



UNSW Business School
Institute of Global Finance

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Banking and Finance

ANNUAL REPORT 2014



UNSW
THE UNIVERSITY OF NEW SOUTH WALES

ANNUAL REPORT 2014

INSTITUTE OF GLOBAL FINANCE

UNSW Business School

**University of New South Wales
Sydney NSW 2052 Australia**

1. Research Activities.

1. Joint research work with NYU on Systemic Risk and Global Financial Stability

2014 has seen the intensification of ongoing work between the IGF and the Volatility Institute at NYU. PwC and Finsia have also been great partners and sponsors of this collaborative work. This work has been conducted with the view to producing more refined data and more advanced technology in measuring and quantifying systemic risk for banks, and transporting them into live data.

2. Engagement: Connection with the Finance Industry and Financial Regulators

The IGF has maintained a close relationship with a number of business organisations such as PwC and Finsia.

3. The Asian Development Bank (Collaborative work on Global Prosperity)

The collaborative work of the IGF and the ADB has continued in 2014, building on the relationship of previous years. The IGF has, in collaboration with the ADB, launched a number of reports detailed below.

I- Asian Capital Market Development and Integration: Challenges & Opportunities

On 17 January 2014, Director of the IGF, Professor Fariborz Moshirian, gave a keynote speech at a launch hosted by the Korea Capital Market Institute in Seoul, South Korea, for the publication of a book written by the Asian Development Bank and its partners, on the topic of Global Financial Stability and Regional Economic Integration. Contributions were made to this book by the IGF on the subject of Evolving Global Regulatory Framework and its Impact

on Asia. The writing of the IGF focused primarily on Capital Market Linkages, Contagion and Institutional Representation.

II- Forum for the Launch of the Asian Development Outlook 2014 Report on Development for Asia

On 3 April 2014, the IGF hosted an ADB senior delegation who launched the Annual Report on Development. Assistant Chief Economist of the Asian Development Bank, Dr. Joe Zveglich, Principal Economist and Senior Economist of the ADB's Pacific Department, Ms. Emma Veve and Dr. Christopher Edmonds respectively, discussed the Bank's flagship economic publication, the Asian Development Outlook 2014 (ADO) Report. The Report included a comprehensive analysis of macroeconomic issues in the Asia-Pacific and contained a number of growth projections. Assistant Chief Economist, Dr Joe Zveglich, addressed various issues and the key findings of the Report in a special presentation.

III- Launch of ADB Key Indicators 2014 Report

Principal Economist, Dr. Guanghua Wan gave a keynote address in a forum hosted by the IGF on the ADB's statistical report on Key Indicators for Asia and the Pacific 2014. Dr. Wan focused on the significant challenges of increasing food insecurity, inequality and vulnerability in Asia, and answered a number of pertinent questions in relation to the adequacy of the existing extreme poverty line.

IV- Business Forum on Global Prosperity

Director of the IGF, Professor Fariborz Moshirian interviewed Dr Andrea Iffland, a Principal Economist and Regional Director of the Asian Development Bank. Dr Iffland provided insights into the operations of the Asian Development Bank and the challenges currently faced by Pacific nations. In particular, Dr Iffland spoke at the IGF on the evolving nature of the Pacific banking and finance sector post-GFC.

4. PwC and Finsia

The IGF has maintained its close working relationship with PwC and Finsia in 2014. Furthermore, PwC is working with the IGF, the V-Lab at NYU and Finsia, on the subject of systemic risk to provide invaluable research output for the industry and regulators over time. PwC, Finsia and the IGF have continued working on their joint ARC Linkage grant on global and regional systemic risk in 2014.

Global Business Partnership (work with the World Bank)

PwC and Finsia have sponsored a number of initiatives of the IGF in 2014. Some of them are amongst the activities listed below.

I- Forum on World Bank Report Launch

In October 2014, Dr Augusto Lopez-Claros, Director of Global Indicators and Analysis with the World Bank was interviewed by the Institute of Global Finance upon the launch of the World Bank's 2014 'Doing Business' and 'Women, Business and the Law' Reports. Dr Lopez-Claros explained the significance and shortcomings of the reports and highlighted the various insights they provided.

