

**VFA**  
International



---

# VIETNAM INTERNATIONAL CONFERENCE IN FINANCE 2015

---

**SMART TRAIN**<sup>®</sup>  
Professional Education

**MB**  
NGÂN HÀNG QUẢN ĐÓI

**FBNC**

**Vietcombank**

**VCBS**  
Vietcombank Securities

Ho Chi Minh City, June 4th & 5th, 2015

# Table of Contents

Welcome Notes .....	2
Conference Scope.....	3
Keynote Speakers .....	4
Conference Co-chairs .....	5
Program Committee .....	5
Organizing Committee .....	6
Publication Opportunities.....	6
Conference Venue and Transports .....	7
The Program at a Glance .....	9
The Program in Detail.....	14
Abstracts of Conference Papers.....	32
List of Participants.....	75
Conference Gala Dinner.....	79
Instructions for Publication Opportunities .....	80
VFAP's Workshop on Econometric Methods .....	81
Information about Organizing Partners .....	82

## Welcome Notes

We are pleased to welcome you to the second Vietnam International Conference in Finance (VICIF-2015), which is jointly organized by University of Economics and Law (UEL), the Vietnam Finance Association International (VFAI), and Foreign Trade University (FTU) in Ho Chi Minh City, a high-octane city of commerce and culture of Vietnam. We are also proud to have support from the Military Bank (MB), Smart Train Professional Education, Vietcombank Ho Chi Minh Branch, Vietcombank Securities Company (VCBS), and FBNC.

It is our great privilege to have two guest keynote speakers – Prof. Roni Michaely (*Johnson Graduate School of Management, Cornell University, United States*) and Prof. Ania Zalewska (*Director of the Centre for Governance and Regulation, University of Bath, United Kingdom*) – two of the world’s leading finance experts. We are grateful to them for their presence and kind support.

We also thank all authors, program committee members, and particularly conference participants who serve as session chairs, presenters, and discussants. Our special thanks go to Prof. Cheng-Few Lee (Editor-in-Chief of *Review of Pacific Basin Financial Markets and Policies*) and Prof. Thomas Lagoarde Segot (Editor-in-Chief of *Research in International Business and Finance*), who have agreed to publish a selection of high-quality papers in their journals.

Finally, we would like to thank members of our organizing committee, particularly, Prof. Dr. Thi Canh Nguyen, Dr. Hung Son Tran (*University of Economics and Law*), Assoc. Prof. Dr. Thu Thuy Nguyen, and Dr. Kien Cao (*Foreign Trade University, Vietnam*), for their great contributions to the preparation of this scientific event. Also, our special thanks go to Assoc. Prof. Dr. Tien Dung Nguyen, Rector of University of Economics and Law and Assoc. Prof. Dr. Anh Tuan Bui, President of Foreign Trade University for their support to make this event a great success.

We wish you all an intellectually stimulating and productive conference.

*On behalf of the Organizing and Scientific Committees*

*The Conference Co-Chairs*

Viet Anh Dang, Hung Nhu Duong, and Duc Khuong Nguyen

## Conference Scope

The second Vietnam International Conference in Finance (VICIF-2015), hosted by the University of Economics and Law, takes place on 4-5 June 2015 in Ho Chi Minh City, a beautiful and friendly city in Vietnam and one of the most vibrant cities in South-East Asia. VICIF-2015 will be an excellent opportunity for academics, doctoral students, and practitioners to share interests, present new research results, and discuss current and challenging issues in finance and related topics.

The conference topics include, but are not limited to:

Banking regulation and financial services	Global imbalances & sustainability
Corporate finance and governance	International finance
Corporate debt issues	IPOs, SEOs, M&A
Emerging markets finance	Market behavior and efficiency
Financial crises and contagion	Market integration and asset pricing
Financial engineering and derivatives	Multinational financial management
Foreign exchange markets	Portfolio management and optimization
Financial markets and institutions	Risk management
Financial and econometric modeling	Volatility modeling

Along with the keynote speeches and regular parallel sessions, there are two special sessions which are designed for young researchers and PhD students, as follows:

- *Thursday morning (8:30–12:00), June 4, 2015: Workshop on “Econometric Methods with Applications in Empirical Corporate Finance Research”* (*see page 80*)
- *Thursday afternoon (16:00–17:30), June 4, 2015: Special Session on “Writing and Publishing a Research Paper”*

## Keynote Speakers

**Professor Roni Michaely**, *Johnson Graduate School of Management, Cornell University, United States*



Professor Michaely's research interests are in the area of corporate finance, capital markets and valuation. His current research focuses on conflict of interest in the capital markets, corporation payout policy, and the pricing and optimal trading mechanisms of IPOs.

Michaely has published numerous works (several of which received best-paper awards) in refereed journals such as the *Review of Financial Studies*, the *Journal of Finance*, the *Journal of Business*, and the *Journal of Financial and Quantitative Analysis*. His research has been also frequently featured in *The Wall Street Journal*, *The New York Times*, *The Economist*, *Investor's Business Daily*, *The San Francisco Chronicle*, *BusinessWeek*, *Forbes*, *Barrons*, *Money*, *Reuters*, *Worth*, and others.

A 1999-2000 Whitcomb Fellow who received the Johnson Award for Exceptional Research for 2001-2002, Michaely's research has received several awards and honors. Recent awards include the 2000 *Journal of Finance* Smith Breeden Prize for distinguish paper, the 2000 Western Finance Association Award for the best paper on capital formation, the *Review of Financial Studies* 1999 Barclays Global Investors/Michael Brennan Runner-up Award, the 1999 Western Finance Association Award for the best paper, 1996 Quantitative Alliance Group Prize for best paper, and the 1996 Western Finance Association Award for best paper on investments.

Michaely was appointed to a director of the Israel Securities Authority (ISA) in January 1998. He currently also serves as an associate editor for the *Review of Financial Studies*.

**Professor Ania Zalewska**, *Director of the Centre for Governance and Regulation, University of Bath, United Kingdom*



Professor Zalewska's primary research focuses on studying implementation and consequences of regulation, issues of the pension industry with a focus on pension reforms, pension funds' performance and asset allocation, and impact of pension reforms on the development of financial markets. I also research on corporate governance (managerial incentives, board issues, capital and ownership structure), corporate finance (privatisation, valuation and performance of initial public offerings, modelling and estimation of market risk) and issues of emerging markets (development, investment opportunities, integration and efficiency). She is Director-at-Large of the Multinational Finance Society (MFS) since 2011 and Associate Editor of the *Journal of Banking and Finance* since 2014. Her articles have appeared in, among other journals, *European Economic Review*, *Economic Journal*, *Journal of Empirical Finance*, and *Journal of Financial Economics*.

## Conference Co-chairs

- Dr. Viet Anh Dang, *Lecturer in Finance, Manchester Business School, the United Kingdom & President of Vietnam Finance Association International (VFAI)*
- Dr. Hung Nhu Duong, *Vice-Rector of University of Economics and Law (UEL), Vietnam National University – Ho Chi Minh City, Vietnam.*
- Dr. Duc Khuong Nguyen, *Professor of Finance and Deputy Dean for Research at IPAG Business School, France & Executive Secretary of Vietnam Finance Association International (VFAI)*

## Program Committee

- G. Geoffrey Booth, *Michigan State University, USA*
- Mike Bowe, *Manchester Business School, UK*
- Sabri Boubaker, *Champagne School of Management, France*
- Sankar De, *Shiv Nadar University, India*
- Abe de Jong, *Erasmus University Rotterdam, the Netherlands*
- David Ding, *Massey University, New Zealand*
- Chau Duong, *University of East London, UK*
- Truong Xuan Duong, *Iowa State University, USA*
- Patrice Fontaine, *French National Center for Scientific Research, France*
- Chinmoy Ghosh, *University of Connecticut, USA*
- Kimie Harada, *Chuo University, Japan*
- Chuan-Yang Hwang, *Nanyang Business School, Singapore*
- Arif Khurshed, *Manchester Business School, UK*
- Thomas Lagoarde-Segot, *Kedge Business School, France*
- Anh Le, *University of North Carolina at Chapel Hill, USA*
- Cheng-Few Lee, *Rutgers University, USA*
- Brian Lucey, *Trinity College Dublin, Ireland*
- Jeff Madura, *Florida Atlantic University, USA*
- Bang Dang Nguyen, *University of Cambridge, UK*
- Duong Nguyen, *University of Massachusetts Dartmouth, USA*
- Minh Nguyen, *University of Newcastle, UK*
- Nga Nguyen, *Marquette University, USA*
- Nhut (Nick) Nguyen, *Massey University, New Zealand*
- Canh Thi Nguyen, *University of Economics and Law – HCM City, Vietnam*
- Thanh Lai Nguyen, *California State University Fullerton, USA*
- Thien Tung Nguyen, *Ohio State University, USA*
- Thu Thuy Nguyen, *Foreign Trade University, Vietnam*
- Hieu Van Phan, *University of Massachusetts Lowell, USA*
- Kuntara Pukthuanthong, *University of Missouri, USA*
- S. Ghon Rhee, *University of Hawaii Shidler College of Business, USA*

- Samir Saadi, *University of Ottawa, Canada*
- Anh Tran, *Cass Business School, UK*
- Mathijs A. van Dijk, *Erasmus University Rotterdam, the Netherlands*

## Organizing Committee

- Dr. Hung Nhu Duong, *Vice-Rector of University of Economics and Law (UEL), Vietnam National University – Ho Chi Minh City, Vietnam*; Dr. Canh Thi Nguyen, *Professor of Economics and Finance, University of Economics and Law (UEL), Vietnam National University – Ho Chi Minh City*; and Dr. Son Hung Tran, *Vice Director of Center for Economic and Financial Research (CEFR), University of Economics and Law – Ho Chi Minh City, Vietnam National University – Ho Chi Minh City, Vietnam*.
- Dr. Thu Thuy Nguyen, *Assoc. Professor of Economics and Finance, Dean of Faculty of Business Administration, Foreign Trade University (FTU), Vietnam* and Dr. Kien Dinh Cao, *Lecturer in Finance, Foreign Trade University (FTU), Vietnam & Vice-President of Vietnam Finance Association International (VFAI)*.

## Publication Opportunities

High-quality research papers presented at the conference are eligible to be considered for publication in [Review of Pacific Basin Financial Markets and Policies](#) and [Research in International Business and Finance](#). Please see more details at the end of the document.



Also, in consultation with the conference organizers, and the managing and subject editors of *Emerging Markets Review*, *Journal of International Financial Markets, Institutions and Money*, and *Journal of Multinational Financial Management*, authors of selected papers will be invited to submit their papers to a regular issue of these journals.



An edited book on “*Capital Market Development and Integration: Implications for Corporate Strategy*” will be published by World Scientific Publishing in its Asia Pacific Business Series. Details on publication opportunities for papers presented at the conference will be available in due course.

# Conference Venue and Transports

## University of Economics and Law

Quarter 3, Linh Xuan Ward, Thu Duc District,  
Ho Chi Minh City, Vietnam

Thursday and Friday, 4-5 June 2015



## Transports To and From Conference Venue

### Shuttle bus

The conference organizers offer a complimentary bus service for participants.

Departure	Information	Route
<b>June 4<sup>th</sup> 2015</b>		
7:00	Pick up VFAT's speakers and participants at special session.	From No. 3 CTQT St. to UEL
12:00	Pick up conference participants and delegates to Opening Ceremony	From No. 3 CTQT St. to UEL
18:00	Bus to Gala dinner (from UEL and central HCMC)	From UEL to Bình Quới 1 Restaurant <b>and</b> From No. 3 CTQT to Bình Quới 1 Restaurant
21:30	Return bus to Central HCMC	From Bình Quới 1 Restaurant to No. 3 CTQT St.

<b>June 5<sup>th</sup> 2015</b>		
7:30	Pick up participants to morning sessions	From No. 3 CTQT St. to UEL
11:15	Pick up participants to afternoon sessions	From No. 3 CTQT St. to UEL
12:45	Return bus to central HCMC (for participants who are only able to attend morning sessions)	From UEL to No. 3 CTQT St.
17:45	Return bus to central HCMC (for all remaining participants)	From UEL to No. 3 CTQT St.

**\*: No. 3 Cong Truong Quoc Te Street or Turtle Lake**

### **Taxi**

Participants can also take a taxi directly from their hotel to the conference venue. A (one-way) taxi trip from central HCMC to UEL takes up to 45–50 minutes and costs approximately US\$ 20. Below are reputable local taxi companies and their telephone contact numbers:

- Mai Linh Taxi: +84 8 3838 3838
- Vinasun: +84 8 3827 2727

# The Program at a Glance

Thursday, June 4, 2015

---

12:00 - 14:00 **Registration & Coffee**

14:00 - 14:30 **Welcome and Opening Remarks**

**Welcome notes**

**Amphitheatre**

Dr. **Nhu Hung Duong**, *Vice Rector of University of Economics and Law, Conference Co-Chair*

Dr. **Viet Anh Dang**, *Lecturer in Finance at Manchester Business School, President of Vietnam Finance Association International (VFAI), Conference Co-Chair*

Assoc. Prof. Dr. **Anh Tuan Bui**, *President of Foreign Trade University (FTU)*

14:30 - 15:30 **Keynote Address**

**Financing Payout with Debt and Equity**

**Amphitheatre**

**Prof. Roni Michaely**, *Johnson Graduate School of Management, Cornell University, United States*

15:30 - 16:00 **Coffee Break**

16:00 - 17:30 **Parallel Sessions (A)**

**A1. Corporate Finance I: Mergers and Acquisitions**

**Room 1, Level 1**

**Chair: Anh L. Tran**, *City University London, UK*

**A2. Corporate Finance II: Payout Policy**

**Room 2, Level 1**

**Chair: Thu Thuy Nguyen**, *Foreign Trade University, Vietnam*

**A3. Market Behavior and Efficiency**

**Room 3, Level 8**

**Chair: Arvind Mahajan**, *Texas A&M University, USA*

**A4. Financial and Econometric Modeling I**

**Room 4, Level 8**

**Chair: Li Steven**, *RMIT University, Australia*

**A5. Banking Regulation and Financial Services I**

**Room 5, Level 8**

**Chair: Min-Teh Yu**, *National Chiao Tung University, Taiwan*

**Special Session**

**“Writing and Publishing a Research Paper”**

**Room 6, Level 8**

**Guest Speakers: Prof. Don Chance** (*Louisiana State University, USA*) & **Prof. Patrice Fontaine** (*EUROFIDAI - European Financial Data Institute & CNRS, France*)

**Chair: Viet Anh Dang**, *Manchester Business School, UK*

**18:30 - 21:30 Gala Dinner**

**Place: Binh Quoi-Thanh Da Peninsula**

Pick-up at University of Economics and Law (Conference venue) and Central HCMC (No. 3 CTQT St. or Turtle Lake) at 18:00

---

Friday, June 5, 2015

---

08:30 - 09:00    **Registration & Coffee**

09:00 - 10:00    **Keynote Address**

**Challenges with Market Risk**

**Amphitheatre**

**Prof. Ania Zalewska**, *Director of the Centre for Governance and Regulation, University of Bath, United Kingdom*

10:00 - 10:30    **Best Paper Award Ceremony**

**Best Paper Award**, *sponsored by Vietcombank HCMC Branch.*  
**Best PhD Paper Award**, *sponsored by Vietcombank Securities Co.*

10:30 - 11:00    **Coffee Break**

11:00 - 12:30    **Parallel Sessions (B)**

**B1. Corporate Finance III: Governance, Institutional Investors, and Language**

**Room 1, Level 1**

**Chair: Henrik Cronqvist**, *China Europe International Business School, China*

**B2. Banking Regulation and Financial Services II**

**Room 2, Level 1**

**Chair: Thien T. Nguyen**, *Fisher College of Business, The Ohio State University, USA*

**B3. Corporate Finance IV: Governance, Firm Performance, and Valuation**

**Room 3, Level 8**

**Chair: Hieu V. Phan**, *University of Massachusetts Lowell, USA*

**B4. Emerging Market Finance**

**Room 4, Level 8**

**Chair: K.V. Bhanu Murthy**, *University of Delhi, India*

**B5. Corporate Debt Issues**

**Room 5, Level 8**

**Chair: Patrice Fontaine**, *EUROFIDAI & CNRS, France*

**B6. Market Dynamics and Portfolio Management**

**Room 6, Level 8**

**Chair: Philippe Gillet**, *RITM- University Paris-Sud, France*



Chair: **Duc Khuong Nguyen**, *IPAG Business School, France*

**D5. Financial Markets and Institutions II**

**Room 5, Level 8**

Chair: **Khaled Guesmi**, *IPAG Business School, France*

**D6. Corporate Finance VIII: Ownership, Independent Directors and Firm Value**

**Room 6, Level 8**

Chair: **Rajesh Chakrabarti**, *Indian School of Business, India*

## The Program in Detail

Thursday, June 4, 2015

---

12:00 - 14:00      **Registration & Coffee**

14:00 - 14:30      **Welcome and Opening Remarks**

**Welcome notes**

**Amphitheatre**

Dr. **Nhu Hung Duong**, *Vice Rector of University of Economics and Law, Conference Co-Chair*

