

# The 9<sup>th</sup> International Conference on Asia-Pacific Financial Markets



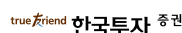
CAFM 2014

Date : December 6, 2014

Place : The Westin Chosun Hotel, Seoul, Korea

Host : Korean Securities Association

## Sponsors



사단  
법인 **한국증권학회**  
KOREAN SECURITIES ASSOCIATION



## INVITATION

We have the pleasure of inviting you to participate in the Ninth International Conference on Asia-Pacific Financial Markets (CAFM 2014) on December 6, 2014 in Seoul, which is held by the Korean Securities Association (KSA)

The CAFM has become one of the most important gatherings for scholars and researchers in Asia since the KSA started this conference nine years ago to celebrate the inclusion of the Asia-Pacific Journal of Financial Studies (AJFS) in the SSCI. This year the KSA has chosen Wiley again as a publication partner of the journal for the next several years and the AJFS will be handled professionally by Wiley from the submission of the articles to the publication.

This year our keynote speaker is Professor Charles M. C. Lee at Stanford University with the title of "Do short sellers profit from mutual funds? Evidence from daily trades." The main part of the conference will be the excellent 44 academic papers presentation in 12 sessions. These papers were competitively selected among more than 113 papers submitted from 20 countries through blind peer-review process. Among these papers nine papers, including one best Ph.D. dissertation, will be awarded for excellence at the banquet.

This conference will provide a great opportunity for participants to discuss and exchange perspectives on important contemporary issues in financial markets worldwide.

Moreover, the conference will be an ideal venue for participants who wish to broaden their networks with finance scholars and industry experts from various countries.

We would like to express our profound gratitude to all the sponsors who provided generous support for the conference. We also extend our special thanks to the members of the Review Committee who evaluated papers and to those of the Organization Committee.

Finally, we offer our sincere thanks to all participants, presenters, session chairpersons, discussants, and attendees. Welcome again to the CAFM 2014 and enjoy the pleasant conference here in Seoul.

Sincerely,

December, 2014

Jaeuk Khil, President of the KSA  
Dong-Soon Kim, Program Chair



## ● Saturday, December 6, 2014

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. Jaeuk Khil

President, Korean Securities Association

Keynote Speech : Dr. Charles M. C. Lee

Stanford University

14:00 ~ 15:30 Academic Session 5, 6, 7, 8 (2F)

15:45 ~ 17:45 Academic Session 9, 10, 11, 12 (2F)

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

Keynote Speech : Mr. Jong Soo Park

Chairman and CEO, Korea Financial Investment Association

Best Paper Award : Dr. Dong-Soon Kim

Program Chair

## ● Academic Session Program

TIME	Session Topics		ROOM(2F)
09:30~11:30	Session 1	Banking	Lilac
	Session 2	Asset Pricing	Tulip
	Session 3	Corporate Governance	Cosmos
	Session 4	International Finance	Violet
14:00~15:30	Session 5	Options, Futures and Securitization	Lilac
	Session 6	Mutual Funds	Tulip
	Session 7	Market Microstructure	Cosmos
	Session 8	Ph.D. Session	Violet
15:45~17:45	Session 9	Corporate Finance I	Lilac
	Session 10	Investments	Tulip
	Session 11	Managerial Behavior	Cosmos
	Session 12	Corporate Finance II	Violet

 December 6, 09:30 ~ 11:30

 **Session 1 : Banking**

Chair : Francis In (Monash Univ.)

Title	Author	Discussant
Systemic Risk in the European Sovereign and Banking System	Simon Xu (Monash Univ.) Francis In (Monash Univ.) Catherine Forbes (Monash Univ.) Inchang Hwang (New York Univ.)	Suk-Joong Kim (The Univ. of Sydney)
Systematic Cyclicity of Systemic Bubbles: Evidence from the U.S. Commercial Banking System	Myeong Hyeon Kim (Korea Univ.) Baeho Kim (Korea Univ.)	Francis In (Monash Univ.)
Hold-up versus Benefits in Relationship Banking: A Natural Experiment Using REIT Organizational Form	Yongheng Deng (National Univ. of Singapore) Maggie Rong Hu (Univ. of New South Wales) Anand Srinivasan (National Univ. of Singapore)	Baeho Kim (Korea Univ.)
The Effects of Ratings-Contingent Regulation on International Bank Lending Behavior: Evidence from the Basel 2 Accord	Iftekhar Hasan (Fordham Univ. and Bank of Finland) Suk-Joong Kim (The Univ. of Sydney) Eliza Wu (Univ. of Technology Sydney)	Maggie Rong Hu (Univ. of New South Wales)

 **Session 2 : Asset Pricing**

Chair : Jun-Koo Kang (Nanyang Technological Univ.)

