Prices
 Martijn Cremers, Yale School of Management and Vinay B Nair, New York University, USA
Discussant: Yrjö Koskinen, Stockholm School of Economics and CEPR, Sweden

Alsh 2 - Capital Structure II

Chair: Kevin Campbell, University of Stirling, UK

An International Comparison of Capital Structure and Debt Maturity Choices
 Joseph PH Fan, Hong Kong University of Science and Technology, Hong Kong, Sheridan Titman,
 University of Texas and Austin, USA and Garry Twite, University of New South Wales, Australia
Discussant: Jo Danbolt, University of Glasgow, UK

Financing the deficit: debt capacity, information asymmetry, and the debt-equity choice
 Sudipto Dasgupta and Xin Chang, Hong Kong University of Science and Technology, Hong Kong
Discussant: Grzegorz Pawlina, Lancaster University, UK

Why Issue Mandatory Convertibles? Theory and Empirical Evidence
 Thomas Chemmanur and Debarshi Nandy, Boston College, USA, and An Yan, Fordham University, USA
Discussant: Vincente Cuñat, Universitat Pompeu Fabra, Spain & London School of Economics, UK

Boisdale 1 - Asset Pricing III

Chair: Ian Tonks, Bristol University, UK

Analysis of Linear Factor Models with Multivariate Stochastic Volatility for Stock and Bond Returns
 Federico Nardari, Arizona State University and John T Scruggs, University of Georgia, USA
Discussant: Tom Flavin, NUI, Maynooth, Ireland

Dividends, Total Cashflows to Shareholders and Predictive Return Regressions
 Donald Robertson, University of Cambridge and Stephen Wright, University of London, UK
Discussant: William Forbes, Glasgow University, UK

The Stock Market's Reaction to Unemployment News
 John Boyd, University of Minnesota, Jian Hu, Moody's Investor Services, and Ravi Jagannathan,
 Kellogg School at Northwestern University, USA
Discussant: Andrew Marshall, University of Strathclyde, UK

Boisdale 2 - Credit Risk III

Chair: Rangarajan Sundaram, Stern School of Business, NYU, USA

Structural RFV: Fundamental Credit Risk Pricing and Hedging with Recovery of Face Value at Default

Rajiv Guha, London Business School, UK and Alessandro Sbuelz, Tilburg University, Netherlands

Discussant: Douglas Rolph, University of Washington, USA

Using Yield Spreads to Estimate Expected Returns on Debt and Equity

Ian A Cooper, and Sergei A Davydenko, London Business School, UK

Discussant: Fan Yu, University of California, Irvine, USA

Liquidity and Credit Risk

Jan Ericsson, McGill University, USA and Olivier Renault, London School of Economics, UK

Discussant: Viral Acharya, London Business School, UK

Carron 1 – Microstructure III

Chair: Alexander Kempf, University of Cologne, Germany

Equilibrium in a Dynamic Limit Order Market

Ronald I Goetler, Christine A Parlour, and Ujay Rajan, Carnegie Mellon University, USA

Discussant: Peter Swan, University of New South Wales, Australia

A Model of Stochastic Liquidity

Masahiro Watanabe, Yale School of Management, USA

Discussant: Alfonso Dufour, University of Reading, UK

Information, Trading and Product Market Interactions: Cross-Sectional Implications of Insider Trading

Heather Tookes, Cornell University, USA

Discussant: Erik Theissen, University of Bonn, Germany

Carron 2 – Hedge Funds I

Chair: William Fung, Centre for Hedge Fund Research and Education, UK

Flows, Performance and Managerial Incentives in the Hedge Fund Industry

Vikas Agarwal and Naveen D Daniel, Georgia State University, USA and Narayan Y Naik, London Business School, UK

Discussant: Robert Kosowski, INSEAD, France

Arbitraging Arbitrageurs

Mukarram Attari, Antonio S Mello and Martin E Ruckes, University of Wisconsin, USA

Discussant: Stefan Nagel, London Business School, UK

Fees on Fees in Funds of Funds

Stephen Brown, New York University, William Goetzmann, Yale University and Bing Liang, University of Massachusetts, USA

Discussant: Ilya Strebulaev, London Business School, UK

Dochart 1 - Modelling Time Series

Chair: Ser-Huang Poon, Manchester University, UK

Are Second Order Moments of Financial Prices Useful to Predict Business Cycles?