Dr. **Viet Anh Dang**, *Lecturer in Finance at Manchester Business School, President of Vietnam Finance Association International (VFAI), Conference Co-Chair*

Assoc. Prof. Dr. **Anh Tuan Bui**, *President of Foreign Trade University (FTU)*

14:30 - 15:30      **Keynote Address**

**Financing Payout with Debt and Equity**

**Amphitheatre**

Prof. **Roni Michaely**, *Johnson Graduate School of Management, Cornell University, United States*

15:30 - 16:00      **Coffee Break**

16:00 - 17:30      **Parallel Sessions (A)**

## A1. Corporate Finance I: Mergers and Acquisitions

Room 1, Level 1

**Chair: Anh L. Tran**, *City University London, UK*

---

### Thriving on a Short Leash: Corporate Debt Maturity Structure and Mergers and Acquisitions

*Authors: Nam H. Nguyen (University of Massachusetts Lowell, USA), Hieu V. Phan (University of Massachusetts Lowell, USA)*

*Discussant: Zhe An, University of New South Wales, Australia*

---

### National Culture and Acquisition Choices

*Authors: Zhe An (University of New South Wales, Australia)*

*Discussant: Anh L. Tran, City University London, UK*

---

### Do Acquirers Benefit from Retaining Target CEOs?

*Authors: Eliezer M. Fich (Drexel University, USA), Micah Officer (Loyola Marymount, USA), Anh L. Tran (City University London, UK)*

*Discussant: Hieu V. Phan, University of Massachusetts Lowell, USA*

---

## A2. Corporate Finance II: Payout Policy

Room 2, Level 1

**Chair: Thu Thuy Nguyen**, *Foreign Trade University, Vietnam*

---

### Understanding a Behavior of Dividend Payout Policy in Vietnam's Listed Firms

*Authors: Huu Loc Dang (University of Economics, Ho Chi Minh City, Vietnam), Hong Duc Vo (Economic Regulation Authority, Australia & Open University of Ho Chi Minh City, Vietnam)*

*Discussant: Rozaimah Zainudin, University of Malaya, Malaysia*

---

### The Effect of Dividend Policy on Stock Price Volatility - The Case of Industrial Products Companies in Malaysia

*Authors: Yet Chee Hong (University of Malaya, Malaysia), Rozaimah Zainudin (University of*

---

*Malaya, Malaysia), Nurul Shahnaz Ahmad Mahzan (University of Malaya, Malaysia)*

*Discussant: Huu Loc Dang, University of Economics, Ho Chi Minh City, Vietnam*

---

### **Relationship Between Dividend and Earnings Quality in Vietnam**

*Authors: Quang Minh Le (University of Economics and Law, Vietnam), Thi Tu Anh Nguyen (University of Economics and Law, Vietnam), Khanh Linh Vu (University of Economics and Law, Vietnam), Minh Tuan Phung (University of Economics and Law, Vietnam)*

*Discussant: Thu Thuy Nguyen, Foreign Trade University, Vietnam*

---

## **A3. Market Behavior and Efficiency**

**Room 3, Level 8**

**Chair: Arvind Mahajan, Texas A&M University, USA**

---

### **The Curious Case of Changes in Trading Dynamics when Firms Switch from NYSE to NASDAQ**

*Authors: David Michayluk (University of Technology Sydney, Australia), Thu Phuong Pham (University of Tasmania, Australia)*

*Discussant: Arvind Mahajan, Texas A&M University, USA*

---

### **The Impact of Trading Floor Closure on Market Efficiency: Some Canadian Evidence**

*Authors: Dennis Y. Chung (Simon Fraser University, Canada), Karel Hrazdil (Simon Fraser University, Canada)*

*Discussant: Thu Phuong Pham, University of Tasmania, Australia*

---

### **Sources of Momentum in Bonds**

*Hwagyun Kim (Texas A&M University, USA), Arvind Mahajan (Texas A&M University, USA), Alex Petkevich (University of Toledo, USA)*

*Discussant: Karel Hrazdil, Simon Fraser University, Canada*

---

## A4. Financial and Econometric Modeling I

Room 4, Level 8

**Chair:** Li Steven, *RMIT University, Australia*

---

### Trends and Fluctuations in Base Metals Prices

*Authors:* **Bao Anh Nguyen** (*University of Ottawa, Canada*), Aggey Semenov (*University of Ottawa, Canada*)

*Discussant:* Li Steven, *RMIT University, Australia*

---

### Liquidity Risk Premia in Times of Crisis – Empirical Evidence from the German Covered Bond Market

*Authors:* **Christoph Wegener** (*Center for Risk and Insurance, Germany*), Tobias Basse (*NORD/LB, Germany and Touro College Berlin, Germany*), Philipp Sibbertsen (*Leibniz University at Hannover, Germany*)

*Discussant:* Bao Anh Nguyen, *University of Ottawa, Canada*

---

### Modelling the Dynamic Dependence between Stock Markets in the Greater China Economic Area by Using Extreme Value Theory and Copula

*Authors:* Saiful Hussain *RMIT University, Australia*, **Li Steven** (*RMIT University, Australia*)

*Discussant:* Christoph Wegener, *Center for Risk and Insurance, Germany*

## A5. Banking Regulation and Financial Services I

Room 5, Level 8

**Chair:** Min-Teh Yu, *National Chiao Tung University, Taiwan*

---

### Inter-relationships within the Financial System: Banks, Stocks, Bonds and Insurance

*Authors:* **Yen Ngoc Nguyen** (*Monash University, Australia*), Kym Brown (*Monash University, Australia*), Michael Skully (*Monash University, Australia*), Katherine Avram (*Monash University, Australia*)

*Discussant:* Min-Teh Yu, *National Chiao Tung University, Taiwan*

---

---

**Gender Wage Gap in the Financial and Insurance Industry: Evidence from Taiwan**

*Authors: Hwei-Lin Chuang (National Tsing Hua University, Taiwan), Eric Lin (National Tsing Hua University, Taiwan)*

*Discussant: Yen Ngoc Nguyen, Monash University, Australia*

---

**Bank Contingent Capital: Valuation and the Role of Market Discipline**

*Authors: Chia-Chien Chang (National Kaohsiung University of Applied Science, Taiwan), Min-Teh Yu (National Chiao Tung University, Taiwan)*

*Discussant: Thien T. Nguyen, Fisher College of Business, The Ohio State University, USA*

---

**Special Session**  
**“Writing and Publishing a Research Paper”**

**Room 6, Level 8**

**Time:** 16:00 - 17:30

**Guest Speakers:** **Prof. Don Chance** (*Louisiana State University, USA*) & **Prof. Patrice Fontaine** (*EUROFIDAI - European Financial Data Institute & CNRS, France*)

**Main topics:**

- How to Write and Publish a Research Paper in Financial Economics
- “Hot” Research Topics in General Financial Markets & International Finance

**Chair:** **Viet Anh Dang**, *Manchester Business School, UK*

---

**18:30 - 21:30**

**Gala Dinner**

**Place:** **Binh Quoi-Thanh Da Peninsula**

Pick-up at University of Economics and Law (Conference venue)  
and Central HCMC (No. 3 CTQT St. or Turtle Lake) at 18:00

---

Friday, June 5, 2015

---

08:30 - 09:00      **Registration & Coffee**

09:00 - 10:00      **Keynote Address**

**Challenges with Market Risk**

**Amphitheatre**

**Prof. Ania Zalewska**, *Director of the Centre for Governance and Regulation, University of Bath, United Kingdom*

10:00 - 10:30      **Best Paper Award Ceremony**

**Best Paper Award**, *sponsored by Vietcombank HCMC branch.* & **Best PhD Paper Award**, *sponsored by Vietcombank Securities Co.*

10:30 - 11:00      **Coffee Break**

11:00 - 12:30      **Parallel Sessions (B)**

**B1. Corporate Finance III: Governance, Institutional Investors, and Language**

**Room 1, Level 1**

**Chair: Henrik Cronqvist**, *China Europe International Business School, China*

---

**Do Long-Term Investors Improve Corporate Decision Making?**

*Authors:* Jarrad Harford (*University of Washington, USA*), **Ambrus Kecskes** (*Schulich School of Business at York University, Canada*), Sattar Mansi (*Virginia Tech, USA*)

*Discussant:* Henrik Cronqvist, *China Europe International Business School, China*

---

**Institutional Investment Horizons and Labor Investment Efficiency**

*Authors:* Mohamed Ghaly (*Manchester Business School, UK*), **Viet Anh Dang** (*Manchester Business School, UK*)

---

---

*School, UK), Konstantinos Stathopoulos (Manchester Business School, UK)*

*Discussant: Ambrus Kecskes, Schulich School of Business at York University, Canada*

---

### **Language and Corporate Decision-Making**

*Authors: Shimin Chen (China Europe International Business School, China), Henrik Cronqvist (China Europe International Business School, China), Serene Ni (China Europe International Business School, China), Frank Zhang (Murdoch University, Australia)*

*Discussant: Anh L. Tran, City University London, UK*

---

## **B2. Banking Regulation and Financial Services II**

**Room 2, Level 1**

**Chair: Thien T. Nguyen, Fisher College of Business, The Ohio State University, USA**

---

### **Bank Liquidity Risk and Performance**

*Authors: Yi-Kai Chen (National University of Kaohsiung, Taiwan), Chung-Hua Shen (National Taiwan University, Taiwan), Lanfeng Kao (National University of Kaohsiung, Taiwan), Chuan-Yi Yeh (National University of Kaohsiung, Taiwan)*

*Discussant: Duc Khuong Nguyen, IPAG Business School, France*

---

### **Monetary Policy Initiatives and their Effects on Pension Fund Risk Incentives**

*Authors: Sabri Boubaker (Groupe ESC Troyes, France), Dimitrios Gounopoulos (University of Sussex, UK), Duc Khuong Nguyen (IPAG Business School, France), Nikos Paltalidis (University of Portsmouth, UK)*

*Discussant: Thien T. Nguyen, Fisher College of Business, The Ohio State University, USA*

---

### **Bank Capital Requirements: A Quantitative Analysis**

*Authors: Thien T. Nguyen (Fisher College of Business, The Ohio State University, USA)*

*Discussant: Yi-Kai Chen, National University of Kaohsiung, Taiwan*

---

---

### **B3. Corporate Finance IV: Governance, Firm Performance, and Valuation**

**Room 3, Level 8**

**Chair: Hieu V. Phan**, *University of Massachusetts Lowell, USA*

---

#### **A Tale of Two Cities: Corporate Governance and Firm Valuation in Vietnam**

*Authors:* Powen Yeh (*ChienHsin University of Science and Technology, Taiwan*), **Jing Jiang** (*Sacred Heart University*) Thomas Connelly (*Chulalongkorn University, Thailand*), Piman Limpaphayom (*Portland State University, USA & Sasin GIBA of Chulalongkorn University, Thailand*), **Thu Hien Nguyen** (*University of Technology, Vietnam National University-HCMC, Vietnam*), Duy Thanh Tran (*University of Technology, Vietnam National University- HCMC, Vietnam*)

*Discussant:* Jing Jiang, *Sacred Heart University, USA*

---

#### **Joint Determination of Corporate Performance and Family Control in Taiwan Market**

*Authors:* Powen Yeh (*ChienHsin University of Science and Technology, Taiwan*), **Jing Jiang** (*Sacred Heart University, USA*)

*Discussant:* Thuy B. G. Phan, *Nguyen Tat Thanh University, Vietnam*

---

#### **Effects of Non-Executive Directors on Firm Performance in Financial Crisis: Empirical Evidence in Vietnam**

*Authors:* **Thuy B.G. Phan** (*Nguyen Tat Thanh University, Vietnam*), Trong V. Ngo (*Banking University HCMC, Vietnam*)

*Discussant:* Thu Hien Nguyen, *University of Technology, Vietnam National University- HCMC, Vietnam*

---

### **B4. Emerging Market Finance**

**Room 4, Level 8**

**Chair: K.V. Bhanu Murthy**, *University of Delhi, India*

---

#### **Real Exchange Rate and Export Diversification: A Causality Analysis**

---

---

*Authors: Minh Hong Phi (Foreign Trade University, Vietnam & University of Rouen, France), Long Thai (Foreign Trade University, Vietnam & University of Kent, United Kingdom), Thi Anh Dao Tran (University of Rouen, France)*

*Discussant: K.V. Bhanu Murthy, University of Delhi, India*

---

**Do Investors Herd in Frontier Stock Markets? Empirical Evidence from Vietnamese Stock Market?**

*Authors: Duc Nha Bui (Ton Duc Thang University, Vietnam), Thi Bich Loan Nguyen (Ton Duc Thang University, Vietnam), Thi Tuyet Nhung Nguyen (Ton Duc Thang University, Vietnam), Gordon F. Titman (Ton Duc Thang University, Vietnam)*

*Discussant: Long Thai, Foreign Trade University, Vietnam & University of Kent, United Kingdom*

---

**Financial Crisis and Pure Contagion in Stock Markets: Evidence from G-20 Countries**

*Authors: K.V. Bhanu Murthy (University of Delhi, India), Vanita Tripathi (University of Delhi, India), João Paulo Vieito (Polytechnic Institute of Viana do Castelo, Portugal)*

*Discussant: Thi Bich Loan Nguyen, Ton Duc Thang University, Vietnam*

---

**B5. Corporate Debt Issues**

**Room 5, Level 8**

**Chair: Patrice Fontaine, EUROFIDAI & CNRS, France**

---

**Financial Constraints and Corporate Governance in Family Controlled Firms in Malaysia**

*Authors: Ei Yet Chu (Universiti Sains Malaysia, Malaysia), Tian So Lai (Universiti Utara Malaysia, Malaysia), Saw Imm Song (University Technology Mara, Malaysia)*

*Discussant: Patrice Fontaine, EUROFIDAI & CNRS, France*

---

**The Bond Coupon's Impact on Liquidity**

*Authors: Stephen R. Rush (University of Connecticut School of Business, USA)*

*Discussant: Ei Yet Chu, Universiti Sains Malaysia, Malaysia*

---

**Do Market and Creditworthiness Timings Drive Debt Maturity Decisions of Firms?**

---

---

*Authors:* Sujiao (Emma) Zhao (*EUROFIDAI & University of Grenoble, France*), **Patrice Fontaine** (*EUROFIDAI & CNRS, France*)

*Discussant:* Stephen R. Rush, *University of Connecticut School of Business, USA*

---

## **B6. Market Dynamics and Portfolio Management**

**Room 6, Level 8**

**Chair:** Philippe Gillet, *RITM- University Paris-Sud, France*

---

### **Competition in the French Mutual Fund Market: Participant Cost and Performance**

*Author:* **Linh Tran Dieu** (*University Catholic of Lyon, ESDES- School of Management, France*)

*Discussant:* Philippe Gillet, *RITM- University Paris-Sud, France*

---

### **Sectoral Integration, Comovement and Contagion**

*Authors:* Sungjun Cho (*University of Aberdeen Business School, UK*), Stuart Hyde (*University of Aberdeen Business School, UK*), **Ngoc Nguyen** (*University of Aberdeen Business School, UK*)

*Discussant:* Linh Tran Dieu, *University Catholic of Lyon, ESDES- School of Management, France*

---

### **Are Ethical Funds More Resistant to Crisis than Conventional Funds**

*Authors:* **Philippe Gillet** (*RITM- University Paris-Sud, France*), Julie Salaber (*RITM- University Paris-Sud, France*)

*Discussant:* Ngoc Nguyen, *University of Aberdeen Business School, UK*

---

12:30 - 14:00

**Lunch Break**

**Hall 1<sup>st</sup> Floor**

14:00 - 15:30

**Parallel Sessions (C)**

## **C1. Corporate Finance V: Payout Policy**

**Room 1, Level 1**

**Chair:** Don M. Chance, *Louisiana State University, USA*

---

---

### Does Corporate Board Diversity Affect Corporate Payout Policy?

*Authors:* **Soku Byoun** (Baylor University, USA), Kiyoung Chang (University of South Florida Sarasota-Manatee, USA), Young Sang Kim (Northern Kentucky University, USA)

*Discussant:* Don M. Chance, Louisiana State University, USA

---

### Foreign Ownership and the Valuation Effect of Investment and Payout Decisions

*Authors:* **Rehman Mian** (Tokyo Institute of Technology, Japan), Kyoko Nagata (Tokyo Institute of Technology, Japan)