Title	Author	Discussant
Factor Exposures of Foreign Equity Capital in Domestic Stock Market	Lingxia Sun (Korea Univ.) Dong Wook Lee (Korea Univ.)	Jinyong Kim (KAIST)
A Market-Based Funding Liquidity Measure	Zhuo Chen (Tsinghua Univ.) Andrea Lu (Univ. of Melbourne)	Ji Yeol Jimmy Oh (Korea Military Academy)
Did the Profitability of Momentum and Reversal Strategies Decline with Arbitrage Costs After the Turn of the Millennium?	Jieun Lee (The Bank of Korea) Joseph P. Ogdén (State Univ. of New York at Buffalo)	Zhuo Chen (Tsinghua Univ.)
What Do Stock Markets Tell Us About Exchange Rates?	Gino Cenedese (Bank of England) Richard Payne (City Univ. of London) Lucio Sarno (City Univ. of London) Giorgio Valente (City Univ. of Hong Kong)	Hassan Naqvi (Sungkyunkwan Univ.)

## Session 3 : Corporate Governance

Chair : Chang-Soo Kim (Yonsei Univ.)

Title	Author	Discussant
Evidence from the Appointments of Outside Directors who have Fired CEOs	Jay Cai (Drexel Univ.) Tu Nguyen (Univ. of Waterloo)	Shinwoo Kang (Hitotsubashi Univ.)
National Culture, Corporate Governance Practices, and Firm Performance	Dale Griffin (Univ. of British Columbia) Omrane Guedhami (Univ. of South Carolina) Chuck C. Y. Kwok (Univ. of South Carolina) Kai Li (Univ. of British Columbia) Liang Shao (Hong Kong Baptist Univ.)	Jay Cai (Drexel Univ.)
When Heirs Become Major Shareholders: Evidence on Tunneling and Succession through Related-Party Transactions	Sunwoo Hwang (MSCI) Woochan Kim (Korea Univ.)	Junyoup Lee (UNIST)
Experienced Independent Directors	Shinwoo Kang (Hitotsubashi Univ.)	Omrane Guedhami (Univ. of South Carolina)

## Session 4 : International Finance

Chair : In Joon Kim (Yonsei Univ.)

Title	Author	Discussant
Trade Linkage and Cross-Country Stock Return Predictability	Tae-Hoon Lim (KIEP)	Kee-Hong Bae (York Univ.)
Infant Firms in Emerging Market: An Analysis of Stand-Alones vs. Subsidiaries	Soo Jin Kim (Univ. of Virginia) Woojin Kim (Seoul National Univ.) Dong Ryung Yang (Seoul National Univ.)	Albert Tsang (The Chinese Univ. of Hong Kong)
The Cost of Stock Market Integration in Emerging Markets	Kee-Hong Bae (York Univ.) Xin Zhang (Fudan Univ.)	Kyuhyong Kim (Chung-Ang Univ.)
Disaggregated Management Forecasts and the Legal Environment: International Evidence	Jeff Ng (The Chinese Univ. of Hong Kong) Albert Tsang (The Chinese Univ. of Hong Kong) Oktay Urcan (Univ. of Illinois at Urbana-Champaign)	Woojin Kim (Seoul National Univ.)

 December 6, 14:00 ~ 15:30

 **Session 5 : Options, Futures and Securitization**

Chair : Robert I. Webb  
(Univ. of Virginia)

Title	Author	Discussant
Bargaining with Soft and Hard Information: A Model of RMBS Issuance	Thummim Cho (Harvard Univ.) Ji Yeol Jimmy Oh (Korea Military Academy)	Sooyoung Song (Chung-Ang Univ.)
On the Intraday Relation between the VIX and its Futures	Bart Frijns (Auckland Univ. of Technology) Alireza Tourani-Rad (Auckland Univ. of Technology) Robert I. Webb (Univ. of Virginia)	Sun-Joong Yoon (Dongguk Univ.)
Slow Diffusion of Information and Price Momentum in Stocks: Evidence from Options Markets	Zhuo Chen (Tsinghua Univ.) Andrea Lu (Univ. of Melbourne)	Paul Moon Sub Choi (Ewha Womans Univ.)

