



# The 4<sup>th</sup> International Conference on Asia-Pacific Financial Markets

## CAFM 2009

Date | December 5, 2009

Place | The Westin Chosun Hotel, Seoul, Korea

Host | Korean Securities Association

## Sponsors



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## INVITATION

We are pleased to invite you to the Fourth International Conference on Asia-Pacific Financial Markets (CAFM) held by the Korean Securities Association (KSA) on December 5, 2009. Four years ago, this conference was started to celebrate for Asia-Pacific Journal of Financial Studies (APJFS) to be selected for coverage in the Social Science Citation Index (SSCI) as of 2006, which has been published by the KSA since 1980. This is particularly meaningful as it is the first case that an Asian academic finance journal is listed in the SSCI. APJFS publishes only English-written articles bimonthly. Wiley-Blackwell, one of the world's foremost academic and professional publishers, has been chosen as a publication partner for the journal, and will publish the journal from the first issue of 2010.

In this fourth International CAFM, 44 papers will be presented in 12 sessions. These papers were selected among 121 papers submitted from 25 countries through blind peer-review process. As in the three previous conferences, the selected papers exhibit high standards of academic qualities and cover a wide range of important contemporary issues. Among these papers, eight papers will be awarded for the Excellent Papers.

This conference will provide a great opportunity for the participants to discuss and exchange perspectives on the ongoing important issues in the financial markets worldwide. Moreover, the conference will be an ideal venue for the participants who wish to network with the finance academics and the industry experts from various countries.

We would like to express our appreciation to all the sponsors who provide generous support for the success of the conference. Please enjoy the Fourth International CAFM and make sure you take some time to enjoy Korean culture.

Sincerely,

December, 2009

Dongcheol Kim, President of the KSA  
J. B. Chay, Program Chair



### 🕒 Saturday, December 5, 2009

08:30 ~ 09:30 Registration / Continental breakfast (2F)

09:30 ~ 11:30 Academic Session 1, 2, 3, 4 (2F)

11:30 ~ 13:45 Luncheon (2F, Orchid Room)

Welcome Address : Dr. Dongcheol Kim

President, Korean Securities Association

Keynote Speech : Dr. René M. Stulz

Ohio State University

Advisory Editor, The Journal of Financial Economics

13:45 ~ 15:45 Academic Session 5, 6, 7, 8 (2F)

16:00 ~ 18:00 Academic Session 9, 10, 11, 12 (2F)

18:10 ~ 21:00 Farewell Dinner (2F, Orchid Room)

Keynote Speech : Mr. Kun Ho Hwang

Chairman and CEO, Korea Financial Investment Association

Best Paper Award : Dr. J. B. Chay

Program Chair

### 🕒 Academic Session Program

TIME	Session Topics		ROOM(2F)
09:30~11:30	Session 1	Financial Intermediation	Lilac
	Session 2	Corporate Finance I	Tulip
	Session 3	Corporate Governance I	Cosmos
	Session 4	Investments I	Violet
13:45~15:45	Session 5	Derivatives	Lilac
	Session 6	Corporate Finance II	Tulip
	Session 7	Corporate Governance II	Cosmos
	Session 8	Investments II	Violet
16:00~18:00	Session 9	Market Microstructure	Lilac
	Session 10	Corporate Finance III	Tulip
	Session 11	International Finance	Cosmos
	Session 12	Investments III	Violet

December 5, 09:30 ~ 11:30

**Session 1 : Financial Intermediation**

Chair : Young-Sup Yun (Korea Univ.)

Title	Author	Discussant
Determinants of Derivative Use and Its Impact on Bank Risk	Yung-Ming Shiu (National Cheng Kung Univ.) Peter Moles (Univ. of Edinburgh) Yi-Cheng Shin (Thughai Univ.)	H. Cyrus Yi (Kyunghee Univ.)
Pooling Contract as an Optimal Preemptive Response for the Financial Service Fee under Adverse Selection	Sooyoung Song (Chung-Ang Univ.)	Kyeong-Hoon Kang (Dongguk Univ.)
Did Subjectivity Play a Role in CDO Credit Rations?	John M. Griffin (Univ. of Texas) Dragon Youngjun Tang (Univ. of Hong Kong)	George Theocharides (Sungkyunkwan Univ.)