*Discussant:* Soku Byoun, Baylor University, USA

---

### Dividends on Unearned Shares and Corporate Payout Policy: An Analysis of Dividend Equivalent Rights

*Authors:* Zi Jia (University of Arkansas, USA), **Don M. Chance** (Louisiana State University, USA)

*Discussant:* Rehman Mian, Tokyo Institute of Technology, Japan

---

## C2. Corporate Finance VI: Financing, Distress and Performance

Room 2, Level 1

**Chair:** Kien Cao, Foreign Trade University, Vietnam

---

### Financial Distress and Accrual Anomaly

*Authors:* Pascal Alphonse (University of Lille North of France), **Thu Hang Nguyen** (University of Lille North of France & Foreign Trade University, Vietnam)

*Discussant:* Kien Cao, Foreign Trade University, Vietnam

---

### Family Ownership in Vietnam's Listed Firms: Does It Really Matter?

*Authors:* **Son Kien Nguyen** (University of Economics, Ho Chi Minh City, Vietnam), Vo Hong Duc (Economic Regulation Authority, Australia & Open University of Ho Chi Minh City, Vietnam)

*Discussant:* Thu Hang Nguyen, University of Lille North of France & Foreign Trade University, Vietnam

---

---

### Financing Acquisitions in ASEAN Countries

*Authors:* **Kien Cao** (*Foreign Trade University, Vietnam*), Thu Thuy Nguyen (*Foreign Trade University, Vietnam*), Thi Thu Giang Dao (*Foreign Trade University, Vietnam*)

*Discussant:* Son Kien Nguyen, *University of Economics, Ho Chi Minh City, Vietnam*

---

### C3. Initial Public Offerings

Room 3, Level 8

**Chair:** Ambrus Kecskes, *Schulich School of Business at York University, Canada*

---

### Equity Carve-Outs, Divergence of Beliefs and Analysts' Following

*Authors:* Sebastien Dereeper (*University of Lille Nord de France & SKEMA Business School, France*),  
**Asad Iqbal Mashwani** (*University of Lille Nord de France & SKEMA Business School, France*)

*Discussant:* Dorra Najar, *IPAG Business School, France*

---

### Analyst Coverage and IPO Survival

*Author:* **Nesrine Bouzouita** (*Paris School of Business, France*)

*Discussant:* Asad Iqbal Mashwani, *University of Lille Nord de France & SKEMA Business School, France*

---

### How do analysts evaluate firms before IPO? Case of French start-ups

*Authors:* **Dorra Najar** (*IPAG Business School, France*), Jean-Louis Paré (*Novancia Business School, France & CFVG, Vietnam*)

*Discussant:* Nesrine Bouzouita, *Paris School of Business, France*

---

### C4. Financial and Econometric Modeling II

Room 4, Level 8

**Chair:** Harbir Lamba, *George Mason University, USA*

---

### The Volume, Return and Volatility Relationships: Interaction Between Stock and Option Markets

*Authors:* **Amel Oueslati** (*Institute of the High Commercial Studies & LEFA, Tunisia*), Olfa Ben Oud

---

---

*(Institute of the High Commercial Studies & LEFA, Tunisia)*

*Discussant: Harbir Lamba, George Mason University, USA*

---

**Estimating an Equity Beta for Vietnam Utilities - A Quantile Regression Approach**

*Authors: Thach Pham (University of Economics, Ho Chi Minh City, Vietnam), Duc Vo (The Economic Regulation Authority, Australia & Open University of Ho Chi Minh City, Vietnam)*

*Discussant: Amel Oueslati, Institute of the High Commercial Studies & LEFA, Tunisia*

---

**The Transition from Brownian Motion to Boom-and-Bust Dynamics in Financial and Economic Systems**

*Author: Harbir Lamba (George Mason University, USA)*

*Discussant: Thach Pham, University of Economics, Ho Chi Minh City, Vietnam*

---

**C5. Banking Regulation and Financial Services III**

**Room 5, Level 8**

**Chair: Michel Simioni, Toulouse School of Economics, INRA-GREMAQ, France**

---

**Factors Affecting Bank Risk-Taking: Evidence from Southeast Asian Countries**

*Authors: Son Tran Hung (University of Economics and Law, Vietnam), Liem Nguyen Thanh (University of Economics and Law, Vietnam), Nghia Hoang Trung (University of Economics and Law, Vietnam)*

*Discussant: Michel Simioni, Toulouse School of Economics, INRA-GREMAQ, France*

---

**Income Diversification and Other Factors affecting Bank Profitability in Vietnam**

*Authors: Thi Hong Minh Ho (University of Economics and Law, Vietnam), Thi Canh Nguyen (University of Economics and Law, Vietnam)*

*Discussant: Nghia Hoang Trung, University of Economics and Law, Vietnam*

---

**Productivity and Efficiency of Vietnamese Banking System: New Evidence using Färe-Primont Index Analysis**

*Authors: Phuong Anh Nguyen (International University, Vietnam National University - Ho Chi Minh City, Vietnam), Michel Simioni (Toulouse School of Economics, INRA-GREMAQ, France)*

---

---

*Discussant: Thi Hong Minh Ho, University of Economics and Law, Vietnam*

---

## **C6. Corporate Finance VII: Firm Financing and Performance**

**Room 6, Level 8**

**Chair: Mitch Warachka, Claremont McKenna College, USA**

---

### **The Value of Political Connection: Evidence from the 2011 Egyptian Revolution**

*Authors: Vinh Q.T. Dang (University of Macau, Macau), Erin P. K. So (Hong Kong Baptist University, Hong Kong), Isabel K.M. Yanc (City University of Hong Kong, Hong Kong)*

*Discussant: Viet Anh Dang, Manchester Business School, UK*

---

### **Tobin's q Does Not Measure Firm Performance: Theory, Empirics, and Alternatives**

*Authors: Philip Dybvig (Washington University in Saint Louis, USA), Mitch Warachka (Claremont McKenna College, USA)*

*Discussant: Hieu V. Phan, University of Massachusetts Lowell, USA*

---

### **The Use of Trade Credit by Public and Private Firms: An Empirical Investigation**

*Authors: Yomna Abdulla (Manchester Business School, UK), Viet Anh Dang (Manchester Business School, UK), Arif Khurshed (Manchester Business School, UK)*

*Discussant: Mitch Warachka, Claremont McKenna College, USA*

---

15:30 - 16:00

**Coffee Break**

16:00 - 17:30

**Parallel Sessions (D)**

## **D1. Risk Management and Investment Efficiency**

**Room 1, Level 1**

**Chair: Thi Canh Nguyen, University of Economics and Law, Vietnam**

---

**Testing the Existence of Transfer Pricing in Vietnam**

---

---

*Authors:* Khac Quoc Bao Nguyen (*University of Economics HCMC, Vietnam*), **Dinh Tri Nguyen** (*Tarlac State University, Philippines*)

*Discussant:* Burcin Col, *Pace University, USA*

---

**Using Probit Model with Bootstrapping Technique to Measure Corporate Credit Risk at Vietnamese Commercial Banks**

*Authors:* Thi Canh Nguyen (*University of Economics and Law, Vietnam*), **Dinh Thien Nguyen** (*University of Economics and Law, Vietnam*)

*Discussant:* Dinh Tri Nguyen, *Tarlac State University, Philippines*

---

**Trade, Performance, and Capital Allocation under Political Uncertainty**

*Authors:* **Burcin Col** (*Pace University, USA*), Art Durnev (*University of Iowa, USA*), Alexander Molchanov (*Massey University, New Zealand*)

*Discussant:* Dinh Thien Nguyen, *University of Economics and Law, Vietnam*

---

## **D2. Foreign Exchange Markets**

**Room 2, Level 1**

**Chair:** Rathin S. Rathinasamy, *Ball State University, USA*

---

**Impacts of Foreign Exchange Auctions on the Informal Market Rate in Myanmar**

*Author:* **Koji Kubo** (*Institute of Developing Economies, Japan External Trade Organization, Thailand*)

*Discussant:* Rathin S. Rathinasamy, *Ball State University, USA*

---

**A Relationship Between Trade Balance and Exchange Rate in Thailand & the Implications for Vietnam: An Application using Instrumental Variable and the Heterogeneous Panel Cointegration Methods**

*Authors:* **The Anh Vo** (*University of Economics, Ho Chi Minh City, Vietnam*), Hong Duc Vo (*The Economic Regulation Authority, Australia & Open University of Ho Chi Minh City, Vietnam*)

*Discussant:* Koji Kubo, *Institute of Developing Economies, Japan External Trade Organization, Thailand*

---

---

**A Study of the Impact of Investment Flows and Economic Fundamentals in Explaining the January Effect in the Market for the U. S. Dollar**

*Author: Rathin S. Rathinasamy (Ball State University, USA)*

*Discussant: The Anh Vo, University of Economics, Ho Chi Minh City, Vietnam*

---

### **D3. Financial Markets and Institutions I**

**Room 3, Level 8**

**Chair: Rick Johnston, Cass Business School, City University London, UK**

---

**Domestic and Foreign Volatility and Return Spillovers and International Stock Market Correlations: The Case of the US and 24 Industrialised and Developing Nations**

*Authors: Seema Narayan (RMIT University, Australia)*

*Discussant: Rick Johnston, Cass Business School, City University London, UK*

---

**Disclosure Comprehensiveness and Market Efficiency: Evidence from the Toronto Stock Exchange**

*Authors: Dennis Y. Chung (Simon Fraser University, Canada), Karel Hrazdil (Simon Fraser University, Canada), Nattavut Suwanyangyuan (Simon Fraser University, Canada)*

*Discussant: Seema Narayan, RMIT University, Australia*

---

**The Value of Crowdsourced Earnings Forecasts**

*Authors: Russell Jame (University of Kentucky, USA), Rick Johnston (Cass Business School, City University London, UK), Stanimir Markov (Southern Methodist University, USA), Michael Wolfe (Virginia Tech University, USA)*

*Discussant: Karel Hrazdil, Simon Fraser University, Canada*

---

## D4. Financial and Econometric Modeling III

Room 4, Level 8

Chair: Duc Khuong Nguyen, IPAG Business School, France

---

### Effectiveness of Linear Extrapolation in Model-Free Implied Moment Estimation

Author: **Geul Lee** (University of New South Wales, Australia)

Discussant: Ishak Ramli, Tarumanagara University, Indonesia

---

### Realized Volatility and Jumps in Volatility-Volume Relation at Indonesia Stock Exchange

Author: **Thamrin Tanjung** (Universitas Indonesia Fakultas Ekonomi, Indonesia)

Discussant: Geul Lee, University of New South Wales, Australia

---

### Information Asymmetry and the Role of Foreign Investors in Daily Transactions during Crisis: The Study of Herding in Indonesia Stock Exchange

Authors: Ishak Ramli (Tarumanagara University, Indonesia), **Sukrisno Agoes** (Tarumanagara University, Indonesia), Ignatius Roni Setyawan (Tarumanagara University, Indonesia)

Discussant: Thamrin Tanjung, Universitas Indonesia Fakultas Ekonomi, Indonesia

---

## D5. Financial Markets and Institutions II

Room 5, Level 8

Chair: Khaled Guesmi, IPAG Business School, France

---

### Bank Risk and Deposit Insurance Premium in a Dynamic Panel Model: Evidence from Malaysian Dual Banking System

Authors: Sharifah Adlina Syed Abdullah (University of Malaya, Malaysia), **Rubi Ahmad** (University of Malaya, Malaysia)

Discussant: Y Nguyen, The Netherlands Programme for M.A. in Development Economics, Vietnam

---

### Impact of Monetary Policy on the Supply of Bank Loan: Bank's Balance Sheet Approach

Authors: Y Nguyen (The Netherlands Programme for M.A. in Development Economics, Vietnam)

Discussant: Khaled Guesmi, IPAG Business School, France

---

---

**Financial Pressures and Commodity Price Cycles: The Case of Emerging African Countries**

*Author:* Sandrine Kablan (*IPAG Business School & Université de Paris Est Créteil, France*), Zied Ftiti (*EDC Paris Business School, France*), **Khaled Guesmi** (*IPAG Business School, France*)

*Discussant:* Rubi Ahmad, *University of Malaya, Malaysia*

---

**D6. Corporate Finance VIII: Ownership, Independent Directors and Firm Value**

Room 6, Level 8

**Chair:** Rajesh Chakrabarti, *Indian School of Business, India*

---

**Corporate Governance and Firm Performance - Evidence from a Transitional Economy**

*Author:* **Rey Dang** (*ESC La Rochelle Business School, France*), Nhu Tuyen Le (*Grenoble Ecole de Management, France*), Frédéric Teulon (*IPAG Business School*), Manh Chien Vu (*Vietnam University of Commerce, Vietnam*)

*Discussant:* Rajesh Chakrabarti, *Indian School of Business, India*

---

**Impact of Family Ownership on Idiosyncratic Risk**

*Authors:* **Geeta Ramanathan** (*Indian Institute of Technology Madras, India*)

*Discussant:* Rey Dang, *ESC La Rochelle Business School, France*

---

**Independent Director Liability and Firm Value: Evidence from a Large Corporate Governance Failure**

*Authors:* Krishnamurthy Subramanian (*Indian School of Business, India*), **Rajesh Chakrabarti** (*Indian School of Business, India*)

*Discussant:* Geeta Ramanathan, *Indian Institute of Technology Madras, India*

---

# Abstracts of Conference Papers

## A1. Corporate Finance I: Mergers and Acquisitions

### THRIVING ON A SHORT LEASH: CORPORATE DEBT MATURITY STRUCTURE AND MERGERS AND ACQUISITIONS

**Nam Nguyen**

*University of Massachusetts Lowell, USA*

**Hieu Phan**

*University of Massachusetts Lowell, USA*

#### **Abstract**

Prior literature documents that short-term debt exposes the borrowing firms to refinancing risk but can mitigate managerial agency problem and improve firm performance. In this research, we empirically investigate the relation between corporate debt maturity structure and mergers and acquisitions (M&As). We find that short-term debt is negatively related to acquisitiveness. When firms pursue M&As, those with high short-term debt ratio are more likely to use stock for payment and select targets with relatively lower short-term debt ratio, which helps ease the acquirers' financial constraint. Additional analysis indicates that the pre-merger short-term debt level is positively correlated with acquirer's M&A announcement abnormal stock returns and the financial constraint relief due to the decrease in short-term debt financing is positively related to acquirer long-term stock performance.

### NATIONAL CULTURE AND ACQUISITION CHOICES

**Zhe An**

*University Of New South Wales, Australia*

#### **Abstract**

This paper examines the role of national culture as an informal-institutional setting in influencing acquisition choices by employing 176,548 firm-year observations (including 18,792 acquisitions) across 33 countries spanning the years 1990 to 2012. Using Hofstede's three cultural dimensions (power distance, collectivism/individualism, and uncertainty avoidance) as national-culture proxies, the results show that firms located in countries embedded with high power distance, high collectivism, and high uncertainty avoidance are less likely to undertake acquisitions. Further, such firms are more likely to acquire small target, and pay less premiums to target firm. It suggests that, in addition to formal institutions, national culture plays an important role in explaining cross-country variations in acquisition choices.

### DO ACQUIRERS BENEFIT FROM RETAINING TARGET CEOs?

**Eliezer M. Fich**

*Drexel University, USA*

**Micah Officer**

*Loyola Marymount, USA*

**Anh L. Tran**

*City University London, UK*

#### **Abstract**

Acquirers do not appear to benefit, in terms of merger announcement returns or long-run operating performance, from hiring the CEOs of firms they acquire. This is especially true when the CEO that is retained is of inferior quality (as proxied by educational aptitude, target firm industrial efficiency, the CEO's pay slice, or the number of outside directorships held). Higher quality target CEOs are more likely to be retained in the

merged firm, but only when acquirers exhibit characteristics consistent with good corporate governance. We find no evidence that premiums paid in M&A deals are related to the decision to hire the target CEO.

**UNDERSTANDING A BEHAVIOR OF DIVIDEND PAYOUT POLICY IN VIETNAM'S LISTED FIRMS**

**Huu Loc Dang**

*University of Economics, Vietnam*

**Hong Duc Vo**

*Australia Open University of Ho Chi Minh City, Vietnam*

**Abstract**

This study is conducted to examine and understand a behavior of dividend payout policy at Vietnam's listed firms for the period from 2007 to 2013. In doing so, the four well-known models are adopted, known as: (i) the partial adjustment model, (ii) the partial adjustment model under an adaptive expectations hypothesis (the Waud model), (iii) the partial adjustment model under a rational expectations hypothesis, and (iv) the earnings trend model. Key findings obtaining from this empirical study are as follows. First, the empirical results reveal that managers are more concerned of cutting dividends than raising dividends. Second, listed firms in Vietnam are very flexible to change the dividend policies. Third, the absence of institutional shareholders in the firms will significantly decrease the level of dividend payouts. Fourth, the findings also confirm that the adaptive expectations hypothesis is more appropriate than the rational expectations hypothesis in explaining the dividend behavior for the emerging markets, in particular for Vietnam, regardless of the presence or absence of the institutional ownership in a firm.