II- Business Forum on Global Liquidity Risk Management: Interview of Professor Tarun Chordia

Director of the Institute of Global Finance, Professor Fariborz Moshirian, interviewed Professor Tarun Chordia of Emory University on the topic of global liquidity risk management. Professor Chordia covered methods of measuring aspects of liquidity, the impact of liquidity on asset prices and market efficiency, and examined the incidence of high frequency trading.

III- Business Forum on Liquidity Shock and Financial Stability: Interview of Professor Avanidhar Subrahmanyam (UCLA)

On 10 September 2014, Professor Avanidhar Subrahmanyam, the Goldyne and Irwin Hersh Chair in Money and Banking at the University of California, Los Angeles gave insights on the causes of the Global Financial Crisis, and whether the right policies are in place to prevent another crisis. The CIFR's financial support is greatly appreciated.

IV- Business Forum on Financial Innovation

The IGF has organised a business forum for an outstanding scholar in the area of innovation, Prof Xuan Tian. This forum was held at PwC. ***Business Forum on Credit Expansion and Law***

On 2 July 2014, the IGF hosted the 3rd International Conference on Global Financial Stability and Prosperity. Professor Murillo Campello from Cornell University gave a keynote speech on the topic of "How Laws Affect Credit Expansion and Real Outcomes: In Search of New Directions." Professor Campello was also interviewed by the IGF on the topic of economic challenges faced by the global economy in the post-GFC period.

V- Business Forum on Systemic Risk and Global Financial Stability

On 2 May 2014, the IGF organised a business forum on systemic risk and global financial stability and prosperity at the Australian School of Business. Dr Sunil Sharma, an IMF Senior Official, spoke on "Macro-prudential policy: issues in design and implementation". Dr. Sharma examined the subject from four different key perspectives: Macro-prudential policy; design and implementation; practice; and institutional structure.

VI- Business Forum on the History and Future of Finance

On 6 November 2014, Alfred Nobel Memorial Prize Winner in Economic Sciences, Professor Robert C. Merton, gave a keynote address at PwC with the support and sponsorship of Finisa and PwC.

VII- International Business Forum on Global Financial Stability

On 16 December 2014, as part of the 27th Australasian Finance and Banking Conference, the IGF organised a business forum on global financial stability at the Shangri-la Hotel in Sydney, in collaboration with PwC and Finsia. Keynote speakers included:

- Michael Piwowar, Commissioner, US Securities and Exchange Commission
- Douglas Diamond, University of Chicago
- Guy Debelle, Assistant Governor of Reserve Bank of Australia
- Andrew Karolyi, Cornell University

5. Research output

5.1. Policy publications (Refereed Articles)

Financial Market, Systemic Risk, Governance, Financial Stability and Financial Market Developments

The following papers were published in the 2014 'Special Section on Liquidity Shocks: Governance, Systemic Risk, and Financial Stability' (Vol. 45) of the Journal of Banking and Finance, by the IGF in collaboration with Jamie McAndrews (Federal Reserve Bank of New York), Andy Haldane (Bank of England) and Lucie Ellis (Reserve Bank of Australia). The support of Finsia and PwC are greatly appreciated for an international conference held in Sydney, associated with this special issue).

Betz, F., S, Oprica, T, Peltonen and P, Sarlin, Predicting distress in European banks, 225-241.

Borio, C., The financial cycle and macroeconomics: What have we learnt?, 182-198.

Ellis, L., A. Haldane and F. Moshirian, Systemic Risk, governance and global financial stability, 175-181.

Jobst, A., Measuring systemic risk-adjusted liquidity (SRL) - A model approach, 270-287.

Koch, C., Risky adjustments or adjustments to risks: Decomposing bank leverage, 242-254.

Langfield, S., Z, Liu and T, Ota., Mapping the UK interbank system, 288-303.

Li, Z., Mutual monitoring and corporate governance, 255-269.

Park, C and V. Rogelio., Determinants of financial stress in emerging market economies, 199-224.