**Session 2 : Corporate Finance I**

Chair : Robert G. Bowman (Univ. of Auckland and Univ. of Queensland)

Title	Author	Discussant
Initial Day Return and Underpricing Cost in Advance Payment Initial Public Offerings	Joseph K. W. Fung (Hong Kong Baptist Univ.) Sanry Y. S. Che (Hong Kong Baptist Univ.)	Soku Byoun (Baylor Univ. and Sungkyunkwan Univ.)
Investor Characteristics, Relationships, and IPO Allocations	Vidhan K. Goyal (HKUST) Lewis H. K. TAM (Univ. of Macau)	Sung Wook Joh (Seoul National Univ.)
Investor Horizon Clientele and IPO Underpricing	Massimo Massa (INSEAD) Lei Zhang (Nanyang Technological Univ.)	Joseph K.W. Fung (Hong Kong Baptist Univ.)
Auctioned IPOs: The U.S. Evidence	Francois Degeorge (Univ. of Lugano) Francois Derrien (HEC Paris) Kent L. Womack (Dartmouth College)	Joon Ho Hwang (Korea Univ.)

**Session 3 : Corporate Governance I**

Chair : Sang Lyong Joo (Hongik Univ.)

Title	Author	Discussant
Corporate Governance and Stock Return Volatility: A Temporary Component Perspective	Joon Chae (Seoul National Univ.) Dong Wook Lee (Korea Univ.) Shu Feng Wang (Seoul National Univ.)	Jeongsun Yun (Kookmin Univ.)
Managerial Ownership and Firm Value: Evidence from China's Civilian-run Firms	Wenjuan Ruan (Univ. of Wollongong) Gary Tian (Univ. of Wollongong) Shiguang Ma (Univ. of Wollongong)	Jang Woo Lee (Pusan National Univ.)
How Laws Affect Contracts: Evidence from Yankee Bond Covenants	Yaxuan Qi (Concordia Univ.) Lukas Roth (Univ. of Alberta) John K. Wald (Univ. of Texas at San Antonio)	Dong Wook Lee (Korea Univ.)
CEO Pay- Performance and Board Independence: The Impact of Earnings Management in China	Yuqing Zhu (Univ. of Wollongong) Gary Gang Tian (Univ. of Wollongong)	David Gaddis Ross (Columbia Univ.)

**Session 4 : Investments I**

Chair : George J. Jiang (Univ. of Arizona)

Title	Author	Discussant
Resisting the Manipulation of Performance Metrics: An Empirical Analysis of the Manipulation-Proof Performance Measure	Stephen Brown (New York Univ.) MaengSoo Kang (Monash Univ.) Francis In (Monash Univ.) Gunhee Lee (Sogang Univ.)	Yunsung Eom (Hansung Univ.)
Momentum Profits and Macroeconomic States: Is Winner Riskier than Loser?	Byoung Kyu Min (KAIST) Tong Suk Kim (KAIST)	Doseong Kim (Sogang Univ.)
Do Style and Sector Indexes Carry Momentum?	Linda H. Chen (Univ. of Massachusetts Boston) George J. Jiang (Univ. of Arizona) Kevin X. Zhu (Hong Kong Polytechnic Univ.)	Kuan-Hui Lee (Korea Univ.)

December 5, 13:45 ~ 15:45

Session 5 : Derivatives

Chair : Sang-Bin Lee (Hanyang Univ.)

Title	Author	Discussant
Option Happiness and Liquidity: Is the Dynamics of the Volatility Smirk Affected by Relative Option Liquidity?	Lars Nordén (Stockholm Univ.) Caihong Xu (Stockholm Univ.)	Dragon Youngjun Tang (Univ. of Hong Kong)
An Integrated Structural-form Corporate Credit Model: Joint Perspectives of Asset Inadequacy and Liquidity Crunch	Chia-Wu Lu (Providence Univ.) Tsung-Kang Chen (Fu Jen Catholic Univ.) Hsien-Hsing Liao (National Taiwan Univ.)	Yun W. Park (Korea Capital Market Institute)
Non-Convexities in the 10-Year Treasury Note Market	Christopher G. Lamoureux (Univ. of Arizona) George Theocharides (Sungkyunkwan Univ.)	Don H. Kim (Yonsei Univ.)
A Little Knowledge Is a Dangerous Thing: Model Specification, Data History, and CDO (Mis) Pricing	Dan Luo (Univ. of Hong Kong) Dragon Yongjun Tang (Univ. of Hong Kong) Sarah Qian Wang (Univ. of Hong Kong)	Olfa Maalaoui (KAIST)