**THE EFFECT OF DIVIDEND POLICY ON STOCK PRICE VOLATILITY - THE CASE OF INDUSTRIAL PRODUCTS COMPANIES IN MALAYSIA**

**Yet Chee Hong**

*University of Malaya, Malaysia*

**Rozaimah Zainudin**

*University of Malaya, Malaysia*

**Nurul Shahnaz Ahmad Mahzan**

*University of Malaya, Malaysia*

**Abstract**

This paper analyses the relationship between stock price volatility and dividend policy in Industrial Product firms in Malaysia. The sample comprises of 166 industrial product firms listed on Bursa Malaysian stock market covering a time span from the year 2003 to 2012. Using Baskin's framework, we measure the characteristic of these firm's stock price volatility and relate it with dividend payout with other control variables namely earning volatility, firm's size, leverage and growth of assets. Further, we test whether Global Financial Crisis influence the relationship between price volatility with the tested variables. The empirical results indicate that dividend policy is a strong predictor of stock price volatility. Industrial product firms in Malaysia tend to pay higher dividend and displayed a stable stock price pattern.

**RELATIONSHIP BETWEEN DIVIDEND AND EARNINGS QUALITY IN VIETNAM**

**Quang Minh Le**

*University of Economics and Law, Vietnam*

**Thi Tu Anh Nguyen**

*University of Economics and Law, Vietnam*

**Khanh Linh Vu**

*University of Economics and Law, Vietnam*

**Minh Tuan Phung**

*University of Economics and Law, Vietnam*

**Abstract**

The purpose of this article is to show on the example of Hochiminh Stock Exchange, Viet Nam (HoSE) how dividends provide information about earnings quality as measured by their persistence. In the paper the regressions models of future earnings (in year  $t+1$  and  $t+2$ ) were applied on current earnings (in year  $t$ ), current dividends decision (in year  $t$ ) and the interaction of current dividend decision and earnings proposed by Skinner and Soltes (2011). We find that dividend - paying firms feature with higher earning quality and that this relation is remarkably stable over time. We also find that there is an efficiency point of dividend ratio along firm in HoSE (the ratio of dividends affects earnings persistence).

**THE CURIOUS CASE OF CHANGES IN TRADING DYNAMICS WHEN  
FIRMS SWITCH FROM NYSE TO NASDAQ**

**David Michayluk**

*University of Technology Sydney, Australia*

**Thu Phuong Pham**

*University of Tasmania, Australia*

**Abstract**

Voluntarily switching trading location from the New York Stock Exchange to Nasdaq is a recent phenomenon with 34 companies having made the switch recently. This paper examines the effects on market liquidity and trading activity of these companies to determine if the move alters the trading dynamics and is consistent with the stated objectives of the move. For those stocks that move to Nasdaq, trading costs increase and this may attract more liquidity providers explaining the increase in trading volume in the long run. These findings suggest multi-dimensional aspects of liquidity may be important considerations in moves between exchanges.

**THE IMPACT OF TRADING FLOOR CLOSURE ON MARKET EFFICIENCY:  
SOME CANADIAN EVIDENCE**

**Dennis Y. Chung**

*Simon Fraser University, Canada*

**Karel Hrazdil**

*Simon Fraser University, Canada*

**Abstract**

On April 23, 1997, the Toronto Stock Exchange closed its trading floor, making it the second-largest stock exchange in North America to choose a purely electronic trading environment for its equities. Exploiting this natural experiment, we find that the move to electronic trading resulted in a higher cost of immediacy (bid-ask spreads), increased information asymmetry, and an overall deterioration of short-horizon return predictability from past order flows, reducing the efficiency of price discovery. Our results suggest that the human element plays an important role in order execution and complements automated electronic trading by improving the efficiency of incorporating new information into prices.

**SOURCES OF MOMENTUM IN BONDS**

**Hwagyun Kim**

*Texas A&M University, USA*

**Arvind Mahajan**

*Texas A&M University, USA*

**Alex Petkevich**

*University of Toledo, USA*

**Abstract**

Momentum profits in corporate bonds emerge during periods of negative credit shocks measured by innovations in credit spread of highly speculative bonds. A conditional default factor explains returns of bond momentum portfolios. Our bond pricing theory predicts that firms with more intangible capital generate higher returns but also have lower recovery value and therefore higher expected liquidation costs. Momentum exists during periods of adverse credit shocks because bonds with better past performance require higher recovery premium. Empirical results strongly support this. Time-varying aggregate default risk and firm characteristics associated with growth and liquidation are the main sources of bond momentum.

## TRENDS AND FLUCTUATIONS IN BASE METALS PRICES

**Bao Anh Nguyen***University of Ottawa, Canada***Aggey Semenov***University of Ottawa, Canada***Abstract**

We study the determinants of the pricing of base metals. In the long run, equilibrium of aggregate supply and demand determine the systematic price trend. In the short run, equilibrium in futures exchanges generates non-systematic price fluctuation. We find that the prices of base metals varies with the scale of investment in production, elasticity of demand and their distribution in nature. We define a critical point of production investment and find that, if more producers participate in international exchanges or they tend to be less risk averse, the prices of base metals fluctuate more. With more speculative activities or if the traders are less risk averse, the prices of base metals fluctuate less.

## LIQUIDITY RISK PREMIA IN TIMES OF CRISIS – EMPIRICAL EVIDENCE FROM THE GERMAN COVERED BOND MARKET

**Christoph Wegener***Center for Risk and Insurance, Germany***Tobias Basse***NORD/LB, Germany and Touro College Berlin, Germany***Philipp Sibbertsen***Leibniz University at Hannover, Germany***Abstract**

Liquidity risk is the risk that an asset cannot always be sold without causing a fall in its price because of a lack of demand for this asset. Many empirical studies examining liquidity premia have focused on government bonds. Therefore, it might be of special interest to examine yield differentials between liquid and illiquid German covered bonds using techniques of time series analysis. We examine the yields of traditional Pfandbriefe and Jumbo Pfandbriefe with different maturities. In terms of credit risk the spread between the yields of these two types of covered bonds should be zero. Moreover, assuming that the liquidity risk premium is a stationary variable the yields of Pfandbriefe and Jumbo Pfandbriefe (which seem to be  $I(1)$ ) should be cointegrated. We consider this hypothesis by using a method proposed by Shimotsu (2012) to allow for fractional cointegration. Due to the financial crisis, it also seems to be appropriated to consider structural changes. Our results indicate fractional cointegrated yields before and after the crisis. However, during the crisis the degree of integration of the spread increases strongly.

## MODELLING THE DYNAMIC DEPENDENCE BETWEEN STOCK MARKETS IN THE GREATER CHINA ECONOMIC AREA BY USING EXTREME VALUE THEORY AND COPULA

**Saiful Hussain***RMIT University, Australia***Li Steven***RMIT University Australia***Abstract**

This study employs the dynamic copula method and extreme value theory (EVT) to understand the dependence structure between pairs of stock markets consisting of

Shanghai (SHSE), Shenzhen (SZSE), Hong Kong (HKSE) and Taiwan (TWSE) stock exchanges in the Greater China Economic Area (GCEA). The key findings are (i) The SHSE-SZSE pair has the strongest dependence (lower- -upper or overall) among all the 6 pairs; (ii) The HKSE-TWSE pair has the second highest overall or tail dependence; (iii) Neither SHSE nor SZSE has significant upper tail dependence with TWSE; (iv) In case of negative market extreme event, the risk diversification is more effective for only two pairs: SZSE-HKSE, HKSE -TWSE. (v) GFC has helped to increase dependence between most pairs except SHSE-SZSE and HKSE-TWSE. These findings have important implications in terms of diversification and risk management in the stock markets. They offer incremental insights than the conclusions based on the linear correlation which is subject to the normality assumption and may be misleading.

**INTER-RELATIONSHIPS WITHIN THE FINANCIAL SYSTEM: BANKS,  
STOCKS, BONDS AND INSURANCE****Yen Ngoc Nguyen***Monash University, Australia***Kym Brown***Monash University, Australia***Michael Skully***Monash University, Australia***Katherine Avram***Monash University, Australia***Abstract**

This paper examines the pairwise relationships between the four main financial system components: banking, stock markets, bond markets, and insurance. Utilising a dynamic panel of 90 countries over the period 1980-2011, we use the GMM system estimator to observe these inter-relationships. We find evidence of two-way complementary effects between banking-insurance, stock markets-insurance and banking-bond markets. Two-way substitute effects are identified for banking-stock markets. Stock markets show a substitute relation with bond markets; however, bond markets are insignificant to stock market growth. Finally, while bond markets have a negative impact on insurance (substitute), insurance has a positive impact on bond market growth (complement). This paper is the first to provide comprehensive evidence on the inter-relationships between the four main financial components. These findings should help policy makers in designing policies relating to financial development.

**GENDER WAGE GAP IN THE FINANCIAL AND INSURANCE INDUSTRY:  
EVIDENCE FROM TAIWAN****Hwei-Lin Chuang***National TsingHua University, Taiwan***Eric Lin***National TsingHua University, Taiwan***Abstract**

This study examines the interindustry gender wage gap in Taiwan with a focus on the Financial and Insurance Industry, using individual level data from the 1978-2008 Manpower Utilization Survey. We study this issue from three perspectives: first, by decomposing, examining, and breaking down the overall gender wage gap, we find that 2-14% of the overall gender wage gap during this period can be attributed to workers' industry affiliation. Second, through the analysis of the gender wage gap across industries in Taiwan, we notice that the Financial and Insurance Industry is the most financially advantageous industry for women during the past decade. The wage level for women in the Financial and Insurance Industry was only 3%-16% below that of men. We conduct an in-depth analysis in the Financial and Insurance industry with a focus on the comparison of the gender wage gap for the insurance workers and non-insurance worker. The wage regression results indicate that there is more significant wage difference between insurance worker and non-insurance workers for males than that for females. The Oaxaca-Blinder wage decomposition suggests that the explained proportion of the gender wage gap tends to become smaller in the later years compared to that in the earlier years. Specifically, the explained proportions of the gender wage gap are all smaller than 50% in the years from 2006 to 2008.

# BANK CONTINGENT CAPITAL: VALUATION AND THE ROLE OF MARKET DISCIPLINE

**Chia-Chien Chang**

*National Kaohsiung University of Applied Science, Taiwan*

**Min-Teh Yu**

*National Chiao Tung University, Taiwan*

## **Abstract**

This paper develops a multi-period structural model to evaluate contingent capital notes (CCN) of Basel III under alternative regulatory closure rules and studies how the values of CCN are affected by their critical underlying variables. We use subordinated debt (SD) as a benchmark to compare its values with those of CCN. We further examine the effectiveness of CCN and SD in terms of reducing the issuing bank's probability of default (PD) and their role as market-disciplining instruments. Our results show that a lax closure rule may increase the price of SD and distort the risk information of SD prices and their issuing banks, but not in the case of CCN. The policy implications are that CCN are more effective than SD in terms of enhancing market discipline, because the price/yield information of CCN is more sensitive to the issuing bank's risk than SD and will not be distorted by regulatory capital forbearance.

**DO LONG-TERM INVESTORS IMPROVE CORPORATE DECISION MAKING?**

**Jarrad Harford**

*University of Washington, USA*

**Ambrus Kecskes**

*Schulich School of Business at York University, Canada*

**Sattar Mansi**

*Virginia Tech, USA*

**Abstract**

We study the effect of investor horizons on a comprehensive set of corporate decisions. Long-term investors have the means and motive to monitor corporate managers, which generates corporate decisions that are consistent with shareholder value maximization. We find that long-term investors restrain numerous corporate misbehaviors such as earnings management and financial fraud and strengthen internal governance. They discourage a range of investment and financing activities but encourage payouts. Shareholders benefit through higher stock returns, greater profitability, and lower risk. Firms diversify their operations. We use a popular identification strategy to establish causality of our results.

**INSTITUTIONAL INVESTMENT HORIZONS AND LABOR INVESTMENT EFFICIENCY**

**Mohamed Ghaly**

*Manchester Business School, UK*

**Viet Anh Dang**

*Manchester Business School, UK*

**Konstantinos Stathopoulos**

*Manchester Business School, UK*

**Abstract**

We investigate how the investment horizon of a firm's institutional shareholders affects the efficiency of its labor investments. We argue that long-term investors have greater incentives to engage in effective monitoring, which reduces agency conflicts in labor investment choices. Consistent with this argument, we find that abnormal net hiring, measured as the absolute deviation from net hiring predicted by economic fundamentals, decreases in the presence of institutional investors with longer investment horizons. Firms dominated by long-term shareholders reduce both over-investment (over-hiring and under-firing) and under-investment in labor (under-hiring). The monitoring role of long-term investors is more pronounced for firms facing higher labor adjustment costs. These results are robust to alternative model specifications and variable definitions, as well as to tests controlling for the endogeneity in the institutional shareholders' investment decisions. Overall, our findings suggest that institutional investors play an important role in firm-level employment decisions.

**LANGUAGE AND CORPORATE DECISION-MAKING**

**Shimin Chen**

*China Europe International Business School, China*

**Henrik Cronqvist**

*China Europe International Business School, China*

**Serene Ni**

*China Europe International Business School, China*

**Frank Zhang**

*Murdoch University, Australia*

**Abstract**

We examine if language differences explain heterogeneity in corporate decision-making. Speakers of strong future time reference (FTR) languages (e.g., English) are required to distinguish between the future and the present, while speakers of weak-FTR languages (e.g., Chinese) are not. We hypothesize that speaking about the future in present tense results in firms perceiving adverse credit market events as more imminent. Consistent with such a linguistics hypothesis, weak-FTR language firms are found to have higher precautionary cash holdings. We also find that Hong Kong firms increased their cash as a weak-FTR language increased in importance post the 1997 handover. Within a country, firms in weak-FTR language regions are found to hold more cash. Weak-FTR language firms' cash holdings are found to increase more post the 2008 financial crisis as another credit market freeze may seem more immediate to weak-FTR language speakers. Our evidence introduces a new explanation for heterogeneity in corporate decision-making, provides insights about belief formation in firms, and adds to emerging research on the effects of language on behavior.

**BANK LIQUIDITY RISK AND PERFORMANCE****Yi-Kai Chen***National University of Kaohsiung, Taiwan***Chung-Hua Shen***National Taiwan University, Taiwan***Lanfeng Kao***National University of Kaohsiung, Taiwan***Chuan-Yi Yeh***National University of Kaohsiung, Taiwan***Abstract**

This study is to employ alternative liquidity risk measures besides liquidity ratio, and investigate the causes of liquidity risk (causes of liquidity risk model), using an unbalanced panel dataset of commercial banks in 12 advanced economies over the period 1994-2006. Thus, we apply panel data instrumental variables regression, using two-stage least squares (2SLS) estimators, to estimate bank liquidity risk and performance model. We find that liquidity risk is the endogenous determinant of bank performance. The causes of liquidity risk include components of liquid assets and dependence on external funding, supervisory and regulatory factors and macroeconomic factors. Besides, we also find that liquidity risk may lower bank profitability because of higher cost of fund. Yet, liquidity risk may increase bank's net interest margins. Furthermore, we classify countries as bank-based or market-based financial system. The result shows that liquidity risk is negatively related to bank performance in market-based financial system. However, it has no effect on bank performance in bank-based financial system.

**MONETARY POLICY INITIATIVES AND THEIR EFFECTS ON PENSION FUND RISK INCENTIVES****Sabri Boubaker***Groupe ESC Troyes, France***Dimitrios Gounopoulos***University of Sussex, UK***Duc Khuong Nguyen***IPAG Business School, France***Nikos Paltalidis***University of Portsmouth, UK***Abstract**

We examine the role of monetary policy initiatives on pension fund risk-taking behavior, by quantifying the effects of the zero lower bound policy and the launch of unconventional measures on pension fund risk and asset allocation decisions. We employ a BVAR and a MS-SVAR models to provide the first comprehensive evidence that pension fund risk and portfolio beta optimally increase with changes in the monetary policy strategy. The results also suggest that pension funds allocate more assets to equity and alternative investments while avoid safer assets, such as Treasury bonds, as a response to a lower interest rate environment. Additionally, we document that the severe funding gap is to a great extent prompted by the change in the monetary policy framework.

**BANK CAPITAL REQUIREMENTS: A QUANTITATIVE ANALYSIS****Thien T. Nguyen***Fisher College of Business, The Ohio State University, USA***Abstract**

This paper examines the welfare implications of bank capital requirements in a general equilibrium model in which a dynamic banking sector endogenously determines aggregate growth. Due to government bailouts, banks engage in risk-shifting, thereby depressing investment efficiency; furthermore, they over-lever, causing fragility in the financial sector. Capital regulation can address these distortions and has a first-order effect on both growth and welfare. In the model, the optimal level of minimum Tier 1 capital requirement is 8%, greater than that prescribed by both Basel II and III. Increasing bank capital requirements can produce welfare gains greater than 1% of lifetime consumption.