Fabio Fornari F, Banca d'Italia, Italy

Discussant: Jerry Coakley, University of Essex, UK

Statistical Models for High Frequency Security Prices

Roel Oomen, University of Warwick, UK

Discussant: Frank de Jong, Tilburg University, The Netherlands

Dochart 2 - International Diversification

Chair: Peter Groznik, Indiana University, USA

International Diversification Strategies

Robin Brooks, International Monetary Fund and Marco Del Negro, Federal Reserve Bank of Atlanta, USA

Discussant: Charlie X Cai, Leeds University Business School, UK

Melting Pot or Salad Bowl: Some Evidence From U.S. Investments Abroad

Utpal Bhattacharya, and Peter Groznik, Indiana University, USA

Discussant: Juliane Thamm, University of Strathclyde, UK

How Much Foreign Stocks? Bayesian Approaches to Asset Allocation Can Explain the Home Bias of US Investors

Ulf Herold, Metzler Investment GmbH & Johann Wolfgang Goethe University and Raimond Maurer, Johann Wolfgang Goethe University, Germany

Discussant: Christolph Memmel, University of Cologne, Germany

6:30pm - 11:00pm Conference Dinner and Social Programme, Glasgow Marriott Hotel

The evening begins with a whiskey nosing and tasting competition (with attractive prizes) and concludes with the Cloud Howe Pipe Band.

Saturday 23rd August

8:30am to 10:30am

Alsh 1 - Corporate Governance III

Chair: Claudio Loderer, University of Berne, Switzerland

Equity Block Transfers in Transition Economies: Evidence from Poland

Grzegorz Trojanowski, Tilburg University, Netherlands

Discussant: Nadia Linciano, CONSOB, Italy

Earnings Management and Tunneling through Related Party Transactions: Evidence from Chinese Corporate Groups

Ming Jian and Tak Jun Wong, Hong Kong University of Science and Technology, Hong Kong

Discussant: Marco Da Rin, Universita' di Torino, Italy

The Value of Voting Rights to Majority Shareholders: Evidence from Dual Class Stock Unifications

Shmuel Hauser, Ben-Gurion University, Israel and Beni Lauterbach, Bar-Ilan University, Israel

Discussant: Anete Pajuste, Stockholm School of Economics, Sweden

Non-Voting Shares and the Value of Control: The Impact of Corporate Regulation in Italy

Nadia Linciano, CONSOB, Italy

Discussant: Stefano Rossi, London Business School, UK

Alsh 2 - Dividend Policy

Chair: Martin Gruber, Stern School of Business, NYU

Marginal Stockholder Tax Effects and Ex-Dividend-Day Behavior -- Thirty-Two Years Later

Edwin J Elton, and Martin J Gruber, Stern School of Business, New York University, USA, and Christopher R Blake, Fordham University, USA

Discussant: Gordon Gemmill, Cass Business School, City University, London

Why are Dividends Disappearing? An Empirical Analysis

Malcolm Baker, Harvard Business School and Jeffrey Wurgler, New York University, USA

Discussant: Alain Chevalier, ESCP-EAP, Paris

The Tax Impact on Ex-Dividend Dates: Evidence from European Firms

M Ameziane Lasfer and Maria Zenonos, City University, London

Discussant: Ed Elton, NYU, Stern School of Business

Boisdale 1 - Behavioural Finance IV

Chair: Theo Nijman, Tilburg University, The Netherlands

European Momentum Strategies, Information Diffusion, and Investor Conservatism

John A Doukas, New York University, USA and Phillip J McKnight, Cardiff Business School, UK

Discussant: John Wei, University of Science and Technology, Hong Kong

Investor Behavior over the Rise and Fall of Nasdaq

John M Griffin, Yale University, USA, Jeffrey Harris, University of Delaware, USA and Selim Topaloglou, Purdue University, USA

Discussant: Fabio Trojani, University of Southern Switzerland

Who Trades?