Qian, X., L. Tam and B. Zhang., Systematic liquidity and the funding liquidity hypothesis, 304-320.

Global governance: Global banks and shadow banks supervision

Another major research undertaking by the IGF in 2014 was related to the above theme. A number of researchers presented their work in the 3rd International Conference on Global Prosperity, as part of this research undertaking. The selected papers presented at this conference will be published in a special issue of the Journal of Banking and Finance, one of the top-tier financial journals.

Similarly, as part of the 27th Australasian Finance and Banking conference, selected papers presented at this conference were refereed for the publication in a special issue (Vol. 48) of the Journal of Banking and Finance in November 2014:

Agur, I., Bank risk within and across equilibria, 322-333.

Anginer, D., A. Demircuc-Kunt and M. Zhu., How does deposit insurance affect bank rise? Evidence from the recent crisis, 312-321.

Beyhaghi, M., C. D'Souza and G. Roberts., Funding advantage and market discipline in the Canadian banking sector, 396-410.

Chang, E., Y. Luo and J. Ren., Short-selling, margin-trading, and price-efficiency: Evidence from the Chinese market, 411-424.

Chang, Y., R. Chou and T. Huang., Corporate governance and the dynamics of capital structure: New evidence, 374-385.

Detollenaere, B and P. Mazza, Do Japanese candlesticks help solve the trader's dilemma?, 386-395.

Jin, Y and Z. Zeng., Banking risk and macroeconomic fluctuations, 350-360.

Sakurai, Y and Y. Uchida., Rehypothecation dilemma: Impact of collateral rehypothecation on derivative prices under bilateral counterparty credit risk, 361-373.

Schoenmaker, D and A. Siegmann, Can European bank bailouts work?, 334-349.

5.2. Research Output Related to Systemic Risk, Global Financial Stability and Global Governance (Refereed Articles) of the IGF Associates.

Selected publications of the IGF associates in 2014 are listed as follows:

1. Acharya, V. and S. Steffen., (2014), Benchmarking the European Central Bank's Asset Quality Review and Stress Test - A Tale of Two Leverage Ratios, Center for European Policy Studies.
2. Chemmanur, T., Elena Loutskina and Xuan Tian., (2014), Corporate Venture Capital, Value Creation, and Innovation, *Review of Financial Studies*, forthcoming.
3. Duffie, D., (2014), Resolution of Failing Central Counterparties, Working Paper, Graduate School of Business, Stanford University.
4. Duffie, D., P. Dworczak, and H. Zhu., (2014), Benchmarks in Search Markets, Working Paper, Graduate School of Business, Stanford University.
5. Duffie, D and J. Stein., (2014), Reforming LIBOR and Other Financial-Market Benchmarks, *Journal of Economic Perspectives*, forthcoming.
6. Duffie, D., M. Scheicher and G. Vuillemeys., (2014), Central Clearing and Collateral Demand, forthcoming, *Journal of Financial Economics*.
7. Duffie, D., (2014), Challenges to A Policy Treatment of Speculative Trading Motivated by Differences in Beliefs, *Journal of Legal Studies*, Vol. 43, 173-182.
8. Duffie, D., S. Malamud and G. Manso., (2014), Information Percolation in Segmented Markets, forthcoming, *Journal of Economic Theory*.
9. Engle, R., E. Jondeau and M. Rockinger., (2014), Systemic Risk in Europe, *The Review of Finance*, forthcoming.
10. Engle, R., T. Bali and Y. Tang., (2014), Dynamic Conditional Beta is Alive and Well in the Cross-Section of Daily Stock Returns, Working Paper.
11. Engle, R and A. Mistry., (2014), Priced Risk and Asymmetric Volatility in the Cross-Section of Skewness, *Journal of Econometrics*, Vol. 182, 135-144.
12. Engle, R., V. Acharya and D. Pierret., (2014), Testing Macroprudential Stress Tests: The Risk of Regulatory Risk Weights, *Journal of Monetary Economics*, Vol. 65, 36-53.
13. Fama, E and K. French., (2014), Incremental Variables and the Investment and Opportunity Set, Chicago Booth Research Paper No. 14-35.
14. Pukthuanthong, K and R. Roll., (2014), A Protocol for Factor Identification, Working Paper.
15. Tian, X. and T. Wang., (2014), Tolerance for Failure and Corporate Innovation. *Review of Financial Studies*, Vol. 27 (1), 211-255.