**A TALE OF TWO CITIES: CORPORATE GOVERNANCE AND FIRM VALUATION IN VIETNAM**

**Thomas Connelly**

*Chulalongkorn University, Thailand*

**Piman Limpaphayom**

*Portland State University, USA & Sasin GIBA of Chulalongkorn University, Thailand*

**Thu Hien Nguyen**

*University of Technology, Vietnam National University-HCMC, Vietnam*

**Duy Thanh Tran**

*University of Technology, Vietnam National University- HCMC, Vietnam*

**Abstract**

This study examines the effect of a unique institutional setting on the relation between the quality of corporate governance practices and firm valuation in Vietnam, where there are two major stock exchanges, one located in Ho Chi Minh City, the country's business center but far away from the regulators whereas the other one located up north in Hanoi, the capital city and close to government and regulatory agencies. This setting allows a comparison of the impact of market discipline and regulatory discipline on corporate governance while controlling for the effect of legal jurisdiction. Although firms listed on the two exchanges exhibit similar levels of the quality of corporate governance practices, the market valuation of firms listed in Ho Chi Minh City appear to be more responsive to the quality of corporate governance practices than that of firms listed in Hanoi. The findings suggest that, compare to regulatory discipline, market discipline also plays a critical and complementary role in corporate governance in Vietnam.

**JOINT DETERMINATION OF CORPORATE PERFORMANCE AND FAMILY CONTROL IN TAIWAN MARKET**

**Powen Yeh**

*Chien Hsin University of Science and Technology, Taiwan*

**Jing Jiang**

*Sacred Heart University, USA*

**Abstract**

In Taiwan market, more than half of the public firms are controlled by wealthy families. Literature shows mixed evidence on whether family-controlled firms outperform non-family-controlled firms. Also, previous studies suffer from potential sample selection biasness in that no study considers the endogenous nature of family control decision. In this paper, we test two competing hypotheses, 'Alignment of Interests Hypothesis' and 'Agency-cost Hypothesis'. We follow Heckman sample selection model to endogenize the family control decision and jointly investigate the corporate performance for the family-controlled firms. We find, high tech industry, age of the firm, size of equity, employee tenure, and employee turnover, among other things, contribute to the family-control decision. We also provide evidence that being family-control significantly improve firm performance, which is consistent with 'Alignment of Interests Hypothesis'.

**EFFECTS OF NON-EXECUTIVE DIRECTORS ON FIRM PERFORMANCE IN FINANCIAL CRISIS: EMPIRICAL EVIDENCE IN VIETNAM**

**Thuy B.G. Phan**

*Nguyen Tat Thanh University, Vietnam*

**Trong V. Ngo**

*Banking University HCMC, Vietnam*

**Abstract**

Non-executive directors is considered as a corporate governance mechanism that has the function of supervision, counsel, support and strategic direction for the managers to increase efficiency of the firm performance. However, many studies have not found a positive influence of non-executive directors on firm performance such as research of Hermalin and Weisbach (1991); Barnhart and Rosenstein (1998); Bhagat and Black (2002). According to Bhagat and Black (2002), different enterprises will have the different structures of non-executive board members, depending on the growth of those enterprises. For measuring the impact of non-executive directors on the firm performance, this study analyses 90 companies listed on the Hochiminh Stock Exchange during the period of 2009-2013, with 450 observations. By estimating Fixed Effects Model (FEM), unlike the perspective of agency theory, this study found a negative relationship between non-executive directors and firm performance (ROA, ROE). In addition, this study also found the effect of interactive relationship between growth opportunity and non-executive directors on firm performance. In other words, growth opportunity is likely to play the moderating role.

**REAL EXCHANGE RATE AND EXPORT DIVERSIFICATION: A CAUSALITY ANALYSIS****Minh Hong Phi***Foreign Trade University, Vietnam & University of Rouen, France***Long Thai***Foreign Trade University, Vietnam & University of Kent, United Kingdom***Thi Anh Dao Tran***University of Rouen, France***Abstract**

This paper examines the causal relationship between the real exchange rate and export diversification in the middle income countries of Asia over the period 1995-2010. We investigate this issue by employing Granger causality techniques both on time-series data for individual countries and on panel data covering the region as a whole. On time-series data for the second and third-tier NICs, it appears that the real exchange rate “granger causes” export diversification in India, Thailand and Vietnam which is consistent with the existing literature. However, our study finds a strong causal link running from export diversification to the real exchange rate in China, Indonesia, Malaysia and the Philippines. The latter result suggests that these countries have succeeded in their export-oriented growth by allowing diversification to maintain a competitive RER which in turn, stimulates exports in the referred sectors. Looking at panel data, there is also evidence that export diversification causes change in the real exchange rate in China, Fiji, India, Maldives, Mongolia, and Samoa. Nevertheless, no inverse direction of Granger causality has been found except for India at 10% level of significance.

**DO INVESTORS HERD IN FRONTIER STOCK MARKETS? EMPIRICAL EVIDENCE FROM VIETNAMESE STOCK MARKET?****Duc Nha Bui***Ton Duc Thang University, Vietnam***Thi Bich Loan Nguyen***Ton Duc Thang University, Vietnam***Thi Tuyet Nhung Nguyen***Ton Duc Thang University, Vietnam***Gordon F. Titman***Ton Duc Thang University, Vietnam***Abstract**

This paper has three main contributions to investor behavior literature in frontier stock markets, specifically the Vietnamese stock market. First, the study found the evidence of herd behavior in Vietnam, a frontier market, in both industry and market contexts. Second, the results show that investor herd behavior is driven by both up and down market scenarios. Third, the study observes that U.S. stock market affects herd behavior in the Vietnamese stock market. However, the Hong Kong stock market only has an impact on the market information.

**FINANCIAL CRISIS AND PURE CONTAGION IN STOCK MARKETS: EVIDENCE FROM G-20 COUNTRIES****K.V. Bhanu Murthy***University of Delhi, India***Vanita Tripathi***University of Delhi, India***João Paulo Vieito***Polytechnic Institute of Viana do Castelo, Portugal*

**Abstract**

This paper investigates the 'pure' contagion effect of the 2007 global financial crisis across the G-20 Countries, on the basis of the daily closing index values of G-20 countries stock markets over the most period of Jan 2005 to Dec 2011. The Contagion Hypothesis (CH) and the Central Market Hypothesis were developed and examined using correlations analysis, pair wise granger causality and VAR causality/ block exogeneity Wald tests. This was done by dividing the period into pre crisis period (Jan 2005- 8th Aug 2007) and during crisis period (9th Aug 2007- Dec 2011). The paper emphasizes that while correlation helps in understanding the degree of relationship amongst markets, it is only causality that can tell us about 'pure' contagion.

Results suggest that during the crisis period the transmission of information took longer (3 days against 1 day), and the number of causal relationships also increased significantly, showing the contagion effect of the financial crisis among G20 nations. Furthermore, contrary to general belief, during the crisis period causality also ran from developing markets to developed ones. The causal relations increased substantially during the crisis period in all types of country groupings - contiguous (neighboring) countries (European, Asian and American). However, European and American countries witnessed proportionately higher bi-directional causal relationships than those in Asian markets during the crisis period. This might be due to the fact that Asian economies had stronger economic fundamentals during the recent financial turmoil than European countries. The Central Market Hypothesis (CMH) that the USA is the central market which drives other markets was also tested. The US market was found to have influenced 7 other markets, particularly during the crisis, while it had bi-way causality with 11 other markets. The individual influence of other markets on the US market was negligible. This confirms the CMH.

## FINANCIAL CONSTRAINTS AND CORPORATE GOVERNANCE IN FAMILY CONTROLLED FIRMS IN MALAYSIA

**Ei Yet Chu**

*Universiti Sains Malaysia, Malaysia*

**Tian So Lai**

*Universiti Utara Malaysia, Malaysia*

**Saw Imm Song**

*University Technology Mara, Malaysia*

### Abstract

The hypothesis of financial constraints suggest that firms be denied profitable investment due to inaccessible to external capital markers as debt and equity financing are no longer perfect substitution after firms utilise internal capital. In view of reducing investments during global financial crisis in 2008-2009, the study investigates 157 firms whether they face the issues of financial constraint in Malaysia. In general, non-family firms rely heavily on external debt market while family controlled firms utilising internal cash and reducing their dependence on debt market for their investments. However, the presence of CEO duality does not exaggerate the problem of financial constraints firms, but rather lead family firms to become stagnant in their investments. Independent directors appear to be ineffective in governance family firms for issuing financing for investment. Apparently, their presence in family firms reduce firms' investment opportunities either through internal cash flow and external debt financing, which could reduce shareholders' value in long-term.

## THE BOND COUPON'S IMPACT ON LIQUIDITY

**Stephen R. Rush**

*University of Connecticut School of Business, USA*

### Abstract

Corporate bond investors are compensated for liquidity and counter-party risk in the yield received in excess of the credit premium and risk-free rate. This paper shows that the liquidity premium as a hedge against uncertain future states is determined by the ratio of excess coupon payments after paying for credit protection to the capital gain realized after hedging interest rate risk. The liquidity premium increases with the time that investors must wait for compensation. The results suggest that the way in which investors receive compensation for liquidity risk is a more significant determinate of the liquidity premium than turnover.

## DO MARKET AND CREDITWORTHINESS TIMINGS DRIVE DEBT MATURITY DECISIONS OF FIRMS?

**Sujiao (Emma) Zhao**

*EUROFIDAI & University of Grenoble, France*

**Patrice Fontaine**

*EUROFIDAI & CNRS, France*

### Abstract

This paper contributes to the debt maturity literature by addressing the question of whether timing temporary mispricing in stock and creditworthiness influences debt maturity decisions of firms. Separating operating liabilities from financing liabilities, taking into account natural retirement of debts and disentangling in the commonly used market timing proxy (price-to-book) the mispricing and future growth option components, we find that for big firms with strong fundamentals and sufficient credit access, the timing of equity and credit mispricing plays a central role in short-term versus long-term debt choices. Furthermore, we show that the timing effect outperforms the effect of intra-

industry herding at debt refinancing periods when a significant debt issuance or retirement occurs. Another contribution of this paper is to propose a cleaner measure for net long-/short-term debt issuance.

**COMPETITION IN THE FRENCH MUTUAL FUND MARKET:  
PARTICIPANT COST AND PERFORMANCE**

**Linh Tran Dieu**

*University Catholic of Lyon, ESDES- School of Management, France*

**Abstract**

The French mutual fund market where banks play an important role can lead to substantial costs for investors and increase the conflict of interest between investors and funds. Funds, often distributed by banks, have more market power and compete less on performance. In this article, we present a theoretical model that takes into account this characteristic of the French market. Using an address model approach, we show that funds generate a lower performance than they should do, given the fees paid by the investors. The model yields some testable implications.

**SECTORAL INTEGRATION, COMOVEMENT AND CONTAGION**

**Sungjun Cho**

*University of Aberdeen Business School, UK*

**Stuart Hyde**

*University of Aberdeen Business School, UK*

**Ngoc Nguyen**

*University of Aberdeen Business School, UK*

**Abstract**

The recent Global Financial Crisis has rekindled research interests in diversification benefits and contagion in industry portfolios. Our paper studies time-varying comovements and contagion between thirty nine industry sectors from five regions: Europe, North America, Asia-Pacific, Latin America and Japan. We employ both world-local three-factor and four-factor asset pricing models with time-varying betas, and measure time-varying contagion as correlations between portfolio's idiosyncratic shocks. Our results show exposure on size and value risk factors are affected more than exposures on market and momentum factors. We capture more intra-industry contagion effects than intra-region contagion effects. We suggest that investors take extra caution when diversifying across region within an industry, as even some sectors that are not correlated in normal time do exhibit contagion signals in crisis periods.

**ARE ETHICAL FUNDS MORE RESISTANT TO CRISIS THAN  
CONVENTIONAL FUNDS**

**Philippe Gillet**

*RITM- University Paris-Sud, France*

**Julie Salaber**

*RITM- University Paris-Sud, France*

**Abstract**

The development of ethical funds (i.e. Socially-Responsible (SRI) and Religious-Oriented Funds) during the two last decades is a new trend in the Asset Management landscape. The performance of Socially Responsible investments have been studied in a huge number of papers. But what is the behavior of SRI funds during the financial crisis? Furthermore, some papers emphasise the fact that, during the last financial crisis, islamic oriented funds resisted better than conventional funds to the markets falldown. We investigate these two points in this paper.

## DOES CORPORATE BOARD DIVERSITY AFFECT CORPORATE PAYOUT POLICY?

**Soku Byoun**

*Baylor University, USA*

**Kiyong Chang**

*University of South Florida Sarasota-Manatee, USA*

**Young Sang Kim**

*Northern Kentucky University, USA*

### **Abstract**

We find that firms with gender/racial diversity in their boards are more likely to pay larger dividends than are firms with non-diverse boards. Our results suggest that board diversity has a significant impact on dividend payout policy. The impact of board diversity on dividend payout policy is particularly conspicuous for firms with potentially greater agency problems of free cash flow, suggesting that a diverse board helps to mitigate the free cash flow problem. Our findings are consistent with the argument that board diversity enhances the monitoring function of directors and the shareholder-manager conflict resolution for the benefit of shareholders.

## FOREIGN OWNERSHIP AND THE VALUATION EFFECT OF INVESTMENT AND PAYOUT DECISIONS

**Rehman Mian**

*Tokyo Institute of Technology, Japan*

**Kyoko Nagata**

*Tokyo Institute of Technology, Japan*

### **Abstract**

We study the effect of foreign ownership on firm valuation through strategic corporate decisions related with investment and payouts. Using data from Japan, we find evidence that foreign investors lead to higher firm value through better and efficient investment and payout decisions. Our results indicate that through increased monitoring, foreign investors mitigate the possibility of suboptimal investments and unnecessary payouts by the management. We also find that firms with increased foreign ownership use their cash reserves in ways that significantly complements the operating performance. Furthermore, our results also support the conjecture of a recent decline in the influence of Japanese main banks over firm's strategic decisions.

## DIVIDENDS ON UNEARNED SHARES AND CORPORATE PAYOUT POLICY: AN ANALYSIS OF DIVIDEND EQUIVALENT RIGHTS

**Zi Jia**

*University of Arkansas, USA*

**Don M. Chance**

*Louisiana State University, USA*

### **Abstract**

We investigate a little-known executive compensation device called dividend equivalent rights (DERs). DERs entitle an executive to receive dividends on unearned performance-based shares and options. Policies permitting these payments, known as dividend equivalents (DEs), are found in about one-fifth of S&P 500 firms and about 10% actually make such payments. While investors react negatively to announcements of DER policies or DE payments, DERs can, however, benefit shareholders by inducing a company to disgorge unproductive cash. If a firm allows DE payment, it is four times more likely to be a dividend payer and for firms already paying dividends, dividend payments are larger if

DE payments are allowed. In the years prior to adoption of DER policies and initiation of DE payments, DER-policy adopters and DE payers accumulate an increasing amount of excess cash, a pattern that tends to cease following DER-policy adoption or payment of DEs. Thus, DERs can have the beneficial effect of encouraging a company to stop accumulating unproductive cash.

**FINANCIAL DISTRESS AND ACCRUAL ANOMALY**

**Pascal Alphonse**

*University of Lille North of France*

**Thu Hang Nguyen**

*University of Lille North of France & Foreign Trade University, Vietnam*

**Abstract**

We examine three widely debated topics in accounting and finance: financial distress, earnings persistence and accrual anomaly. In accordance with literature, we find that accruals have less persistence than cash flows in predicting future earnings. Surprisingly, this difference is significantly larger for firms with lower financial distress probability. As a consequence, these firms' stock returns exhibit a greater level of accrual anomaly. Additionally, firms with high financial distress probability have higher accruals quality than those with low financial distress probability. The findings are consistent with the interpretation that earnings management behaviors vary in firms with different levels of financial distress. Specifically, we suggest that creditors' monitoring prevents managers of distressed firms from inflating earnings.