Gur Huberman and Daniel Dorn, Columbia Business School, USA

Discussant: Theo Nijman, Tilburg University, The Netherlands

Rain or Shine: Where is the Weather Effect

William Goetzmann and Ning Zhu, Yale School of Management USA

Discussant: Alexander Stremme, University of Warwick, UK

Boisdale 2 - Credit Risk IV

Chair: Sanjiv Das, University of California at Santa Clara, USA

Correlated Defaults in Reduced-Form Models

Fan Yu, University of California at Irvine, USA

Discussant: Alexander David, Olin School of Business, USA

A Unified Model of Credit Risk

Sanjiv Das, University of California at Santa Clara, USA, Raghu Sundaram, Stern School at New York University, USA and Suresh Sundaresan, Columbia Business School, USA

Discussant: Jan Ericsson, McGill University, Canada

Correlated Default Risk

Sanjiv Das, University of California at Santa Clara, USA, Laurence Freed, Moody's Investor Services, Gary Geng, Paloma Brothers, and Nikunj Kapadia, University of Massachusetts, USA

Discussant: Malene Jensen, University of Aarhus, Denmark

Credit Risk and Risk Neutral Default Probabilities: Information About Rating Migrations and Defaults

Gordon Delianedis and Robert Geske, University of California in Los Angeles, USA

Discussant: Sreedhar Bharath, University of Michigan Business School, USA

Carron 1 – Microstructure IV

Chair: Yair Orgler, Tel Aviv Stock Exchange Ltd, Israel

Upstairs, Downstairs: Electronic Vs. Open Outcry Markets

Craig Pirrong, University of Houston, USA

Discussant: Annemarie Sapusek, University of Halle, Germany

Does Anonymity Matter in Electronic Limit Order Markets?

Thierry Foucault, HEC, France, and CEPR, Sophie Moinas, HEC, France, and Erik Theissen, University of Bonn, Germany

Discussant: David Brown, University of Wisconsin-Madison, USA

How do Buyers and Sellers Divide the Surplus?

Qinglei Dai, Norwegian School of Management, Norway and Kristian Rydqvist, Binghamton University, USA

Discussant: Chester Spatt, Carnegie Mellon University, USA

Margin Rules, Informed Trading in Derivatives and Price Dynamics

Kose John, New York University, Apoorva Koticha, Swiss Re Financial Products, Ranga Narayanan, McKinsey and Company, Marti G Subrahmanyam, New York University, USA

Discussant: Nicole Branger, University of Frankfurt, Germany

Carron 2 – Hedge Funds II

Chair: Vikas Agarwal, Georgia State University, USA

Hedge Funds and the Technology Bubble

Markus K Brunnermeier, Princeton University, USA and Stefan Nagel, London Business School, UK

Discussant: Antonio Mello, University of Wisconsin, USA

Tender Offer Spreads and Merger Arbitrage

Micah S Officer, University of Southern California, USA

Discussant: Arjen Siegmans, De Nederlandsche Bank

Hedge Fund Payoffs and Loss Aversion

André Lucas, Vrije Universiteit Amsterdam and Arjen Siegmans, De Nederlandsche Bank, Netherlands

Discussant: Hongjun Yan, London Business School, UK

Hedge Fund Risk Factors and Value at Risk of Credit Trading Strategies

John Okunev, Principal Global Investors, USA and Derek White, University of New South Wales, Australia