Research Output of IGF Research Associates (UNSW School of Banking and Finance).

1. Chou, J, N. Zaiats and B Zhang., (2014), 'Does auditor choice matter to foreign investors? Evidence from foreign mutual funds worldwide' *Journal of Banking and Finance*, Vol. 46, pp. 1 – 20.

2. Feldman, D, C. Trzcinka and R.S. Winer., (2014), 'Pricing under noisy signaling' *Review of Quantitative Finance and Accounting*.
3. Huang, T, F. Wu, J. Yu and B. Zhang., (2014), 'International political risk and government bond pricing' *Journal of Banking and Finance*.
4. Humphery-Jenner, M., (2014), 'Takeover defenses, innovation, and value creation: Evidence from acquisition decisions' *Strategic Management Journal*, Vol. 35, No. 5, pp. 668 – 690.
5. Humphery-Jenner, M and R. Powell., (2014), 'Firm size, sovereign governance, and value creation: Evidence from the acquirer size effect' *Journal of Corporate Finance*, Vol. 26, pp. 57 - 77.
6. Lai S, L. Ng and B. Zhang., (2014), 'Does PIN affect equity prices around the world?' *Journal of Financial Economics*, Vol. 114, No. 1, pp. 178 - 195.
7. Qian, X, L.H.K Tam and B. Zhang., (2014), 'Systematic liquidity and the funding liquidity hypothesis' *Journal of Banking and Finance*, Vol. 45, pp. 304 - 320.
8. Smith, G. S and P. L Swan, (2014), 'Do Concentrated Institutional Investors Really Reduce Executive Compensation Whilst Raising Incentives?' *Critical Finance Review*, Vol. 3, No. 1, pp. 49 – 83.
9. Swan P., (2014), 'The ASX Governance Council and independent boards' *Law and Financial Markets Review*, Vol. 8, No. 3, pp. 196 – 198.
10. Yu, J and P Radicevic., (2014), 'A Theory of Family Firms' in 2014 Asian Finance Association (AsianFA) Annual Conference, SSRN, pp. 1 - 38, presented at Asian Finance Association (AsianFA) 2014 Conference, Indonesia, 9 - 11 May 2014.

5.3. Refereed Conference papers publications

Over 110 research papers have been published as part of the 27th Australasian Finance and Banking conference. The conference was held in December 2014 in Sydney with the participation of over 300 people from more than 30 countries (see the Appendix for these papers).

5.4. Working Papers on Global Governance, Global Financial Stability

Selected working papers of IGF associates posted on SSRN during 2014 are listed here.

