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## Welcome Notes

We are pleased to welcome you to the fifth Vietnam International Conference in Finance (VICIF-2018), which is jointly organized by the Vietnam Finance Association International (VFAI), University of Economics and Law (UEL), Foreign Trade University (FTU), University of Economics – The University of Danang (UE-UD), and University of Economics HCMC (UEH) in Ho Chi Minh City, one of the most vibrant cities of commerce and culture in South East Asia. We are also proud to have support from the VNG Corporation, The Capital Markets Cooperative Research Centre, and Open University in Ho Chi Minh City.

It is our great privilege to have Professor Ronald Masulis from the Australian School of Business, University of New South Wales, Australia as the Keynote Speaker. We are also delighted to have special Panelists: Dr. Thuy Thu Nguyen (FTU), Dr. Anh Thuy Vo (UE-UD) and Dr. Vo Xuan Vinh (UEH). We are grateful for their presence and kind support.

We thank all members of the Scientific Committee, authors, and particularly conference participants who serve as session chairs, presenters, and discussants. Our special thanks go to Professor Praveen Kumar, and Alessandro Zattoni, (*Editors-in-Chief of Corporate Governance: An International Review*) and Professor Thanh Dinh Su (*Editor-in-Chief, Journal of Asian Business Economic Studies*), who have agreed to review a limited number of papers from VICIF 2018.

We are indebted to members of the Organizing Committee: Dr. Son Hung Tran (UEL), Dr. Thuy Thu Nguyen (FTU), Dr. Kien Dinh Cao (FTU), Dr. Anh Thuy Vo (UE-UD), Dr. Lam Tung Dang (UE-UD), Dr. Vinh Xuan Vo (UEH), and Professor Bohui Zhang (Chinese University of Hong Kong, Shenzhen, China) for their great contributions to the preparation of this scientific event.

We wish you all an intellectually stimulating and productive conference.

On behalf of the Organizing and Scientific Committees  
*The Conference Co-Chairs*

Truong Xuan Duong and Canh Thi Nguyen

## Conference Scope

The fifth Vietnam International Conference in Finance (VICIF-2018) takes place on 28-29 June 2018 in Ho Chi Minh City, one of the most vibrant cities of commerce and culture in South East Asia. VICIF-2018 provides an excellent opportunity for academics, doctoral students, and practitioners to share research 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	Financial and econometric modeling
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

Along with regular parallel sessions, there are two special sessions as follows:

- *Thursday morning (9:00–10:00), June 28, 2018:* Keynote Address on **“Boards of Directors Recent Evidence on How to Improve Firm Performance”**
- *Friday morning (9:00–10:30), June 29, 2018:* Special Panel Session on **“Conducting Banking and Finance Research in Vietnam and about Vietnam”**

## Keynote Speaker

**Professor Ronald Masulis**, *Scientia Professor of Finance and Macquarie Group Chair of Financial Services at the Australian School of Business, University of New South Wales*



Professor Ronald Masulis is the Scientia Professor of Finance and Macquarie Group Chair of Financial Services at the Australian School of Business, University of New South Wales. He is a recognized authority in the field of empirical corporate finance, and has a particular expertise in the corporate governance area. Professor Masulis is one of the Pacific Basin's highest ranked financial economists in terms of number of publications and citations across a range of top tier journals including the Journal of Financial Economics, Journal of Finance, Review of Financial Studies, Journal of Law and Economics and Journal of Accounting and Economics. He has won a number of research awards, including five Journal of Financial Economics All Star Paper Awards for his high impact research, which continues to be frequently cited. He was ranked one of the top 100 most prolific authors in finance over the last 50 years, based on his publications in 7 leading academic journals in Finance. He is Vice Chair of the 2017 Asia-Pacific Finance Cavalcade, Vice President for the 2018 Annual Meeting of the Financial Management Association. He has also served on the Board of Directors or Executive Committee of the American Finance Association, the Western Finance Association, the Financial Management Association (FMA) and Financial Intermediation Research Society (FIRS). He is a research associate at the European Corporate Governance Institute (ECGI) and senior academic fellow at the Asia Bureau of Finance and Economic Research.