Discussant: Joelle Miffre, Cass Business School, UK

Dochart 1 - Empirical Derivatives Research: Risk Issues

Chair: Robert Tompkins, Vienna University of Technology, Austria

Estimation Error in the Assessment of Financial Risk Exposure

Stephen Figlewski, NYU Stern School of Business, USA

Discussant: Robert Faff, Monash University, Australia

Euro Convergence Risk: Theory and Evidence from Currency Options

Joost Driessen and Enrico Perotti, University of Amsterdam, Netherlands

Discussant: David Hillier, University of Strathclyde, UK

Interpreting Implied Risk-Neutral Densities: The Role of Risk Premia

Peter Hördahl and David Vestin, European Central Bank, Germany

Discussant: Ranjini Sivakumar, University of Waterloo, Canada

Dochart 2 - Emerging Markets

Chair: Kate Phylaktis, Cass Business School, UK

Evidence on the Foreign Share Discount Puzzle in China: Liquidity or Information Asymmetry?

Kalok Chan, Hong Kong University of Science and Technology, Hong Kong, Bert J Menkveld,

Vrije Universiteit Amsterdam, Netherlands and Zhishu Yang, Tsinghua University, China

Discussant: John Capstaff, University of Strathclyde, UK

Transparency and International Investor Behavior

R Gaston Gelos and Shang-Jin Wei International Monetary Fund, USA

Discussant: Allan Hodgson, Griffith University, Australia

Liquidity and Expected Returns: Lessons from Emerging Markets

Geert Bekaert, Columbia University, Campbell R Harvey, Duke University and

Christian Lundblad, Indiana University, USA

Discussant: Costas Constantinou, Cambridge University, UK

Are Daily Cross-Border Equity Flows Pushed Or Pulled?

John M Griffin, Frederico Nardari, Arizona State University and René M Stulz, Ohio State University, USA

Discussant: Kate Phylaktis, Cass Business School, UK

11:00am to 12:30pm

Alsh 1 - Corporate Governance IV

Chair: Ken Lehn, University of Pittsburgh, USA

Governance and Performance Revisited

Øyvind Bøhren and Bernt Arne Ødegaard, Norwegian School of Management

Discussant: Ulrich Hege, HEC School of Management and CEPR, France

Investor Protection and Equity-Holdings: An Explanation of Two Puzzles?

Mariassunta Giannetti and Yrjö Koskinen, Stockholm School of Economics and CEPR, Sweden

Discussant: Frederic Palomino, Tilburg University, Netherlands

Adopting Better Corporate Governance: Evidence from Cross-Border Mergers

Arturo Bris and Christos Cabolis, Yale School of Management, USA

Discussant: Vidhan Goyal, Hong Kong University of Science & Technology, Hong Kong

Alsh 2 - Real Options

Chair: Grzegorz Pawlina, Lancaster University, UK

R&D Investments with Competitive Interactions

Kristian R Miltersen, Norwegian School of Economics and Business Administration, Norway and
Eduardo S Schwartz, University of California in Los Angeles, USA

Discussant: Grzegorz Pawlina, Lancaster University, UK

Infrastructure as an Option Game: The case of European Airport Expansion

Han TJ Smit, Erasmus University, Netherlands

Discussant: Kerem Senel, Istanbul Commerce University, Turkey

Boisdale 1 - Asset Pricing IV

Chair: Claus Munk, University of Southern Denmark

Asset Pricing Implications of Non-Convex Adjustment Costs and Irreversibility of Investment

Ilan Cooper, Norwegian School of Management, Norway

Discussant: Marco Lyrio, KU Leuven, Belgium

Predatory Trading

Markus Brunnermeier, Princeton University USA, and Lasse Heje Pedersen, New York University, USA

Discussant: Benjamin Croitoru, McGill University, Canada

Portfolio Efficiency and Discount Factor Bounds with Conditioning Information: An Empirical Study