 **Session 6 : Mutual Funds**

Chair : Sang Lyong Joo (Hongik Univ.)

Title	Author	Discussant
Prime Broker-Level Comovement in Hedge Fund Returns: Information or Contagion?	Ji-Woong Chung (Korea Univ.) Byoung Uk Kang (The Hong Kong Polytechnic Univ.)	Noolee Kim (Hanyang Univ.)
Structural VAR Approach to Mutual Fund Cash Flows: Net Flows, Inflows, and Outflows	Bong Soo Lee (Florida State Univ.) Yeonjeong Ha (KAIST) Miyoun Paek (Pusan National Univ.) Kwangsoo Ko (Pusan National Univ.)	Jerry Parwada (Univ. of New South Wales)
Empirical Test of the Liquidity-Based Theory of Closed-End Funds	Jerry Parwada (Univ. of New South Wales) Kok Keng Siaw (Univ. of New South Wales)	Ji-Woong Chung (Korea Univ.)

## Session 7 : Market Microstructure

Chair : Hyuk Choe (Seoul National Univ.)


Title	Author	Discussant
Anomalies and Market (Dis) Integration	Jaewon Choi (Univ. of Illinois at Urbana-Champaign) Yongjun Kim (Univ. of Illinois at Urbana-Champaign)	Hyung-Suk Choi (Ewha Womans Univ.)
Excessive Arbitrage Trading by Overconfidence	Min Hwang (George Washington Univ.) Soosung Hwang (Sungkyunkwan Univ.) Sanha Noh (Sungkyunkwan Univ.)	Jaewon Choi (Univ. of Illinois at Urbana-Champaign)
Price Stabilization and Discovery under a Random-End Trading Mechanism	Kyong Shik Eom (Univ. of Seoul) Jong-Ho Park (Suncheon National Univ.)	Soosung Hwang (Sungkyunkwan Univ.)

## Session 8 : Ph.D. Session

Chair : Kee H. Chung (State Univ. of New York at Buffalo)

Title	Author	Discussant
An Intertemporal CAPM with Higher-Order Moments	Jeewon Jang (KAIST) Jangkoo Kang (KAIST)	Changjun Lee (Hankuk Univ. of Foreign Studies)
Unemployment Risks and Private Unemployment Insurance	Bong-Gyu Jang (POSTECH) Seyoung Park (POSTECH)	Jane Yoo (Ajou Univ.)
Cross-Sectional and Intertemporal Forecast Dispersions, Risk, and Stock Returns	Dongcheol Kim (Korea Univ.) Haejung Na (Korea Univ.)	Jaehoon Hahn (Yonsei Univ.)

 December 6, 15:45 ~ 17:45

 **Session 9 : Corporate Finance I** Chair : Sun-Wung Hwang (Chung-Ang Univ.)

Title	Author	Discussant
Financial Flexibility and Corporate Cash Policy	Tao Chen (Nanyang Technological Univ.) Jarrad Harford (Univ. of Washington) Chen Lin (Univ. of Hong Kong)	Woochan Kim (Korea Univ.)
Does Information Asymmetry affect Corporate Tax Aggressiveness?	Tao Chen (Nanyang Technological Univ.) Chen Lin (Univ. of Hong Kong)	Young Sang Kim (Northern Kentucky Univ.)
Credit Rating and Short-Term Debt Financing: Empirical Analysis of Listed Firms in Korea	Byung-Uk Chong (Univ. of Seoul) In-Deok Hwang (Korea Ratings Corp.) Young Sang Kim (Northern Kentucky Univ.)	Tao Chen (Nanyang Technological Univ.)
Capital Gains Lock-In and Governance Choices	Stephen G. Dimmock (Nanyang Technological Univ.) William C. Gerken (Univ. of Kentucky) Zoran Ivković (Michigan State Univ.) Scott J. Weisbender (Univ. of Illinois and NBER)	Hyeongsop Shim (UNIST)