## Conference Co-chairs

- Dr. Truong Xuan Duong, *Associate Professor of Finance, Ivy College of Business, Iowa State University, USA & President of Vietnam Finance Association International (VFAI)*
- Dr. Canh Thi Nguyen, *Professor of Economics, University of Economics and Law - HCM City, Vietnam*

## Scientific Committee

- Henk Berkman, The University of Auckland, New Zealand
- Sabri Boubaker, Champagne School of Management, France
- Carole Comerton-Forde, University of Melbourne, Australia
- Anh Viet Dang, University of Manchester, UK
- Abe de Jong, Erasmus University Rotterdam, the Netherlands
- Fangjian Fu, Singapore Management University, Singapore
- Omrane Guedhami, University of South Carolina, USA
- Chuan Yang Hwang, Nanyang Technological University, Singapore
- Ambrus Kecskés, York University, Canada
- Paul Koch, University of Kansas, USA
- Ben Marshall, Massey University, New Zealand
- Vikram Nanda, University of Texas, USA
- Thanh Ngo, East Carolina University, USA
- Duong Nguyen, University of Massachusetts, USA
- Hai Xuan Nguyen, Chinese University of Hong Kong, HK
- Khuong Duc Nguyen, IPAG Business School, France
- Nga Nguyen, Marquette University, USA
- Nick Nguyen, Massey University, New Zealand
- Peter Kien Pham, University of New South Wales, Australia
- Hieu Van Phan, University of Massachusetts Lowell, USA
- S. Ghon Rhee, University of Hawaii, USA
- Anh Luong Tran, City University London, UK
- Chau Trinh, University of Bristol, UK
- Hai Tran, Loyola Marmount University
- Au Hai Truong, Monash University, Australia
- Mathijs A. van Dijk, Erasmus University, the Netherlands
- Nuttawat Visaltanachoti, Massey University, New Zealand
- Mitch Warachka, University of San Diego, USA

## Organizing Committee

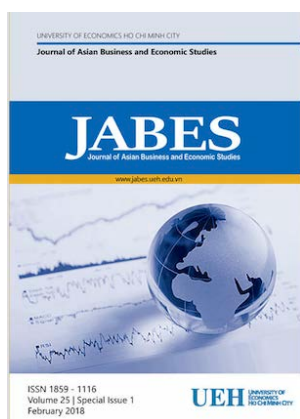
- Son Hung Tran, University of Economics and Law - HCM City, Vietnam
- Thuy Thu Nguyen, Foreign Trade University, Vietnam
- Kien Dinh Cao, Foreign Trade University, Vietnam
- Anh Thuy Vo, School of Economics - the University of Danang, Vietnam
- Lam Tung Dang, School of Economics - the University of Danang, Vietnam
- Vinh Xuan Vo, University of Economics HCM City
- Bohui Zhang, University of New South Wales, Australia

## Journal Submission Opportunity

Authors of a limited number of high-quality papers from the conference will be invited to submit their papers to [\*Corporate Governance: An International Review\*](#) for review for a regular issue.



Selected papers presented at the conference are also eligible to be considered for publication in a special issue of [\*Journal of Asian Business Economic Studies\*](#).



## Conference Venue

### [Sheraton Saigon Hotel & Towers, Ho Chi Minh City, Vietnam](#)

88 Dong Khoi , District 1, Ho Chi Minh City, Vietnam

Tel: +84 28 3827 2828



## Conference Gala Dinner

Where	Ballroom 3, Sheraton Saigon Hotel & Towers
Time	Thursday, June 28 <sup>nd</sup> , 2018
18:00 – 18:30:	Pre-dinner get-together
18:30 – 21:30:	Dinner + Best Paper Awards

# Program at a Glance

Thursday, June 28, 2018

8:00 - 8:30 **Registration & Coffee**

8:30 - 9:00 **Welcome and Opening Remarks**

Ballroom 1

Dr. Dien Ngoc Nguyen, *Associate Professor, Vice Rector, University of Economics and Law – Ho Chi Minh City, Vietnam*

Dr. Truong Duong, *Associate Professor of Finance, Iowa State University, USA, President of Vietnam Finance Association International, and Conference Co-Chair*

9:00 - 10:00 **Keynote Address**

Ballroom 1

**Boards of Directors Recent Evidence on How to Improve Firm Performance**

**Professor Ronald Masulis**, *Scientia Professor of Finance and Macquarie Group Chair of Financial Services, Australian School of Business, University of New South Wales, Australia.*

10:00 - 10:30 **Coffee Break**

10:30 - 12:00 **Parallel Sessions (A)**

**A1. Credit intermediation**

Ballroom 1

Chair: Li Zhaohua, Lincoln University (New Zealand)

**A2. Policy & Regulation**

VIP 3

Chair: Dodd Olga, Auckland University of Technology (New Zealand)

**A3. Microstructure**

VIP 4

Chair: Nguyen Thanh, California State University, Fullerton (United States)

12:00 - 13:30 **Lunch Break: Buffet Lunch**

Saigon  
Café



13:30 - 15:00 **Parallel Sessions (B)**

**B1. Asset pricing 1**

**Ballroom 1**

Chair: Tran Anh, Cass Business School, City University London  
(United Kingdom)

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**B2. Corporate debt**

**VIP 3**

Chair: Pham Peter, UNSW Business School, University of New South  
Wales (Australia)

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**B3. Employee incentives**

**VIP 4**

Chair: Krishnan Murugappa, Rutgers University and Radford University  
(United States)