Session 6 : Corporate Finance II

Chair : Hyosuk Kang (Hankuk Univ. of Foreign Studies)

Title	Author	Discussant
An Empirical Study on Capital Structure and Financing Decisions- Evidences from East Asian Tigers and Japan	Kuang-Hua Hsu (Chaoyang Univ. of Technology) Ching-Yu Hsu (National Taiwan Univ.)	Pan-do Son (Dong-A Univ.)
Financial Life Cycle and Capital Structure	Byungmo Kim (Dankook Univ.) Jungwon Suh (Ewha Womans Univ.)	Huasheng Gao (Nanyang Technological Univ.)
Reverse Leverage Buyouts: Timing and Underpricing	Robert G. Bowman (Univ. of Auckland and Univ. of Queensland) Liudmila Graves (Ernst & Young Transaction Advisory Services Ltd.)	Woojin Kim (Korea Univ.)
International Sourcing and Capital Structure: Evidence from U.S. Manufacturing Firms	Cheol S. Eun (Georgia Institute of Technology) Lingling Wang (Tulane Univ.)	Jungwon Suh (Ewha Womans Univ.)

Session 7 : Corporate Governance II

Chair : Kooyul Jung (KAIST)

Title	Author	Discussant
Does Corporate Governance Risk at Home Affect Investment Choices Abroad?	Woochan Kim (KDI School) Taeyoon Sung (Yonsei Univ.) Shang-Jin Wei (Columbia Univ.)	Haiyan Zhang (Tsinghua Univ.)
Equity Market Liberalization and Corporate Governance	Kee-Hong Bae (York Univ.) Vidhan K. Goyal (HKUST)	Francois Derrien (HEC Paris)
Combined Leadership in a Two-Tier System? Board Structure, Family Control and Firm Performance of Indonesian Listed Firms	Muhammad Agung Prabowo (Univ. of Sebelas Maret) John L. Simpson (Curtin Univ. of Technology)	Li Yan (Korea Univ.)
Are Foreign Investors Really Beneficial? Evidence from South Korea	Jacqueline L. Garner (Drexel Univ.) Won Yong Kim (Drexel Univ.)	Jinsoo Lee (KDI School)

Session 8 : Investments II

Chair : Hyuk Choe (Seoul National Univ.)

Title	Author	Discussant
Separating Up from Down: New Evidence on the Idiosyncratic Volatility Anomaly	Laura Frieder (Purdue Univ.) George J. Jiang (Univ. of Arizona)	Joonghyuk Kim (Korea Univ.)
Multiscale Explanations of the Size and Value Premia	Byoung Uk Kang (Hong Kong Polytechnic Univ.) Francis In (Monash Univ.) Tong Suk Kim (KAIST)	Myung-Jig Kim (Hanyang Univ.)
Stock Return Predictability and Adaptive Markets Hypothesis: Evidence from Centry-Long US Data	Jae H. Kim (La Trobe Univ.) Kian-Ping Lim (Univ. Malaysia Sabah) Abul Shamsuddin (Univ. of Newcastle)	Yaxuan Qi (Concordia Univ.)

December 5, 16:00 ~ 18:00

**Session 9 : Market Microstructure** Chair : Ghon S. Rhee (Sungkyunkwan Univ. and Univ. of Hawaii)

Title	Author	Discussant
Stealth Trading, Aggressiveness of Trades and Investor Types: Evidence from the Emerging Taiwan Equity Market	Yang-Cheng Lu (Ming Chuan Univ.) Yu-Chen Wei (National Chiao Tung Univ. and Ming Chuan Univ.) Chien-Wei Chang (National Chengchi Univ.)	Kaun Y. Lee (Chung-Ang Univ.)
How Corporate Ownership Affects Trading Costs in the Case of UK firms	Keebong Park (Keimyung Univ.)	Gwangheon Hong (Sogang Univ.)
Liquidation Decisions under Prospect Theory	Hyuk Choe (Seoul National Univ.) Yunsung Eom (Hansung Univ.)	Yu-Chen Wei (National Chiao Tung Univ. and Ming Chuan Univ.)
Cross-Market Liquidity Shocks: Evidence from the CDS, Corporate Bond, and Equity Markets	Gady Jacoby (Seton Hall Univ.) George J. Jiang (Univ. of Arizona) George Theocharides (Sungkyunkwan Univ.)	Byoung Uk Kang (Hong Kong Polytechnic Univ.)