**FAMILY OWNERSHIP IN VIETNAM'S LISTED FIRMS: DOES IT REALLY MATTER?**

**Son Kien Nguyen**

*University of Economics, Ho Chi Minh City, Vietnam*

**Vo Hong Duc**

*Economic Regulation Authority, Australia & Open University of Ho Chi Minh City, Vietnam*

**Abstract**

The presence of family ownership in Vietnam's listed firms is prominent. This study is conducted to consider the impact of family ownership on firms' performance and to examine current corporate governance adopted by the listed companies in the Ho Chi Minh stock exchange in the year of 2013. On the sample of 283 listed firms in HOSE, we found that family ownership or participation of the founders and their relatives at the board level could hurt company activities which then lead to a lower level of firms' performance and a higher risk of bankruptcy. In addition, the presence of founders in listed firms has a similar effect with the family ownership. Under both cases, company value (or firms' performance) has reduced and risk of bankruptcy has increased. Findings from this study also present evidence to confirm that most of the corporate governance characteristics have no significant impact on firms' performance for listed firms in HOSE in 2013. These findings are somewhat consistent with conclusions obtained from the reports of the IFC and State Securities Commission Vietnam in the year of 2006 and 2010 and the report of World Bank 2006 in relation to the weak applications of Vietnam's corporate governance framework by Vietnam's listed firms.

**FINANCING ACQUISITIONS IN ASEAN COUNTRIES**

**Kien Cao**

*Foreign Trade University, Vietnam*

**Thu Thuy Nguyen**

*Foreign Trade University, Vietnam*

**Thi Thu Giang Dao**

*Foreign Trade University, Vietnam*

**Abstract**

This paper examines the determinants of methods of payment in M&A transactions in ASEAN countries. We take into account the effects of characteristics of bidders, targets

and countries on the choice of method of payment. The findings document the importance of bidders' technology status, targets' ownership status, relative size of bidders and targets, and especially the corporate governance variables in the countries that involved in those M&A transactions. In addition, crisis periods also distinguish the choices of payment method for domestic and cross-border M&As in ASEAN countries.

**EQUITY CARVE-OUTS, DIVERGENCE OF BELIEFS AND ANALYSTS' FOLLOWING****Sebastien Dereeper***University of Lille Nord de France & SKEMA Business School, France***Asad Iqbal Mashwani***University of Lille Nord de France & SKEMA Business School, France***Abstract**

In this paper we try to find out the impact of a carve-out on the standard deviation of earning per share (EPS) forecast (divergence of belief) and the number of analysts following the firm. We were expecting that the standard deviation of EPS forecast will decrease after the carve out as more information will be available to the analysts, once a subsidiary will be partially sold in to the market. But results revealed that the standard deviation of EPS forecast increased rather than decreased. For the number of analysts following the parent, we hypothesized that fewer analysts will be following the parent after the carve-out as some analysts specialized in the subsidiary business may leave the parent and start following the subsidiary. However, the results show that the number of analysts following the parent increases on average after the carve-out and the difference between the number of analysts before and after the event is significant.

**ANALYST COVERAGE AND IPO SURVIVAL****Nesrine Bouzouita***Paris School of Business, France***Abstract**

This study examines the impact of analyst coverage on the survival profile of Initial Public Offering (IPO) issuers and attempt to identify the factors that influence the transition of the IPO firm into survivors, non-survivors and being acquired. A survival analysis was conducted on the French market. The results of non-parametric analysis indicate that analyst coverage at the time of the IPO leads to a significantly lower post-IPO failure rate. Through estimation of Accelerated Failure Time models, we find that analyst following is positively related to the survival time. Our study highlights the importance of analyst coverage at the time of IPO.

**HOW DO ANALYSTS EVALUATE FIRMS BEFORE IPO? CASE OF FRENCH START-UPS****Dorra Najjar***IPAG Business School, France***Jean-Louis Paré***Novancia Business School, France & CFVG, Vietnam***Abstract**

This paper presents a study of the valuation methods used by analysts to price start-ups before their IPO. According to a sample of 203 IPOs reports on Euronext Paris (including the Nouveau Marche and the Marche Libre) during the period 2000-2012, it is noted that analysts are restricted to use few valuation model despite the multitude of available assessment methods. It is proved that DFC is the most popular model assessment contrasts with earlier work. Overall, the data strongly indicate that all the valuation models used over estimate the value of the firm. So, it was not evident to identify the most accurate method. Furthermore, the estimations by valuation models were closer to the stock prices' values one month after the IPO. Executed regressions prove that the choice of the valuation methods by analysts do not depend on the activity sector of the valued firm.

**THE VOLUME, RETURN AND VOLATILITY RELATIONSHIPS:  
INTERACTION BETWEEN STOCK AND OPTION MARKETS****Amel Oueslati***Institute of the High Commercial Studies & LEFA, Tunisia***Olfa Ben Oud***Institute of the High Commercial Studies & LEFA, Tunisia***Abstract**

Prior research shows that the Put-Call (Put/Call) ratio and the Option-to-Stock volume ratio (O/S) predict negative future returns. This paper investigates the predictive power of the O/S ratio with regard to future stock return and future stock price volatility, using both linear and non linear approaches. Subsequently, the paper divides the O/S ratio into two groups, relative put options (P/S) and relative call options (C/S), to explore how the predictive ability of the O/S differs across option contracts. Moreover, we compare the level of information contained in the O/S with the commonly used option volume ratio, the Put/Call. First, we provide empirical evidence that informed trader's private information is reflected in the O/S ratio. Second, the separate prediction analysis shows that the predictive power of the O/S comes mainly from the call options. In addition, our results show that the O/S ratio contains more predictability about future volatility than the Put/Call ratio.

**ESTIMATING AN EQUITY BETA FOR VIETNAM UTILITIES - A  
QUANTILE REGRESSION APPROACH****Thach Pham***University of Economics, Ho Chi Minh City, Vietnam***Duc Vo***Economic Regulation Authority, Australia & Open University of Ho Chi Minh City, Vietnam***Abstract**

This study was conducted to estimate the equity beta, a key input of the Sharpe-Lintner capital asset pricing model, which then can be used to determine an expected return on equity. The motivation of this study is to provide the Vietnamese Government with an additional piece of evidence in relation to the determination of the sale prices of the government owned assets during the process of privatization and equitisation. Using a sample of 19 listed companies operating in the Utilities Industry in the Ho Chi Minh City Stock Exchange for the period of more than 7 years (from 2007 to 2013 inclusive), a new approach (a quantile regression approach); together with the other two traditional approaches (the OLS and the LAD), have been used to estimate the equity beta for these listed firms in this study.

Estimates of beta were conducted at the individual firms' level and at the portfolios' level. At the portfolios' level, two different types of portfolios are formed: (i) the equally-weighted portfolio; and (ii) the value-weighted portfolio. Under all approaches, estimates of beta indicate that the appropriate value of the equity beta for companies operating in the Utilities Industry in Vietnam is 0.8 – which is still below the market beta of the entire market. This finding provides an evidence to confirm that a level of risk faced by a company in the Utilities Industry is below the average of the level of risk for the entire market.

**THE TRANSITION FROM BROWNIAN MOTION TO BOOM-AND-BUST  
DYNAMICS IN FINANCIAL AND ECONOMIC SYSTEMS****Harbir Lamba***George Mason University, USA*

**Abstract**

Quasi-equilibrium models for aggregate variables over long periods of time are widely-used throughout finance and economics. The validity of such models depends crucially upon assuming that the system participants act both independently and without memory. However important real-world effects such as herding and momentum-trading violate both of these key assumptions. We present a simple but realistic modeling framework market to demonstrate that herding between agents can cause a transition to multi-year boom-and-bust dynamics at levels far below a plausible estimate of the herding strength in actual financial markets. In other words, the stability of the standard (Brownian motion) equilibrium solution badly fails a ‘stress test’ in the presence of a realistic weakening of the underlying modeling assumptions. The model contains a small number of fundamental parameters that can be easily estimated and require no fine-tuning. It can also be described as a novel stochastic particle system with switching and re-injection.

## FACTORS AFFECTING BANK RISK-TAKING: EVIDENCE FROM SOUTHEAST ASIAN COUNTRIES

**Son Tran Hung**

*University of Economics and Law, Vietnam*

**Liem Nguyen Thanh**

*University of Economics and Law, Vietnam*

**Nghia Hoang Trung**

*University of Economics and Law, Vietnam*

### **Abstract**

In this paper we use a dynamic panel data model (system-GMM estimator) to analyze bank-specific and macroeconomic determinants of bank risk as measured by the Zscore of 70 listed commercial banks operating in six Southeast Asian countries over the period from 2005 to 2013. Our results indicate that asset structure, capitalization, size, and the stock market development are negatively and significantly related to bank risk, whereas efficiency, revenue diversification, and the banking system development are positively related to bank risk.

## INCOME DIVERSIFICATION AND OTHER FACTORS AFFECTING BANK PROFITABILITY IN VIETNAM

**Thi Hong Minh Ho**

*University of Economics and Law, Vietnam*

**Thi Canh Nguyen**

*University of Economics and Law, Vietnam*

### **Abstract**

This paper examines the impact of income diversification and other factors on profitability of Vietnam commercial banks. We use the data collected from the financial statements of 25 commercial banks in Viet Nam over the period 2005-2013. By applying the Generalized method of moments (GMM estimator), we found that income diversification, total loan to total asset ratio, deposit to total liabilities ratio and economic growth have positive impact on bank profitability (measured by return on asset - ROA and return on equity - ROE). The empirical results also show that non-performing loan to total loan ratio and total equity to total asset ratio have negative impact on bank profitability. At last, we do not find any evidence of inflation affecting profitability of Vietnamese commercial banks.

## PRODUCTIVITY AND EFFICIENCY OF VIETNAMESE BANKING SYSTEM: NEW EVIDENCE USING FÄRE-PRIMONT INDEX ANALYSIS

**Phuong Anh Nguyen**

*International University, Vietnam National University - Ho Chi Minh City, Vietnam*

**Michel Simioni**

*Toulouse School of Economics, INRA-GREMAQ, France*

### **Abstract**

This paper aims to provide a clearer view on the recent evolutions of the Vietnamese banking system that can be useful to public authority when taking restructuring decisions. This paper focuses on the evolution of productivity of Vietnamese banks over the period 2008-2012, and on the evolution of the different components of this productivity: technical change, pure technical efficiency, and mix and scale efficiency. The methodology draws from very recent developments in index theory in the design of multiplicative-complete economically-ideal indexes, by using Färe-Primont productivity indexes in order to measure productivity. This methodology is applied to a balanced panel of Vietnamese banks. The results complement observations usually made on the recent development of

the Vietnamese banking system. They show that the SBV's restructuring policy cannot focus only on either the insufficient size of banks or on a better management of these banks in terms of the mix of outputs. Both must be considered simultaneously, not only through bank mergers but also in setting management criteria in line with criteria defined internationally.

**THE VALUE OF POLITICAL CONNECTION: EVIDENCE FROM THE 2011 EGYPTIAN REVOLUTION**

**Vinh Q.T. Dang**

*University of Macau, Macau*

**Erin P. K. So**

*Hong Kong Baptist University, Hong Kong*

**Isabel K.M. Yanc**

*City University of Hong Kong, Hong Kong*

**Abstract**

Despite many studies investigating the effect of political connection on firm value, it is empirically difficult to identify the causality between the two due to endogeneity of the former. In this paper, we effectively deal with this issue by exploring a significant and unexpected event exogenous to firms' loss of political connection. Specifically, we manually construct a list of Egyptian exchange-traded firms that are connected to President Mubarak and utilize the sudden collapse of his 30-year regime in the 2011 Arab Spring, a natural experiment exogenous to Egyptian firms, to measure the value of this political connection. Controlling for important firm characteristics, we find that connection to Mubarak had contributed significantly, about 22.4%, to firm value. The cumulative abnormal return of the connected firms is about 26.5 percentage points lower than that of the unconnected firms in the event windows up to 15 trading days subsequent to the collapse. These estimates are larger in longer event windows. It appears that state-ownership and connection to Mubarak remained separate sources of political capital even under an entrenched autocracy. Concurrent state-ownership mitigated the loss of the Mubarak-connected firms. Further investigation of possible channels where political connection contributes to firm value indicates that firms with political ties, particularly to Mubarak, experienced lower financial constraint before the collapse of the regime and more debt-induced propping at the peak of the 2008 global crisis.

**TOBIN'S Q DOES NOT MEASURE FIRM PERFORMANCE: THEORY, EMPIRICS, AND ALTERNATIVES**

**Philip Dybvig**

*Washington University in Saint Louis, USA*

**Mitch Warachka**

*Claremont McKenna College, USA*

**Abstract**

Tobin's q is often used to proxy for firm performance when studying the relation between corporate governance and firm performance. However, our theoretical and empirical analysis demonstrate that Tobin's q does not measure firm performance since underinvestment increases rather than decreases Tobin's q. As an alternative to Tobin's q, our theoretical framework provides two new operating efficiency measures: the first assesses scale efficiency and the second assesses cost discipline. These proxies are justified by the ideal of maximizing firm value net of invested capital, and can be computed for a wide cross-section of firms. In a canonical governance-performance regression specification, our operating efficiency measures lead to a different conclusion than Tobin's q.

**THE USE OF TRADE CREDIT BY PUBLIC AND PRIVATE FIRMS: AN EMPIRICAL INVESTIGATION**

**Yomna Abdulla**

*Manchester Business School, UK*

**Viet Anh Dang**

**Abstract**

We show that the level of trade credit in private firms is one-quarter higher than that in public firms. The impact of being private on trade credit is robust, and is more pronounced in young, high-growth, and low-tangibility firms, consistent with the argument that firms with greater asymmetric information and credit constraints rely more on supplier financing. Both public and private firms seek to adjust toward optimal trade credit levels, although private firms experience slower adjustment. During the financial crisis of 2007–2009, public firms used slightly more trade credit as an alternative source of financing, while private firms were granted significantly less trade credit.

**TESTING THE EXISTENCE OF TRANSFER PRICING IN VIETNAM**

**Khac Quoc Bao Nguyen**

*University of Economics HCMC, Vietnam*

**Dinh Tri Nguyen**

*Tarlac State University, Philippines*

**Abstract**

Transfer pricing or the manipulation of transfer prices is to set the price of intra-firm transactions different from market prices in order to shift incomes from high-tax locations to low-tax ones. Hence, a multinational corporation can decrease its global tax burden. The study applies the model of transfer pricing incentive of Swenson (2001) by employing Generalized Method of Moments (GMM) to consider the effect of income tax rate and tariff rates on the setting of transfer prices in ten commodity groups of multinationals operating in Vietnam from 2008 to 2013. The study concludes a positive correlation between changes of transfer pricing incentives and changes of reported transfer prices. Furthermore, the findings also show that when Vietnamese income tax rate increases, income tax rate in the headquartered country of parent firms decreases, or Vietnamese tariff rate decreases, the level of reported transfer prices of imports from the parent firm to its affiliates in Vietnam will increase for the majority of investigated commodity groups (except Motor vehicles).

**USING PROBIT MODEL WITH BOOTSTRAPPING TECHNIQUE TO  
MEASURE CORPORATE CREDIT RISK AT VIETNAMESE COMMERCIAL  
BANKS**

**Thi Canh Nguyen**

*University of Economics and Law, Vietnam*

**Dinh Thien Nguyen**

*University of Economics and Law, Vietnam*

**Abstract**

The paper applies Probit model and Discriminant Analysis to measure corporate credit risk at Vietnamese commercial banks. The analysis employs data of 225 corporate clients of An Binh Commercial Bank from their 2011-2013 financial reports. With 1 million of iterations using bootstrapping, the findings show that the determinants of bankruptcy probability are Cash Ratio, Total debt/Total assets, Short-term debt/Total debt, Earnings after tax/Equity, Current assets/Total assets. Among them, cash ratio has largest impact on corporate credit risk. Corporate risk reduces by 9.7% if its cash ratio raises by 1%. The most risky industry is Heavy industry with average credit risk of 26.75%. Using the study's forecast of credit risk probability expected loss of the sample will be 7.86 thousands of billions VND.

**TRADE, PERFORMANCE, AND CAPITAL ALLOCATION UNDER  
POLITICAL UNCERTAINTY**

**Burcin Col**

*Pace University, USA*

**Art Durnev**

*University of Iowa, USA*

**Alexander Molchanov**

*Massey University, New Zealand*

**Abstract**

We argue that international trade is a significant conduit of foreign political uncertainty into U.S. markets. We find that industries that export considerable shares of their output to

countries with high political risk or countries that hold national elections in a given year experience lower total factor productivity growth, lower valuation, and worse accounting performance. The key channel of political uncertainty transmission is disruption of investment efficiency. Our results are not driven by economic risk or the quality of institutional environment of trading-partner countries, and they remain robust when we account for potential endogeneity of export flows.

**IMPACTS OF FOREIGN EXCHANGE AUCTIONS ON THE INFORMAL MARKET RATE IN MYANMAR**

**Koji Kubo**

*Institute of Developing Economies, Japan External Trade Organization, Thailand*

**Abstract**

Since the abolition of the official peg and the introduction of a managed float in April 2012, the Central Bank of Myanmar has operated the daily two-way auctions of foreign exchange to derive a market-based official exchange rate. Despite the reform of foreign exchange regime, informal trading of foreign exchange remains pervasive. Using daily informal exchange rate and auction data, this paper examines the impact of the auctions on the informal market rate. First, a VAR analysis shows that the official rate did not Granger-cause the informal rate. Second, GARCH models indicate that the auctions did not reduce the conditional variance of the informal rate returns. Overall, the impacts of the auctions on the informal exchange rate are quite modest.