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

15:30 - 17:00 **Parallel Sessions (C)**

**C1. Network**

**Ballroom 1**

Chair: Nguyen Xuan Hai, The Chinese University of Hong Kong

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**C2. Capital structure**

**VIP 3**

Chair: Phan Hieu, University of Massachusetts Lowell (United States)

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**C3. Foreign ownership**

**VIP 4**

Chair: Nguyen Canh, University of Economics and Law-Ho Chi Minh  
City (Vietnam)

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

**Ballroom 3**

+ **CMCRC Best Paper Award and MQD Best Paper Award**

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Friday, June 29, 2018

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

08:30 - 9:00 **Live Demo of Market Quality Dashboard**

**Ballroom 1**

Dr. Mollica Vito, *Associate Professor, Capital Markets Cooperative Research Centre (Australia)*

09:00 - 10:30 **Special Panel Session**

**Ballroom 1**

**Conducting Banking and Finance Research in Vietnam and about Vietnam**

Dr. Thuy Thu Nguyen, *Foreign Trade University*  
Dr. Anh Thuy Vo, *University of Economics – The University of Danang*  
Dr. Vo Xuan Vinh, *University of Economics Ho Chi Minh City*

10:30 - 11:00 **Coffee Break**

11:00 - 12:00 **Parallel Sessions (D)**

**D1. Asset pricing 2**

**Ballroom 1**

Chair: Phan Trang, Augustana College (United States)

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**D2. Bank regulation**

**VIP 3**

Chair: Cao Kien, Foreign Trade University (Vietnam)

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**D3. Trading on inside information**

**VIP 4**

Chair: Ly Kim Cuong, Swansea University (United Kingdom)

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12:00 - 13:30 **Lunch Break: Buffet Lunch**

**Saigon  
Café**

13:30 - 15:00 **Parallel Sessions (E)**

**E1. Equity issues and repurchases**

**Ballroom 1**

Chair: Nguyen T. Duc, Hoa Sen University (Vietnam)

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**E2. Financial reporting**

**VIP 3**

Chair: Vo Hong, International University, Vietnam National University  
HoChiMinh City (Vietnam)

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**E3. Executives**

**VIP 4**

Chair: Leirvik Thomas, Nord University [Bodø] (Norway)

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

15:30 - 17:00 **Parallel Sessions (F)**

**F1. Economic growth**

**Ballroom 1**

Chair: Dang Vinh, Nanjing University of Finance and Economics  
(China)

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**F2. Corporate governance**

**VIP 3**

Chair: My Nguyen, RMIT University (Australia)

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**F3. Asset pricing 3**

**VIP 4**

Chair: Dao Nhung, University of Hull (United Kingdom)

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## Program in Detail

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Thursday, June 28, 2018

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8:00 - 8:30 **Registration & Coffee**

8:30 - 9:00 **Welcome and Opening Remarks**

Ballroom 1

Dr. Dien Ngoc Nguyen, *Associate Professor, Vice Rector, University of Economics and Law – Ho Chi Minh City, Vietnam*  
Dr. Truong Duong, *Associate Professor of Finance, Iowa State University, USA, President of Vietnam Finance Association International, and Conference Co-Chair*

9:00 - 10:00 **Keynote Address**

Ballroom 1

**Boards of Directors Recent Evidence on How to Improve Firm Performance**

**Professor Ronald Masulis**, *Scientia Professor of Finance and Macquarie Group Chair of Financial Services, Australian School of Business, University of New South Wales, Australia.*

10:00 - 10:30 **Coffee Break**

10:30 - 12:00 **Parallel Sessions (A)**

**A1. Credit intermediation**

Ballroom 1

Chair: Li Zhaohua, Lincoln University (New Zealand)

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**Supervisory Shopping In The Banking Sector: When Is It Socially Desirable?**

Author: Nguyen Xuan Hai, The Chinese University of Hong Kong  
Presenter: Nguyen Xuan Hai, The Chinese University of Hong Kong  
Discussant: Le Nhan, Australian National University (Australia)

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**Not All Shadow Banking Is Bad! Evidence From Credit Intermediation Of Non-Financial Chinese Firms**

Authors: Dang Vinh, Nanjing University of Finance and Economics (China); So Erin, Hong Kong Baptist University (Hong Kong SAR China)  
Presenter: Dang Vinh, Nanjing University of Finance and Economics (China)  
Discussant: Mittal Amit, Indian Institute of Management Lucknow (India)

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**Credit Risk Management And Effectiveness Of Credit Activities: Case Study In State-Owned Banks In Vietnam**

Author: Nguyen Trung, Foreign Trade University, Hochiminh City Campus (Vietnam)  
Presenter: Nguyen Trung, Foreign Trade University, Hochiminh City Campus (Vietnam)  
Discussant: Nguyen Canh, University of Economics and Law-Ho Chi Minh City (Vietnam)