1. Acharya, V and S. Steffen., (2014), 'Falling Short of Expectations? Stress-Testing the European Banking System', CEPS Policy Brief No. 315. New York University - Leonard N. Stern School of Business, ESMT European School of Management and Technology.
2. Acharya, V., T, Eisert, C, Eufinger and C, Hirsch., (2014), 'Real Effects of the Sovereign Debt Crisis in Europe: Evidence from Syndicated Loans', CEPR Discussion Paper No. DP10108. New York University - Leonard N. Stern School of Business, Erasmus University Rotterdam, IESE Business School, Goethe University Frankfurt - House of Finance.
3. Acharya, V., H, Almeida, F, Ippolito and A, Perez., (2014), 'Bank Lines of Credit as Contingent Liquidity: A Study of Covenant Violations and Their Implications', ECB Working Paper No. 1702. New York University - Leonard N. Stern School of Business, University of Illinois at Urbana-Champaign, Universitat Pompeu Fabra - Facility of Economic and Business Sciences.
4. Acharya, V., R, Engle and D, Pierret, (2014), 'Testing Macroprudential Stress Tests: The Risk of Regulatory Risk Weights', CEPR Discussion Paper No. DP9800. New York University - Leonard N. Stern School of Business, New York University - Leonard N. Stern School of Business - Department of Economics and HEC - University of Lausanne.
5. Acharya, V and B, Tuckman., (2014), 'Unintended Consequences of LOLR Facilities: The Case of Illiquid Leverage', *IMF Economic Review*, Vol. 62, 605-655. New York University - Leonard N. Stern School of Business; ESMT European School of Management and Technology; Center for Financial Studies (CFS)
6. Baele, L., G, Bekaert, K, Inghelbrecht and M. Wei., (2014), 'Flights to Safety', National Bank of Belgium Working Paper No. 230. Tilburg University - Department of Finance, Columbia Business School - Finance and Economics, Ghent University - Department of Financial Economics, Board of Governors of the Federal Reserve - Division of Monetary Affairs. Bekaert, G and C. Harvey., (2014), Emerging Equity Markets in a Globalizing World, NBER Working Paper. Columbia Business School - Finance and Economics and Duke University - Fuqua School of Business.
7. Bekaert, G and M, Hoerova., (2014), 'The VIX, the Variance Premium and Stock Market Volatility', ECB Working Paper No. 1675. Columbia Business School - Finance and Economics, European Central Bank.
8. Bekaert, G., M, Ehrmann, M, Fratzscher and A, Mehl., (2014), 'The Global Crisis and Equity Market Contagion', D/W Berlin Discussion Paper No. 1352. Columbia Business School - Finance and Economics, Bank of Canada, DIW Berlin, European Central Bank.
9. Bekaert, G., K, Hoyem, W, Hu and E, Ravina., (2014), 'Who is Internationally Diversified? Evidence from 296 401(K) Plans', Netspar Discussion Paper No. 02/2014-025. Columbia Business School - Finance and Economics, Financial Engines, Inc, Columbia Business School - Finance and Economics.
10. Chordia, T., A, Goyal, Y, Nozawa, A, Subrahmanyam and Q, Tong., (2014), 'Is the Cross-Section of Expected Bond Returns Influenced by Equity Return Predictors?', 27th Australian Finance and Banking Conference 2014 Paper. Emory University - Department of Finance, University of Lausanne, Federal Reserve Board of Governors, University of

California, Los Angeles (UCLA) - Finance Area and Singapore Management University - Lee Kong Chian School of Business.

11. Engle, R., F, Moshirian and B, Zhang., (2014), 'Aspects of Regional Financial Stability: A Policy Approach', CIFR Paper No. 046/2014. New York University - Leonard N. Stern School of Business - Department of Economics, University of New South Wales (UNSW) - Institute of Global Finance, Australian School of Business and University of New South Wales (UNSW) - School of Banking and Finance.
12. Engle, R., F, Moshirian, S, Sahgal and B, Zhang., (2014), 'Banks Non-Interest Income and Global Financial Stability', CIFR Paper No. 015/2014. New York University - Leonard N. Stern School of Business - Department of Economics, University of New South Wales (UNSW) - Institute of Global Finance, Australian School of Business and University of New South Wales (UNSW) - School of Banking and Finance.
13. Fama, E and K, French., (2014), 'Dissecting Anomalies with a Five-Factor Model', Fama-Miller Working Paper. University of Chicago - Finance and Dartmouth College - Tuck School of Business.
14. Grant, A., P, Kalev, A, Subrahmanyam and P, Westerholm., (2014), 'Stressors and Financial Market Trading: The Case of Marital Separation', FIRN Research Paper. University of Sydney - Discipline of Finance, Faculty of Economics and Business, University of South Australia - Centre for Applied Financial Studies, University of California, Los Angeles (UCLA) - Finance Area and The University of Sydney Business School.
15. Moshirian, F., A, Subrahmanyam, C, Khoon Ghee Wee and B, Zhang., (2014), 'Global Commonality in Liquidity', CIFR Paper No. 045/2014. University of New South Wales (UNSW) - Institute of Global Finance, Australian School of Business, University of California, Los Angeles (UCLA) - Finance Area and University of New South Wales (UNSW) - Australian School of Business, Banking & Finance.
16. Pukthuanthong, K and R, Roll., (2014), 'A Protocol for Factor Identification', University of Missouri, Columbia and California Institute of Technology.