 **Session 10 : Investments** Chair : Sang Bin Lee (Hanyang Univ.)

Title	Author	Discussant
Insurance, Debt Covenant, and Overinvestment	Seung Dong (Peter) You (Sangmyung Univ.)	Kyung Hwan Shim (Univ. of New South Wales)
Small Growth and Distress Anomalies: Two Sides of the Same Coin?	Harjoat S. Bhamra (Imperial College) Kyung Hwan Shim (Univ. of New South Wales)	Seung Dong (Peter) You (Sangmyung Univ.)
Product Market Threats and Stock Crash Risk	Si Li (Wilfrid Laurier Univ.) Xintong Zhan (The Chinese Univ. of Hong Kong)	Yongho Cheon (Incheon National Univ.)
Maxing out Globally: MAX-Premium, Uncertainty Avoidance, and the Cross-Section of Expected Stock Returns	Yongho Cheon (Incheon National Univ.) Kuan-Hui Lee (Seoul National Univ.)	Tae-Hoon Lim (KIEP)



## Session 11 : Managerial Behavior

Chair : Jinwoo Park  
(Hankuk Univ. of Foreign Studies)

Title	Author	Discussant
Why do Executives Commit 'Fraud on the Market'? Executive Overconfidence and Securities Class Actions	Suman Banerjee (Nanyang Technological Univ.) Mark Humphery-Jenner (Univ. of New South Wales) Vikram Nanda (Rutgers Univ.) Mandy Tham (Nanyang Technological Univ.)	Taejin Kim (The Chinese Univ. of Hong Kong)
Does Competition Affect Earnings Management? Evidence from a Natural Experiment	Chen Lin (Univ. of Hong Kong) Micah S. Officer (Loyola Marymount Univ.) Xintong Zhan (The Chinese Univ. of Hong Kong)	Mark Humphery-Jenner (Univ. of New South Wales)
Investment Behavior under Uncertainty in Number of Competitors	Taejin Kim (The Chinese Univ. of Hong Kong) Vishal Mangla (Moody's Analytics)	Jay M. Chung (Soongsil Univ.)
Involuntary Delisting and Opportunistic Behavior of Large Shareholders in the Japanese Market	Jinwoo Park (Hankuk Univ. of Foreign Studies) Yun Woo Park (Chung-Ang Univ.) Kengo Shiroshita (Yamaguchi Univ.) Naili Sun (Yamaguchi Univ.)	Junesuh Yi (Dongguk Univ.)

## Session 12 : Corporate Finance II

Chair : J. B. Chay (Sungkyunkwan Univ.)

Title	Author	Discussant
Family Business and Firm Value: Evidence from Stakeholder Relations with Employees	Jun-Koo Kang (Nanyang Technological Univ.) Jungmin Kim (The Hong Kong Polytechnic Univ.)	Youngjoo Lee (Sogang Univ.)
Advertising, Shareholder Base, and Firm Value	Hee-Joon Ahn (Sungkyunkwan Univ.) Hyung Chul Lee (Sungkyunkwan Univ.)	Jungmin Kim (The Hong Kong Polytechnic Univ.)
How are Proceeds from Seasoned Equity Offerings Used?	E. Han Kim (Univ. of Michigan) Heuijung Kim (Sungkyunkwan Univ.) Yuan Li (Tsinghua Univ.) Yao Lu (Tsinghua Univ.) Xinzheng Shi (Tsinghua Univ.)	Hae Mi Choi (Loyola Univ. Chicago)
Investment Duration and Corporate Governance	Youngjoo Lee (Sogang Univ.) Kee H. Chung (State Univ. of New York at Buffalo)	Jhinyoung Shin (Yonsei Univ.)