**A RELATIONSHIP BETWEEN TRADE BALANCE AND EXCHANGE RATE IN THAILAND & THE IMPLICATIONS FOR VIETNAM: AN APPLICATION USING INSTRUMENTAL VARIABLE AND THE HETEROGENEOUS PANEL COINTEGRATION METHODS**

**The Anh Vo**

*University of Economics, Ho Chi Minh City, Vietnam*

**Hong Duc Vo**

*Economic Regulation Authority, Australia & Open University of Ho Chi Minh City, Vietnam*

**Abstract**

This paper is conducted to examine the effects of a currency's devaluation on trade balance for the case of Thailand. In this study, these effects are considered in different aspects such as the determinants of a trade balance of Thailand; and the long run relationship between bilateral exchange rate and Thailand's trade balance.

Empirical findings indicate that the exchange rate policy and relative growth rate of incomes play a central role in explaining Thailand's trade balance, and fiscal and monetary policies are beneficial in some cases. Moreover, the panel's fully modified OLS (FMOLS) estimations illustrate that a devaluation of Thailand Baht could provide positive effects on its trade balance in the long run, especially for the groups of country with high income, upper middle income, and countries in the America, and Europe. The individual FMOLS regressions between Thailand and each of her 62 trading partners indicate that the devaluation of Thailand's currency would stimulate Thailand's trade performance with over 20 trading partners, but hurt its performance with the other 10 countries and inconclusive conclusion for the others.

**A STUDY OF THE IMPACT OF INVESTMENT FLOWS AND ECONOMIC FUNDAMENTALS IN EXPLAINING THE JANUARY EFFECT IN THE MARKET FOR THE U. S. DOLLAR**

**Rathin S. Rathinasamy**

*Ball State University, USA*

**Abstract**

Using daily U. S. Dollar Major Currencies Index for a 33-year plus period from January, 1975 to March, 2008, this study documents the January effect in the market for the U. S. dollar. Further, the causes of the January effect of the U. S. dollar are explored in a multiple regression frame-work with aggregated quarterly January return as dependent variable, and with standard deviation of daily returns and macro-economic variables namely a real GDP

growth rates, first differences of U. S. short-term and long-term capital investment flows, current account balance, net foreign assets in the U. S., foreign purchases of U. S. securities, quarterly inflation rate and real 90-day T-bill Rate as independent variables. The results show the existence of the significant January effect in the U. S. dollar markets. Statistically significant January standard deviation of the U. S. dollar offers partial explanation for the observed January effect. Further, the results show significant positive relation between the January return and the U. S. 90-day real T-bill rate and the percent change of the foreign purchase of the U. S. securities.

**DOMESTIC AND FOREIGN VOLATILITY AND RETURN SPILLOVERS  
AND INTERNATIONAL STOCKMARKET CORRELATIONS: THE CASE OF  
THE US AND 24 INDUSTRIALISED AND DEVELOPING  
NATIONS**

**Seema Narayan**  
*RMIT University, Australia*

**Abstract**

If international price or volatility spillovers influence a domestic stock market, this is taken as a sign that the market is integrated. The response of stock market integration to changes in these spillovers is, however, unknown. This paper derives price and volatility spillovers from 24 developed, emerging and frontier domestic markets and the US (or global) market, and examines their effects on the market correlation within a multivariate EGARCH framework. The mean and the variance equations correspond to examining the time-varying dynamic conditional correlations and the correlation volatility. The spillovers are derived using market returns or bear market probabilities. The latter accounts for the asymmetry broadly present in correlations. This study reveals that the correlations between the stock markets of the US and most nations are more sensitive to domestic, rather than the US, stock price innovations. But, the correlations for most nations do become highly sensitive to the US price spillovers when sourced from the bear market. The US volatility spillovers sourced from both the market and the bear market are prominent determinants of correlation volatility. Portfolio risks are found to be asymmetric in the case of the bear market – and this is mainly driven by the US. The study also uncovers whether these spillover effects are time-varying and discusses their implications for international diversifications.

**DISCLOSURE COMPREHENSIVENESS AND MARKET EFFICIENCY:  
EVIDENCE FROM THE TORONTO STOCK EXCHANGE**

**Dennis Y. Chung**  
*Simon Fraser University, Canada*  
**Karel Hrazdil**  
*Simon Fraser University, Canada*  
**Nattavut Suwanyangyuan**  
*Simon Fraser University, Canada*

**Abstract**

This paper investigates the effect of the disclosure comprehensiveness of annual reports on the information efficiency of stock prices. Using a sample of large and actively traded Canadian companies listed on the Toronto Stock Exchange, we analyze annual reports filed on SEDAR between 2003 and 2013 and find that the comprehensiveness of annual reports is an important determinant of short-horizon return predictability from historical order flows, which is an inverse indicator of market efficiency. Our results show that longer and larger annual reports are associated with reduced information asymmetry, lower cost of immediacy, higher trading activity, and an overall improvement in the efficiency of price discovery. The results are robust to the inclusion of controls for various determinants of short-horizon return predictability, such as trading costs, volatility, informational effects, and other firm-specific characteristics. Collectively, our findings provide empirical support for the benefits of enhanced corporate disclosure in Canada.

**THE VALUE OF CROWDSOURCED EARNINGS FORECASTS**

**Russell James**  
*University of Kentucky, USA*  
**Rick Johnston**

*Cass Business School, City University London, UK*

**Stanimir Markov**

*Southern Methodist University, USA*

**Michael Wolfe**

*Virginia Tech University, USA*

### **Abstract**

Crowdsourcing – the outsourcing of a task normally performed by employees to a large network of people via an open call – is making inroads into the investment research industry. We shed light on this new phenomenon by examining the value of crowdsourced earnings forecasts. Our sample includes 51,012 forecasts provided by Estimize, an open platform that solicits and reports forecasts from over 3,000 contributors. We find substantial accuracy benefits from combining IBES and Estimize forecasts at all horizons. These benefits are robust to controlling for difference in forecast horizon and forecast bias. Also, the Estimize consensus is a better proxy for the market expectation than the IBES consensus. Finally, Estimize consensus revisions generate significant two-day size-adjusted returns. The combined evidence suggests crowdsourced forecasts are a useful, supplementary source of information in capital markets.

**EFFECTIVENESS OF LINEAR EXTRAPOLATION IN MODEL-FREE  
IMPLIED MOMENT ESTIMATION**

**Geul Lee**

*University of New South Wales, Australia*

**Abstract**

This study shows that the sensitivity of the implied moment estimators of Bakshi et al. (2003) to a marginal change in option price availability can be formulated, regardless of whether the linear extrapolation (LE) method of Jiang and Tian (2005) is applied. Using S&P 500 index options data and sensitivity functions for the cases with and without LE applied, this study then investigates how effectively LE makes implied moment estimators less sensitive to option price unavailability. The empirical results suggest that LE is effective for all three estimators, although implied skewness and kurtosis estimators remain sensitive even with LE applied.

**REALIZED VOLATILITY AND JUMPS IN VOLATILITY-VOLUME  
RELATION AT INDONESIA STOCK EXCHANGE**

**Thamrin Tanjung**

*Universitas Indonesia Fakultas Ekonomi, Indonesia*

**Abstract**

Price jump triggered by stock price volatility is common in stock exchange, thus monitoring intraday price volatility is considered significant. In this research, volatility using realized volatility by summing up intraday squared returns, in 10-minute interval time periods. Furthermore we produced continuous and jump components by decomposing realized volatility. From volume-volatility relation using sample of 48 stocks, our result demonstrates that during the crisis period in Indonesia Stock Exchange (IDX) in 2008, the volatility was extremely high. A character which differs from volatility outside the crisis periods in 2011 and 2013. During the crisis periods, the jumps were higher and dominant, whilst the values of realized volatility were almost doubled, compared to volatility outside the crisis period. In each period, trade frequency has more influenced to realized volatility compared to trade size. Therefore, domestic sales against domestic buyers has more impact than foreign sales.

**INFORMATION ASYMMETRY AND THE ROLE OF FOREIGN INVESTORS  
IN DAILY TRANSACTIONS DURING CRISIS: THE STUDY OF HERDING  
IN INDONESIA STOCK EXCHANGE**

**Ishak Ramli**

*Tarumanagara University, Indonesia*

**Sukrisno Agoes**

*Tarumanagara University, Indonesia*

**Ignatius Roni Setyawan**

*Tarumanagara University, Indonesia*

**Abstract**

The purpose of this study is to prove that there was herding behavior of domestic to the foreign investors in the Indonesian Capital Market (IDX) and that the herding was influenced by information asymmetry. It began when global investors had their international diversification undertaken to IDX because of the return of their portfolio were not on the efficient frontier during the crisis, and the low correlation between Indonesia and the US so with the Europe economy. Using the IDX daily transaction data during the years 2009-2011 the herding behavior of the domestic to the foreign investors was tested by Lakonishok models as well as the influence of information asymmetry on the

herding. It was found that the herding behavior in the IDX occurred either in buy or sell or a whole herding (buy and sell). There were 0.40 to 0.55 herding buy and 0.20 to 0.40 herding sell during the crisis in 2008 and 2009. Herding buy then continued in 2010 ahead though with lower intensity (0.05 to 0.20), however herding sell dropped dramatically or there were almost no herding sell since then. Even, then the domestic investors did sell in the opposite strategy, which is to sell when foreign investors tend to buy. Subsequent findings showed that herding occurred as the influence of the information asymmetry between domestic and foreign investors.

**BANK RISK AND DEPOSIT INSURANCE PREMIUM IN A DYNAMIC  
PANEL MODEL: EVIDENCE FROM MALAYSIAN DUAL BANKING  
SYSTEM****Sharifah Adlina Syed Abdullah***University of Malaya, Malaysia***Rubi Ahmad***University of Malaya, Malaysia***Abstract**

During the financial crisis 2007/2008, Islamic banking has grown its importance as an alternative to the conventional banking that appears riskier than the former. However, the impact of deposit insurance system on the Islamic banks has yet to be researched. This paper analyzes the impact of the introduction of deposit insurance for both the conventional banks and Islamic banks in the Malaysian dual banking system during the period 2002-2010. In addition, a panel regression analysis is carried out to examine whether the insurance premium system plays an important tool in mitigating the moral hazard problem associated with deposit insurance. To overcome the endogeneity problem in our panel data, we employ the System Generalized Method of Moment estimator. Our findings report that there is a significant difference in bank risk-taking between conventional banks and Islamic banks. There is a strong evidence of an increase in the insolvency risk and the operational risk of the conventional banks but not in the Islamic banks following the introduction of deposit insurance system. Finally, our findings suggest that the risk-based deposit insurance system seems not to mitigate the moral hazard problem unless the premium is adequate to cover for the increased in risk. Our results have several important policy implications.

**IMPACT OF MONETARY POLICY ON THE SUPPLY OF BANK LOAN:  
BANK'S BALANCE SHEET APPROACH****Y Nguyen***The Netherlands Programme for M.A. in Development Economics, Vietnam***Abstract**

This study researches the impact of monetary policy on the supply of bank loan in Vietnam during the period from 2008 to 2012. The impact is examined by using the Generalized Methods of Moments (GMM) approach. The estimation results indicate that monetary policy change has negative impact on the supply of bank loan and the magnitude is different among banks. Bank characteristics i.e. asset size, liquidity, and capitalization depress the negative impact of monetary policy change on the supply of bank loan. The purpose of this study is to hope policy maker take into consideration when using monetary policy to regulate the supply of bank loan in the context that different bank react and absorb the monetary transmission differently.

**FINANCIAL PRESSURES AND COMMODITY PRICE CYCLES: THE CASE  
OF EMERGING AFRICAN COUNTRIES****Sandrine Kablan***IPAG Business School & Université de Paris Est Créteil, France***Zied Ftiti***EDC Paris Business School, France***Khaled Guesmi***IPAG Business School, France***Abstract**

This article aims to study the degree of interdependence between the credit and commodity price cycles among African commodity exporters. We use an evolutionary co-spectral analysis that sets a time-varying dynamic correlation measure between the commodity price and credit cycles. We find that persistent commodity price shocks have a greater impact than transitory fluctuations. Similar patterns can be derived for different types of commodities. For beverages and agricultural raw materials, the coherence level is very high during downswings, while for metals and oil, it is high during upswings. Periods of high coherence correspond to periods of financial pressure. Therefore, they can serve as warning signals indicating the need to set prudential policies.

**CORPORATE GOVERNANCE AND FIRM PERFORMANCE - EVIDENCE  
FROM A TRANSITIONAL ECONOMY**

**Rey Dang**

*ESC La Rochelle Business School, France*

**Nhu Tuyen Le**

*Grenoble Ecole de Management, France*

**Frédéric Teulon**

*IPAG Business School*

**Manh Chien Vu**

*Vietnam University of Commerce, Vietnam*

**Abstract**

Good corporate governance is viewed as a key driver of firm performance. In emerging markets economies, past studies have shown that the lack of appropriate institutional structures put the brakes on the development of efficient corporate governance mechanisms, and thus the improvement of firm performance. With a series of structural economic and financial re-forms since the early 1990, there is hope that better corporate governance rules and practices led to higher corporate performance. This article investigates this issue in the context of the Vietnamese emerging market. Using data for companies listed in Ho Chi Minh and Hanoi Stock Exchanges over the period 2009-2012, we find that board size, CEO duality, and board independence have no significant impact on firm performance. There is however evidence to suggest that foreign ownership plays a crucial role in driving corporate performance as it has a positive and significant impact on firm performance. Two control variables, firm size and age, are found to significantly affect corporate performance. Our findings suggest several implications for policymakers and regulators in Vietnam as they call for sound regulations and the implementation of the best practices to improve corporate governance mechanisms.

**IMPACT OF FAMILY OWNERSHIP ON IDIOSYNCRATIC RISK**

**Geeta Ramanathan**

*Indian Institute of Technology Madras, India*

**Abstract**

The paper examines the role and impact of family owned entities on the risk taking behaviour of firms. Previous studies have been sparse and have been primarily focussed around developed economies. The effect of ownership structures on the risk taking behaviour of firms in the emerging economies like India has not been adequately explored. The recent global financial crisis raised pertinent questions on the effectiveness of the ownership structures in mitigating excessive risk during crisis period. This paper explores the risk taking behaviour of family dominated firms vis-à-vis the widely held firms for Indian firms and analyses the behaviour in the pre-crisis and compares it with the behaviour in the crisis affected period. Results confirm that family controlled firms are associated with higher risk. This relationship does not change even after segregating the data into pre crisis and post crisis period. An instrumental variable approach is also adopted to control for endogeneity, which substantiates the results.

**INDEPENDENT DIRECTOR LIABILITY AND FIRM VALUE: EVIDENCE  
FROM A LARGE CORPORATE GOVERNANCE FAILURE**

**Krishnamurthy Subramanian**

*Indian School of Business, India*

**Rajesh Chakrabarti**

*Indian School of Business, India*

**Abstract**

We study the effect of an increase in the risk of *personal* liability faced by independent directors on firm value. We utilize a prominent corporate governance failure in India that increased the perceived risk of such liability. We employ difference-in-difference tests that exploit the propensity for a firm to suffer an ID resignation and whether or not a firm indeed experienced an ID resignation. Independent directors—particularly experts—resigned in large numbers thereby decreasing board independence and reducing firm value. Firm value decreased disproportionately more when the director sat on the audit committee and possessed business/legal expertise.