5.6. Policy Papers Published in the Australian Media

The Director of the IGF has appeared in the following programs:

1. ‘Will G20 pledges amount to real outcomes?’, *ABC News*, 17 November 2014 <<http://www.abc.net.au/news/2014-11-17/will-g20-pledges-amount-to-real-outcomes/5895890>>.
2. ‘While the G20 summit is being hailed as a major global success, economists are sceptical about whether the commitments will translate into tangible outcomes’, *ABC AM*, 17 November 2014 <<http://www.abc.net.au/am/content/2014/s4129813.htm>>.
3. ‘One of South America's most populous countries, Argentina, is back down at the bottom of the economic roller-coaster’, *ABC PM*, 31 July 2014 <<http://www.abc.net.au/pm/content/2014/s4058218.htm>>.
4. ‘G20: Economists sceptical about growth due to flatlining economies’, *The World Today*, 17 November 2014 <<http://www.abc.net.au/worldtoday/content/2014/s4129942.htm>>.
5. ‘G20 growth target can't be enforced’, *ABC News*, 24 February 2014 <<http://www.abc.net.au/news/2014-02-24/g20-growth-target-cant-be-enforced/5279780>>.
6. ‘Bank for International Settlements warns of risk of house price falls in overvalued markets’, *ABC PM*, 15 September 2014 <<http://www.abc.net.au/pm/content/2014/s4088110.htm>>.
7. ‘BNP Paribas fined almost \$9bn for breaking global trade sanctions’, *The World Today*, 1 July 2014 <<http://www.abc.net.au/worldtoday/content/2014/s4036676.htm>>.
8. ‘Murray warns Australian economy at risk in future financial crisis’, *ABC PM*, 8 December 2014 <<http://www.abc.net.au/pm/content/2014/s4144560.htm>>.

6. Conferences

6.1 Conference on Policy Issues

6.1.1 The 3rd Annual Conference on Global Prosperity

The 3rd Annual Conference on Global Financial Prosperity was held in July 2014 in Sydney.

Professor Murillo Campello, from Cornell University, gave a keynote a speech, entitled “How Laws Affect Credit Expansion and Real Outcomes: In Search of New Directions”. Professor Campello. **6.2 Business Forum on Systemic Risk and Global Financial Stability on 2 May**

The IGF organised a Business Forum on Global Systemic Risk and Global Financial Stability on 2 May 2014 at the Australian School of Business. Dr Sunil Sharma, a Senior Official at the IMF in Asia, gave a keynote speech at this business forum, with the title 'Macro-prudential policy: issues in design and implementation'.

6.3 The 27th Australasian Finance and Banking Conference

The 27th Australasian Finance and Banking Conference (AFBC) was held on 16-18 December 2014 at the Shangri-La Hotel, Sydney. This conference was organized by the Institute of Global Finance and School of Banking and Finance and sponsored by the Australian Stock Exchange, the Reserve Bank of Australia, Bureau Van Dijk, BlackRock, PwC and Finsia (PwC and Finsia are the main sponsors of this conference). The AFBC has become the most prestigious finance conference in the Asia-Pacific region. It is a gathering of unprecedented size with over 300 attendants from 30 countries. The world's foremost leaders of thought from the financial community met and shared their research and interest in finance-related fields. Six categories of prizes were awarded and a total of 196 papers were presented. The conference also engaged with the finance industry and policy makers by creating a major business forum. The conference additionally offered a PhD Forum held as a separated one-day session on 15 December 2014. At the Forum, PhD students from top business schools around the world presented their works and received valuable comments from top scholars. The following Business Forums and keynote speeches were presented at the 27th AFBC.