**Session 10 : Corporate Finance III** Chair : Vidhan Goyal (HKUST)

Title	Author	Discussant
Incentive Effects of Extreme CEO Pay Cuts	Huasheng Gao (Nanyang Technological Univ.) Jarrad Harford (Univ. of Washington) Kai Li (Univ. of British Columbia)	Woochan Kim (KDI School)
Intraday Timing of Management Earnings Forecasts: Are Disclosures after Trading Hours Effective?	Soo Young Kwon (Korea Univ.) Mun Ho Hwang (Korea Univ.) Hyun Jung Ju (Korea Univ.)	Kevin X. Zhu (Hong Kong Polytechnic Univ.)
Are Banks Happy When Managers Go Long? Vested Options and the Cost of Private Debt	Cristian L. Dezsö (Univ. of Maryland) David Gaddis Ross (Columbia Univ.)	Byung-Uk Chong (Ewha Womans Univ.)
The Impact of Government Ownership on the Underwriting Performance of Investment Banks- Evidence from China	Ning Jia (Tsinghua Univ.) Haiyan Zhang (Tsinghua Univ.)	Seoungpil Ahn (Sogang Univ.)

**Session 11 : International Finance** Chair : Cheol S. Eun (Georgia Institute of Technology)

Title	Author	Discussant
Superior Information Content: The Role of Speculators and Large Players in the Stability of the Foreign Exchange Market	Shubhashish Barua (Univ. of Dhaka)	Junghoon Seon (Konkuk Univ.)
Do Information Asymmetries Really Explain the Extrapolative Expectation of Foreign Investors?	Hyung Cheol Kang (Univ. of Seoul) Dong Wook Lee (Korea Univ.) Eun Jung Lee (Hanyang Univ.) Kyung Suh Park (Korea Univ.)	Francis In (Monash Univ.)
Is the Exchange Risk Premium In Stock Markets Related to Firm Characteristics?	Hyunchul Chung (Hanyang Univ.) Basma Majerbi (Univ. of Victoria)	Shubhashish Barua (Univ. of Dhaka)

**Session 12 : Investments III** Chair : Lars Nordén (Stockholm Univ.)

Title	Author	Discussant
Market Responses to Analysts' Stock Recommendations with Different Weighting of Private Information	Sang Koo Kang (Korea Univ.) Joonghyuk Kim (Korea Univ.)	Adrew Chunwon Yi (Sungkyunkwan Univ.)
Detecting Regime Shifts in Corporate Credit Spreads	Georges Dionne (HEC Montreal) Pascal François (HEC Montreal) Olfa Maalaoui (KAIST)	Hsien-Hsing Liao (National Taiwan Univ.)
Dynamics of Asset Returns Considering Investors' Asymmetric Risk Preferences: Evidences from Korean Asset Markets	Yun-Yeong Kim (Dankook Univ.) Jinsoo Lee (KDI School)	Sooyoung Song (Chung-Ang Univ.)
Evaluating Analysts' Value: Evidence from Recommendations around Stock Price Jumps	Georage J. Jiang (Univ. of Arizona) Woojin Kim (Korea Univ.)	Chang-Gyun Park (Chung-Ang Univ.)



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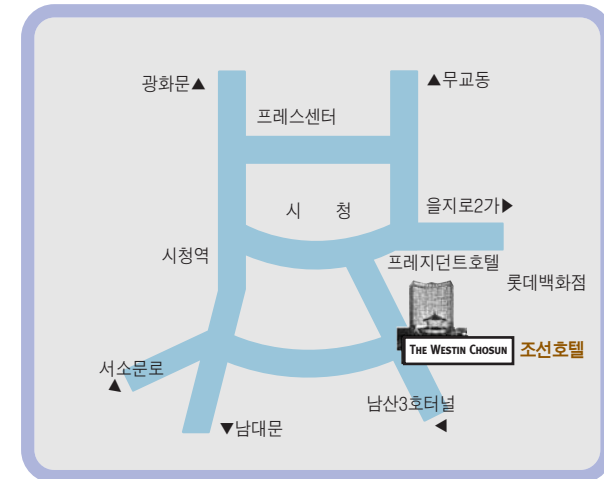
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