Devraj Basu and Alexander Stremme, University of Warwick, UK

Discussant: Sean Finucane, University of British Columbia, USA

Boisdale 2 - Other Issues in Fixed Income

Chair: Richard Stapleton, Manchester School of Accounting & Finance, UK

Model Uncertainty, Bond Pricing and the Non-Robustness of Affine Term Structures

Giovanni Barone-Adesi, University of Southern Switzerland, Damir Filipovic, Princeton University,
Patrick Gagliardini, and Fabio Trojani, University of Southern Switzerland

Discussant: Richard Stapleton, Manchester School of Accounting & Finance, UK

Valuation of Convertible Bonds with Sequential Conversion

Wolfgang Bühler and Christian Koziol, Mannheim University, Germany

Discussant: Marti Subrahmanyam, Stern School of Business, NYU, USA

Forecasting the Joint Probability Density of Bond Yields: Can Affine Models Beat Random Walk?

Alexei Egorov, Yongmiao Hong and Haitao Li, Cornell University, USA

Discussant: Garry Twite, University of New South Wales, Australia

Carron 1 – Microstructure V

Chair: Beni Lauterbach, Technion Israel Institute of Technology

Upstairs, Downstairs: Is Market Fragmentation Harmful?

Kingsley Fong, University of New South Wales, Australia, Ananth Madhavan, ITG Inc, and
Peter L Swan, University of New South Wales, Australia

Discussant: Thierry Foucault, HEC School of Management, France

Measuring Stock Illiquidity: An Investigation of the Demand and Supply Schedules at the TASE

Avner Kalay, Tel Aviv University, Israel & University of Utah, USA,

Orly Sade, Hebrew University of Jerusalem and Avi Wohl, Tel Aviv University, Israel

Discussant: Beni Lauterbach, Technion Israel Institute of Technology

Carron 2 - Hedge Funds III

Chair: William Goetzman, Yale School of Management USA

Do Hedge Funds Have Enough Capital? A Value at Risk Approach

Anurag Gupta, Case Western Reserve University, and Bing Liang, University of Massachusetts, USA

Discussant: Vikas Agarwal, Georgia State University, USA

Survival, Look-Ahead Bias and the Persistence in Hedge Fund Performance

Guillermo Baquero, Erasmus University Rotterdam, Jenke ter Horst, Tilburg University and

Marno Verbeek, Erasmus University Rotterdam, Netherlands

Discussant: Bing Liang, Case Western University, USA

Performance Evaluation and Conditioning Information: The Case of Hedge Funds

Harry Kat and Joelle Miffre, Cass Business School, UK

Discussant: John Okunev, Principal Global Investors, USA

Dochart 1 - Empirical Derivatives Research: Microstructure

Chair: Mark Shackleton, Lancaster University, UK

Bid-Ask Spreads and Inventory Risk: Evidence from the FTSE-100 Index Options Market

Rüdiger Fahlenbach and Patrik Sandas, Wharton School, University of Pennsylvania, USA

Discussant: Haitao Li, Cornell University, USA

Information Asymmetry, Bid-ask Spreads and Option Returns

Fredrik Berchtold and Lars Norden, Stockholm University, Sweden

Discussant: Patrik Sandas, Wharton School, University of Pennsylvania, USA

Competition among Alternative Option Market Structures: Evidence from Eurex vs. Euwax

Söhnke M Bartram, Lancaster University, UK and Frank R Fehle, University of South Carolina, USA

Discussant: Patrick J Dennis, University of Virginia, USA

Dochart 2 - Integration and Efficiency II

Chair: Frank de Jong, Tilburg University, The Netherlands

Market Liberalization: Spillovers from ADRs and Implications for Local Markets

Nuno Fernandes, IESE Business School, Spain

Discussant: Frans de Roon, Tilburg University, The Netherlands

Should the World Market Portfolio Contain Just the Free Float?

Mohammed Aba-ALKhail and Tom Berglund, Swedish School of Economics and

Business Administration, Finland

Discussant: Paul Sengmüller, University of Amsterdam, The Netherlands

12:30pm to 2:30pm

Finger Buffet Lunch - Glasgow Moathouse Hotel

Whistlebinkies Scottish Folk Music programme.