Keynote speakers included:

Professor Geert Bekaert, *Columbia University*

Professor Douglas Diamond, *University of Chicago*

Professor John Griffin, *University of Texas at Austin*

Professor Andrew Karolyi, *Cornell University*

Professor Eduardo Schwartz, *UCLA*

International Business Forum: Global Financial Stability

Michael Piwowar, Commissioner, US Securities and Exchange Commission; Professor Douglas Diamond, University of Chicago; Dr Guy Debelle, Assistant Governor, Reserve Bank of Australia; Professor Andrew Karyoli, Cornell University

Women’s Forum: Alexandra Holcomb, Westpac Banking Corporation

Cracking the Emerging Markets Enigma

Professor Andrew Karyoli, Cornell University

Home Bias and International Diversification

Professor Geert Bekaert, Columbia University

The Real Options Approach to Valuation: Challenges and Opportunities

Professor Eduardo Schwartz, UCLA

The Forensic Side of the Financial Crisis

Professor John Griffin, University of Texas at Austin

7. PhD Forum 2014

As part of the 27th Australasian Finance and Banking Conference, the PhD Forum for advanced Finance Doctoral Students was held at the Shangri-La Hotel (Sydney) on 15 December 2014. The one-day forum was organised by the IGF and the School of Banking and Finance. Over 250 papers were submitted to this Forum and only eight selected papers were accepted for presentation. The papers presented by the PhD candidates were discussed by distinguished members of the finance profession. All presenters were from the leading business schools in the US, Europe and Asia. This Forum is becoming one of the most competitive and well-known PhD fora in finance in the world. The detail of the panel discussion and the eight presented papers are as follows:

A Revenue-Sharing Theory of the Firm

Jiasun Li, UCLA Anderson School of Management

Discussant: Douglas Diamond, University of Chicago

How Options Affect Information Acquisition and Asset Price

Shiyang Huang, London School of Economics & Political Science

Discussant: Eduardo Schwartz, UCLA

The Bank Lending Channel and Corporate Innovation

Spyridon Lagaras, University of Illinois at Urbana-Champaign

Discussant: Xuan Tian, Indiana University

Knowledge Network and the Cross-Section of Expected Returns

Kevin Tseng, Northwestern University

Discussant: Andrew Karyoli, Cornell University

Labor-Technology Substitution: Implications for Corporate Investments and Asset Pricing

Miao (Ben) Zhang, University of Texas at Austin

Discussant: Vikram Nanda, Rutgers University

Cross-Sectional Evidence in Consumption Mismeasurement

Xiao Qiao, University of Chicago

Discussant: Geert Bekaert, Columbia University

Intermediary Funding Liquidity and Rehypothecation as Determinants of Repo Haircuts and Interest Rates

Egemen Eren, Stanford University

Discussant: Kewei Hou, Ohio State University

Rise of a Network - Political Connections and Allocative Distortions

David Schoenherr, London Business School

Discussant: John Griffin, University of Texas at Austin

8. Research Grants and other Sources of Funding

8.1. Australian Research Grant

ARC Linkage with PwC, Finsia and the NYU Volatility Institute was successful in 2013. This project is very exciting and highly influential for the world of finance.

Appendix I

Refereed Conference Proceedings – 27th Australasian Finance and Banking Conference

Vol. 1, No. 1: October 12, 2015

Banks Exposure to Interest Rate Risk and the Transmission of Monetary Policy

Augustin Landier, Toulhouse School of Economics

David Alexandre Sraer, University of California, Berkeley, Princeton University

David Thesmar, HEC Paris – Finance Department

Executive Overconfidence and Securities Class Actions

Suman Banerjee, University of Wyoming – College of Business – Department of Economics and Finance

Mark Humphery-Jenner, UNSW Business School, Financial Research Network (FIRN)

Vikram K. Nanda, University of Texas at Dallas – School of Management – Department of Finance and Managerial Economics

T. Mandy Tham, Nanyang Technological University (NTU)

Tick Size: Theory and Evidence

Ingrid M. Werner, the Ohio State University – Fisher College of Business

Yuanji Wen, University of Western Australia – Department of Accounting and Finance