## List of Participants

First Name	Last Name	Affiliation
<b>A</b>		
Sukrisno	Agoes	<i>Tarumanagara University, Indonesia</i>
Rubi	Ahmad	<i>University of Malaya, Malaysia</i>
Zhe	An	<i>University of New South Wales, Australia</i>
<b>B</b>		
Olfa	Benouda	<i>Institute of the High Commercial Studies &amp; LEFA, Tunisia</i>
Nesrine	Bouzouita	<i>Paris School of Business, France</i>
Soku	Byoun	<i>Baylor University, United States</i>
<b>C</b>		
Kien	Cao	<i>Foreign Trade University, Vietnam</i>
Rajesh	Chakrabarti	<i>Indian School of Business, India</i>
Don	Chance	<i>Louisiana State University, United States</i>
Yi-Kai	Chen	<i>National University of Kaohsiung, Taiwan</i>
Ei Yet	Chu	<i>Universiti Sains Malaysia, Malaysia</i>
Hwei-Lin	Chuang	<i>National Tsing Hua University, Taiwan</i>
Burcin	Col	<i>Pace University, United States</i>
Henrik	Cronqvist	<i>China Europe International Business School, China</i>
<b>D</b>		
Viet Anh	Dang	<i>Manchester Business School, United Kingdom</i>
Tung Lam	Dang	<i>University of Danang, Vietnam</i>
Huu Loc	Dang	<i>University of Economics, Ho Chi Minh City, Vietnam</i>
Vinh	Dang	<i>University of Macau, Macau</i>
Rey	Dang	<i>ESC La Rochelle Business School, France</i>
Thi Thu Giang	Dao	<i>Foreign Trade University, Vietnam</i>
Viet Linh	Do	<i>Academy of Finance, Vietnam &amp; University of Greenwich, United Kingdom</i>
Nhu Hung	Duong	<i>University of Economics and Law, Vietnam</i>
<b>F</b>		
Patrice	Fontaine	<i>European Financial Data Institute &amp; CNRS, France</i>
<b>G</b>		

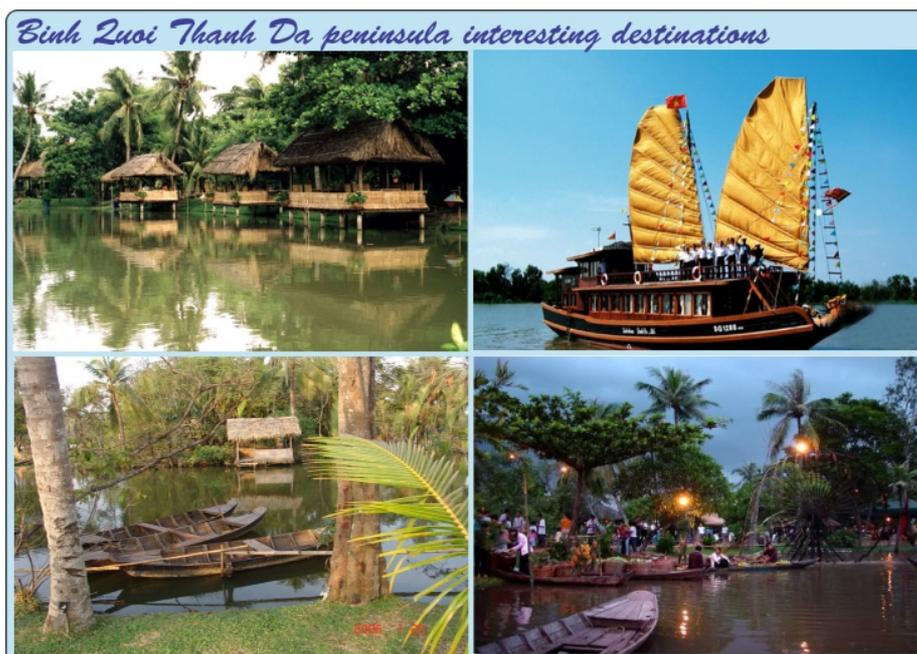
Philippe	Gillet	<i>RITM- University Paris-Sud, France</i>
Khaled	Guesmi	<i>IPAG Business School, France</i>
<b>H</b>		
Thi Hong Minh	Ho	<i>University of Economics and Law, Vietnam</i>
Karel	Hrazdil	<i>Simon Fraser University, Canada</i>
<b>J</b>		
Jing	Jiang	<i>Sacred Heart University, United States</i>
Rick	Johnston	<i>Cass Business School, City University London, United Kingdom</i>
<b>K</b>		
Ambrus	Kecskes	<i>Schulich School of Business at York University, Canada</i>
Koji	Kubo	<i>Institute of Developing Economies, Thailand &amp; JETO</i>
<b>L</b>		
Harbir	Lamba	<i>George Mason University, United States</i>
Geul	Lee	<i>University of New South Wales, Australia</i>
<b>M</b>		
Arvind	Mahajan	<i>Texas A&amp;M University, United States</i>
Asad Iqbal	Mashwani	<i>University of Lille Nord de France &amp; SKEMA Business School, France</i>
Rehman	Mian	<i>Tokyo Institute of Technology, Japan</i>
K.V. Bhanu	Murthy	<i>University of Delhi, India</i>
<b>N</b>		
Dorra	Najar	<i>IPAG Business School, France</i>
Seema	Narayan	<i>RMIT University, Australia</i>
Thu Thuy	Nguyen	<i>Foreign Trade University, Vietnam</i>
Yen Ngoc	Nguyen	<i>Monash University, Australia</i>
Thien	Nguyen	<i>Fisher College of Business, The Ohio State University, United States</i>
Duc Khuong	Nguyen	<i>IPAG Business School, France</i>
Thu Hien	Nguyen	<i>University of Technology, Vietnam National University-HCMC, Vietnam</i>
Thi Bich Loan	Nguyen	<i>Ton Duc Thang University, Vietnam</i>
Ngoc	Nguyen	<i>University of Aberdeen Business School, United Kingdom</i>
Thu Hang	Nguyen	<i>University of Lille North of France &amp; Foreign Trade University, Vietnam</i>
Son Kien	Nguyen	<i>University of Economics, Vietnam</i>

Thi Canh	Nguyen	<i>University of Economics and Law, Vietnam</i>
Dinh Tri	Nguyen	<i>Tarlac State University, Philippines</i>
Khac Quoc Bao	Nguyen	<i>University of Economics HCMC, Vietnam</i>
Dinh Thien	Nguyen	<i>University of Economics and Law, Vietnam</i>
Y	Nguyen	<i>The Netherlands Programme for M.A. in Development Economics, Vietnam</i>
Anh	Nguyen	<i>International University, VNU Ho Chi Minh City, Vietnam</i>
Bao Anh	Nguyen	<i>University of Ottawa, Canada</i>
<b>O</b>		
Amel	Oueslati	<i>Institute of the High Commercial Studies &amp; LEFA, Tunisia</i>
<b>P</b>		
Thu Phuong	Pham	<i>University of Tasmania, Australia</i>
Thach	Pham	<i>University of Economics, Ho Chi Minh City, Vietnam</i>
Phong	Pham	<i>La Trobe University, Australia</i>
Hieu	Phan	<i>University of Massachusetts Lowell, United States</i>
Thuy	Phan	<i>Nguyen Tat Thanh University, Vietnam</i>
Minh Hong	Phi	<i>Foreign Trade University, Vietnam &amp; University of Rouen, France</i>
Minh Tuan	Phung	<i>University of Economics and Law, Vietnam</i>
Limpaphayom	Piman	<i>Portland State University, United States</i>
<b>R</b>		
Geeta	Ramanathan	<i>Indian Institute of Technology Madras, India</i>
Ishak	Ramli	<i>Tarumanagara University, Indonesia</i>
Rathin	Rathinasamy	<i>Ball State University, United States</i>
Michaely	Roni	<i>Johnson Graduate School of Management, Cornell University, United States</i>
Stephen	Rush	<i>School of Business, University of Connecticut, United States</i>
<b>S</b>		
Iman	Sarwoko	<i>Tarumanagara University, Indonesia</i>
Mahdzan Nurul	Shahnaz	<i>University of Malaya, Malaysia</i>
Michel	Simioni	<i>Toulouse School of Economics, INRA-GREMAQ, France</i>
Li	Steven	<i>RMIT University, Australia</i>
<b>T</b>		
Thamrin	Tanjung	<i>Universitas Indonesia Fakultas Ekonomi, Indonesia</i>

Long	Thai	<i>Foreign Trade University, Vietnam &amp; University of Kent, United Kingdom</i>
Anh	Tran	<i>City University London, United Kingdom</i>
Dieu Linh	Tran	<i>University Catholic of Lyon, ESDES- School of Management, France</i>
Hung Son	Tran	<i>University of Economics and Law, Vietnam</i>
Nghia Hoang	Trung	<i>University of Economics and Law, Vietnam</i>
<b>V</b>		
The Anh	Vo	<i>University of Economics, Ho Chi Minh City, Vietnam</i>
<b>W</b>		
Mitch	Warachka	<i>Claremont McKenna College, United States</i>
Christoph	Wegener	<i>Center for Risk and Insurance, Germany</i>
<b>Y</b>		
Min-Teh	Yu	<i>National Chiao Tung University, Taiwan</i>
<b>Z</b>		
Rozaimah	Zainudin	<i>University of Malaya, Malaysia</i>
Ania	Zalewska	<i>Centre for Governance and Regulation, University of Bath, United Kingdom</i>

## Conference Gala Dinner

**Where** Binh Quoi-Thanh Da Peninsula



<http://www.cruisessaigonriver.com/thanh-da-binh-quoi-peninsula.html>

---

<b>Time</b>	Thursday, June 4 <sup>th</sup> , 2014
18:00	Departure from University of Economics and Law (Conference venue)
18:00	Departure from Turtle Lake at No. 3 Cong Truong Quoc Te Circle, Ward 6, District 3, HCMC
19:00	Cruise Departure & Reception
19:00-21:00	Dinner & Vietnamese Traditional Music Band
21:30	Return bus to Turtle Lake at No. 3 Cong Truong Quoc Te Circle, Ward 6, District 3, HCMC

---

<b>Address</b>	Binh Quoi Tourist Area, Ward 28, Binh Thanh District, Ho Chi Minh City
----------------	--

---

# Instructions for Publication Opportunities

High-quality research papers presented at the conference are eligible to be considered for publication in a Special Issue in the [Review of Pacific Basin Financial Markets and Policies](#) or [Research in International Business and Finance](#). Authors of selected papers may submit their papers to the journals directly. Their submissions must conform to the scope of the journals and will be processed through the journals' standard editorial review procedures. Please check the journals' web sites for additional submission instructions as well as indicate in the cover letter that the paper was presented at the conference and will be considered for publication in a Special Issue in the journals. Regular submission fees apply.

Special issue of [Research in International Business and Finance](#) on conference themes



- Guest-editors: Dr. Viet Anh Dang (*Manchester Business School, UK*) and Dr. Duc Khuong Nguyen (*IPAG Business School, France*)
- Author guidelines: see the Journal's homepage
- Deadline: to be announced after the conference
- Expected publication date: March-April 2016

Special issue of [Review of Pacific Basin Financial Markets and Policies](#)



- Guest-editors: Dr. Viet Anh Dang (*Manchester Business School, UK*), Dr. Duc Khuong Nguyen (*IPAG Business School, France*)
- Author guidelines: see the Journal's homepage
- Deadline: to be announced after the conference
- Expected publication date: March-April 2016

Also, in consultation with the conference organizers, and the managing and subject editors of *Emerging Markets Review*, *Journal of International Financial Markets, Institutions and Money*, and *Journal of Multinational Financial Management*, authors of selected papers will be invited to submit their papers to a regular issue of these journals.



An edited book on “*Capital Market Development and Integration: Implications for Corporate Strategy*” will be published by World Scientific Publishing in its Asia Pacific Business Series. The guest-editors are Dr. Sabri Boubaker (*Champagne School of Management, France*), Dr. Viet Anh Dang (*Manchester Business School, UK*), and Prof. Duc Khuong Nguyen (*IPAG Business School, France*). Details on publication opportunities in this book for papers presented at the conference will be available in due course.

# VFAI's Workshop on Econometric Methods

**Time:** *Thursday morning (8.30 – 12:00), June 4, 2015*

**Where:** *University of Economics and Law, Quarter 3, Linh Xuan Ward, Thu Duc District, Ho Chi Minh City – [LINK TO MAP](#)*

**Topics:** *Workshop on Econometric Methods with Applications in Empirical Corporate Finance Research*

**Aims and objectives:** Endogeneity is a major problem in empirical corporate finance studies, which can bias parameter estimates and makes reliable inference almost impossible. This workshop will provide an overview of the sources of endogeneity and discuss recent methods to address endogeneity in recent finance literature. The workshop would be useful for faculty, doctoral students, and other researchers who conduct empirical corporate finance research, but can also be relevant for researchers in other related areas.

**Participants:** open to faculty and doctoral students at Vietnamese universities (by invitation). Participants are expected to read materials and participate in discussion in English.

## **8:30 am – 9:45 am: Endogeneity in Empirical Corporate Finance 1**

*Speaker: Dr. Hieu Phan, Manning School of Business, University of Massachusetts Lowell (USA)*

## **10:00 am – 10:45 am: Endogeneity in Empirical Corporate Finance 2**

*Speaker: Dr. Anh L. Tran, Cass Business School, City University London (UK)*

## **11:00 am – 12:00 pm: Dynamic Panel Data Methodologies**

*Speaker: Dr. Viet Anh Dang, Manchester Business School, University of Manchester (UK)*

Reading materials:

- **Overview:** Roberts, M., and T. Whited, 2012. Endogeneity in Empirical Corporate Finance. Working paper, University of Pennsylvania and University of Rochester.
- **Natural experiments:** Bharath, S., S. Jayaraman, and V. Nagar, 2013. Exit as Governance: An Empirical Analysis. *Journal of Finance* 68, 2515-2547.
- **Difference-in-difference and Propensity score matching:** Lemmon, M., and M. Roberts, 2010. The Response of Corporate Financing and Investment to Changes in the Supply of Credit. *Journal of Financial and Quantitative Analysis* 45, 555-587.
- **Instrumental variables:** Fich, E.M., E. Rice, and A.L. Tran, 2015. Contractual revisions in compensation: evidence from merger bonuses to target CEOs, Working paper, Drexel University, University of Washington, and City University London.
- **Regression discontinuity:** Fich, E.M., J. Harford, and A.L. Tran, 2015. Motivated monitors: the importance of institutional investors' portfolio weights. *Journal of Financial Economics*, forthcoming.
- **Dynamic panel data methods:** Dang, V.A., Kim, M, and Shin, Y. 2015. In search of robust methods for dynamic panel data models in empirical corporate finance. *Journal of Banking and Finance* 53, 84-98. OR Flannery, M.J., and K.W. Hankins. 2013. Estimating dynamic panel models in corporate finance. *Journal of Corporate Finance* 19, 1–19.

# Information about Organizing Partners

UNIVERSITY OF ECONOMICS AND LAW, VIETNAM  
NATIONAL UNIVERSITY, HO CHI MINH VIETNAM



## HO CHI MINH CITY

Quarter 3, Linh Xuan Ward, Thu  
Duc Dist, Ho Chi Minh City,

Phone: (848) 3 7244 555

Fax: (848) 37244 500

Email: [info@uel.edu.vn](mailto:info@uel.edu.vn)

The UEL contributes in the social development and progress by ways of training, researching activities and offering high quality services in the fields of economics, management, and law. The UEL is developed as a research oriented university and expected to become as of 2020: i) Internationally standardized university ranked among the prestigious universities in the ASEAN region; ii) graduates capable of working in global environment.

Leading center for scientific research and policy consultation in economics, law and management.



The Vietnam Finance Association International (VFAI) is a not-for-profit, non-governmental organization with the following missions:

1. To encourage and promote finance/ financial economics research and education among Vietnamese finance professors and researchers around the world.
2. To facilitate cooperation and participation in research efforts among finance professors and researchers in the academic, government, and corporate sectors.
3. To maintain close relations with research, education, and professional organizations that share similar scholastic interests and concerns.
4. To sponsor programs, publications, and activities as appropriate for a non-profit organization.

JOIN US AT <http://www.vfa-international.org/>

President: Viet Anh Dang  
(*Manchester Business School*)

Executive Secretary: Duc Khuong  
Nguyen (*IPAG Business School*)

Vice President of the US: Duong  
Nguyen (*University of Massachusetts  
Dartmouth*) and Truong Xuan  
Duong (*Iowa State University*)

Vice President for Europe: Anh  
Tran (*Cass Business School*)

Vice President for Australia, New  
Zealand, and Asia: Nhut Nguyen  
(*Massey University*)

Vice President for Vietnam: Kien  
Cao (*Foreign Trade University*)

Vice President/Treasurer: Thuy  
Simpson (*Grand Valley State  
University*)

## FOREIGN TRADE UNIVERSITY, VIETNAM



The mission of the Foreign Trade University (FTU) is to nurture talents and provide high-quality human resources specializing in economics, international business, business administration, finance and banking, technology, and foreign languages to create and transfer state-of-the-art knowledge, develop learning and research capabilities and professional working methods in an internationally competitive environment; disseminate expertise and experience to meet the demand of the business community and economy; and become a centre for cultural and educational exchange among countries all over the world.

### HANOI

91, Chua Lang Str., Hanoi

Phone: (84-4) 32595158

Fax: (84-4) 38343605

Website:

<http://www.ftu.edu.vn>

### TP. HO CHI MINH

15, D5, 25 Dist., HCM City

Phone: (84-8) 35127254

Fax: (84-8) 35127255

### QUANG NINH

Nam Khe, Uong Bi City,

Quang Ninh Province

Phone: (84-33) 3856481

Fax: (84-33) 3852557



**VFA**  
International



**SMART TRAIN**<sup>®</sup>  
Professional Education

**MB**  
NGÂN HÀNG QUẢN ĐỘ

**FBNC**

**Vietcombank**

**VCBS**  
Vietcombank Securities