## Program Committee

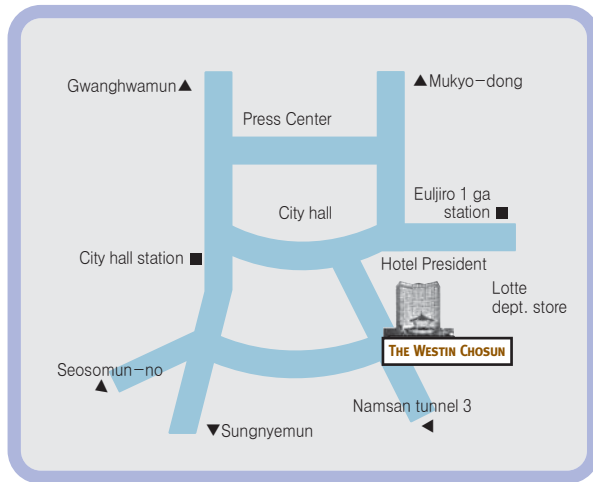
Chair : Dong-Soon Kim  
(Chung-Ang University)

- Joon Chae  
(Seoul National University)
- Byung-Uk Chong  
(University of Seoul)
- Jay M. Chung  
(Soongsil University)
- Jaehoon Hahn  
(Yonsei University)
- Joon Ho Hwang  
(Korea University)
- Bong Chan Kho  
(Seoul National University)
- Joonghyuk Kim  
(Korea University)
- Noolee Kim  
(Hanyang University)
- Sol Kim  
(Hankuk University of Foreign Studies)
- Woojin Kim  
(Seoul National University)
- Kuan-Hui Lee  
(Seoul National University)
- Kaun Y. Lee  
(Chung-Ang University)
- Kwangwoo Park  
(KAIST)
- Jhinyoung Shin  
(Yonsei University)
- Jungsoon Shin  
(Ewha Womans University)
- Jungwon Suh  
(Sungkyunkwan University)
- Jung Bum Wee  
(Kyung Hee University)
- Eunjung Yeo  
(Chung-Ang University)
- Junesuh Yi  
(Dongguk University)
- Jin Yoo  
(Hanyang University)
- Jeongsun Yun  
(Kookmin University)

## Review Committee

Chair : Dong-Soon Kim  
(Chung-Ang University)

- Kee-Hong Bae  
(York University)
- Kee H. Chung  
(State University of New York at Buffalo)
- Omrane Guedhami  
(University of South Carolina)
- Kewei Hou  
(The Ohio State University)
- Francis In  
(Monash University)
- Jun-Koo Kang  
(Nanyang Technological University)
- Woojin Kim  
(Seoul National University)
- Bong Soo Lee  
(Florida State University)
- Lilian K. Ng  
(University of Wisconsin-Milwaukee)
- Tom Nohel  
(Loyola University Chicago)
- Kwangwoo Park  
(KAIST)
- Oliver M. Rui  
(China Europe International Business School)
- Robert I. Webb  
(University of Virginia)
- K. C. John Wei  
(Hong Kong University of Science and Technology)
- Eunjung Yeo  
(Chung-Ang University)



### III KAL Limousine Bus

- Bus Stop : No 4B / 11A (KAL Limousine stop) on the first floor of the Airport Building (outdoor bus arrival area)
- You can buy tickets at the airport limousine counters or directly from limousine drivers upon boarding.
- Fare : ₩15,000
  - 1) Incheon International Airport to The Westin Chosun  
First Bus 04:47/Last Bus 22:35(4B), 22:40(11A)
  - 2) The Westin Chosun to Incheon International Airport  
First Bus 05:35 / Last Bus 18:35 / Interval : 20 min.
- Travel Time  
Typical : 1 hour 10 min. / Rush Hour : Over 2 hours

### III Subway Train

- Fare : ₩3,800 from Incheon International Airport to City Hall Station
- Direction
  - Take AREX at Incheon International Airport Station bound for Hong Ik University
  - At Hong Ik Univ Station, Transfer to Transit Line Number 2 toward City hall
  - Get off at City Hall Station On Line No.1 (KNR-Dark Blue Line) or Line No. 2 (Green Line) Exit Gates # 6, #7 or at Uljiro 1 (il) ga Station :On Line No. 2 (Green Line) Exit Gate #7
  - Walking distance to the Westin Chosun Hotel
- Travel Time : 90 minutes



사단  
법인 **한국증권학회**  
KOREAN SECURITIES ASSOCIATION

---

143 Uisadang-daero, Yeongdeungpo-gu, Seoul, 150-974, Korea  
Tel : 82-2-783-2615 Fax : 82-2-783-6539  
[www.apjfs.org](http://www.apjfs.org) [www.iksa.or.kr](http://www.iksa.or.kr) [wileyonlinelibrary.com/journal/apjfs](http://wileyonlinelibrary.com/journal/apjfs)