Barbara Rindi, Bocconi University and IGIER and CAREFIN

Francesco Consonni, Bocconi University - Department of Finance

Sabrina Buti, University of Toronto - Rotman School of Management

Underwriter Switching in Shelf Offerings

Mark Humphery-Jenner, UNSW Business School, Financial Research Network (FIRN)

Sigitas Karpavicius, The University of Adelaide

Jo-Ann Suchard, UNSW Australia Business School, School of Banking and Finance, Financial Research Network (FIRN)

Political Uncertainty and Public Financing Costs: Evidence from U.S. Gubernatorial Elections and Municipal Bond Market

Pengjie Gao, University of Notre Dame - Mendoza College of Business

Yaxuan Qi, City University of Hong Kong (CityUHK) - Department of Economics & Finance

Forecasting Stock Returns During Good and Bad Times

Dashan Huang, Singapore Management University - Lee Kong Chian School of Business

Fuwei Jiang, Central University of Finance and Economics (CUFE) - School of Finance

Jun Tu, Singapore Management University - Lee Kong Chian School of Business

Guofu Zhou, Washington University in St. Louis - Olin School of Business

Blockholder Power, Shareholder Conflicts and Legal Protection: Evidence from Tax Preferences and Payout Decisions

Christoph Kaserer, Technische Universität München (TUM)

Marc Steffen Rapp, University of Marburg - School of Business & Economics

Oliver Trinchera, Technische Universität München

Hitting SKEW for SIX

Robert W. Faff, University of Queensland

Zhangxin Frank Liu, University of Western Australia Business School

Why Does the Post Earnings Announcement Drift Last for So Long? An Explanation Based on the Investors' Beliefs

Xin Cui, University of International Business and Economics (UIBE) - Business School

Gloria Yuan Tian, University of Lethbridge Calgary Campus, Financial Research Network (FIRN)

Investor Attention, Visual Price Pattern, and Momentum Investing

Li-Wen Chen, National Chung Cheng University

Hsin-Yi Yu, National University of Kaohsiung

Vol. 1, No. 2: October 14, 2015

Currency Appreciation Shocks and Shareholder Wealth Creation in Cross-Border Mergers and Acquisitions

Chen Lin, The University of Hong Kong - Faculty of Business and Economics

Micah S. Officer, Loyola Marymount University - Department of Finance and Computer Information Systems

Beibei Shen, The Chinese University of Hong Kong (CUHK) - Department of Finance

Does Board "Independence" Destroy Corporate Value?

Peter L. Swan, University of New South Wales (UNSW Australia), Financial Research Network (FIRN)

David Forsberg, UNSW Business School

Asset Pricing with Regime-Dependent Preferences and Learning

Tony Berrada, University of Geneva, Swiss Finance Institute
Jerome Detemple, Boston University - Department of Finance & Economics, Center for Interuniversity Research and Analysis on Organization (CIRANO)
Marcel Rindisbacher, Center for Interuniversity Research and Analysis on Organization (CIRANO), Boston University School of Management - Finance and Economics Department

Gender Gap in Personal Bankruptcy Risks: Empirical Evidence from Singapore

Sumit Agarwal, National University of Singapore
Jia He, Nankai University
Tien Foo Sing, National University of Singapore (NUS) - Department of Real Estate
Jian Zhang, National University of Singapore (NUS) - Department of Finance

Liquidity Dynamics between REIT and Property Markets

Sumit Agarwal, National University of Singapore
Maggie Rong Hu, University of New South Wales (UNSW) - School of Banking and Finance

Disclosure, Ownership Structure and Bank Risk: Evidence from Asia

Bowo Setiyono, Université de Limoges, LAPE, Universitas Gadjah Mada (UGM) - Faculty of Economics and Business (FEB)
Amine Tarazi, Université de Limoges, LAPE

The Choice of Method of Payment in Cross-Border and Domestic Mergers and Acquisitions

Peng Huang, University of New South Wales - Australian School of Business
Micah S. Officer, Loyola Marymount University - Department of Finance and Computer Information Systems
Ronan Powell, Dublin City University, UNSW Australia Business School, School of Banking and Finance, Financial Research Network (FIRN)

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