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## A2. Policy & Regulation

VIP 3

Chair: Dodd Olga, Auckland University of Technology (New Zealand)

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### Political Corruption And Mergers And Acquisitions

Authors: Nguyen Nam, University of Massachusetts Lowell (United States); Phan Hieu, University of Massachusetts Lowell (United States); Simpson Thuy, Grand Valley State University (United States)

Presenter: Phan Hieu, University of Massachusetts Lowell (United States)

Discussant: Tran Anh, Cass Business School, City University London (United Kingdom)

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### Policy Uncertainty And Stock Liquidity

Authors: Huu Nhan Duong, Monash University (Australia); Chandrasekhar Krishnamurti, University of Southern Queensland (Australia); Justin Hung Nguyen, Victoria University of Wellington (New Zealand); My Nguyen, RMIT University (Australia); S. Ghon Rhee, University of Hawaii (USA)

Presenter: My Nguyen, RMIT University (Australia)

Discussant: Leirvik Thomas, Nord University [Bodø] (Norway)

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### M&A Laws And Stock Price Crash Risk: International Evidence

Authors: Balasingham Balachandran, La Trobe University (Australia); Huu Nhan Duong, RMIT University Melbourne (Australia); Hoang Luong, Monash University (Australia); Lily Nguyen, La Trobe University (Australia)

Presenter: Lily Nguyen, La Trobe University (Australia)

Discussant: Cao Kien, Foreign Trade University (Vietnam)

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## A3. Microstructure

VIP 4

Chair: Nguyen Thanh, California State University, Fullerton (United States)

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### Magnet Effects Of Price Limits: Evidence From A Market Liberalization Experiment

Authors: Mollica Vito, Macquarie Graduate School of Management (Australia); Curran Edward, Capital Markets CRC (Australia)

Presenter: Mollica Vito, Macquarie Graduate School of Management (Australia)

Discussant: Marc Bohmann, University of Technology Sydney (Australia)

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### Volatility Spillovers: Evidence From Southeast Asian Equity Markets

Author: Nguyen Anh, Foreign Trade University (Vietnam)

Presenter: Nguyen Anh, Foreign Trade University (Vietnam)

Discussant: Vo Hong, International University, Vietnam National University HoChiMinh City (Vietnam)

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### **Dynamics Of The Limit Order Book And The Volume-Volatility Relation**

Authors: Pham Manh Cuong, Monash University (Australia); Anderson Heather, Monash University (Australia); Duong Huu Nhan, Monash University (Australia); Lajbcygier Paul, Monash University (Australia)

Presenter: Pham Manh Cuong, Monash University (Australia)

Discussant: Tran Vu Le, Nord University Business School (Norway)

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12:00 - 13:30

**Lunch Break**

+ **Buffet Lunch**

Saigon  
Café

13:30 - 15:00

**Parallel Sessions (B)**

#### **B1. Asset pricing 1**

Ballroom 1

Chair: Tran Anh, Cass Business School, City University London (United Kingdom)

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### **Tick Size Is Little More Than An Impediment To Liquidity Trading: Theory And Market Experimental Evidence**

Authors: Lin Yiping, Capital Markets CRC (Australia); Swan Peter, University of New South Wales (Australia); Mollica Vito, Macquarie University (Australia)

Presenter: Mollica Vito, Macquarie University (Australia)

Discussant: Phan Trang, Augustana College (United States)

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### **Stable Liquidity**

Authors: Tran Vu Le, Nord University Business School (Norway); Leirvik Thomas, Nord University [Bodø] (Norway)

Presenter: Tran Vu Le, Nord University Business School (Norway)

Discussant: Lai Feifei, The Chinese University of Hong Kong (China)

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### **Distraction Or Attraction? New Evidence From Financial Analysts' Behavior**

Author: Lai Feifei, The Chinese University of Hong Kong (China)

Presenter: Lai Feifei, The Chinese University of Hong Kong (China)

Discussant: Nguyen Anh, Foreign Trade University (Vietnam)

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#### **B2. Corporate debt**

VIP 3

Chair: Pham Peter, UNSW Business School, University of New South Wales (Australia)

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### **Manager Education Debt-Aversion And Self-Imposed Financial Constraints**

Authors: Nguyen Thu Hang, Foreign Trade University, HCMC Campus (Vietnam); Nguyen Manh Hiep, ESCP Europe; Troege Michael, ESCP Europe; Nguyen Thi Hoang Anh, Foreign Trade University (Vietnam)

Presenter: Nguyen Thu Hang, Foreign Trade University, HCMC Campus (Vietnam)

Discussant: Thuy Anh Nguyen, Foreign Trade University (Vietnam)

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**Government Economic Policy Uncertainty And Corporate Debt Contracting**

Authors: Tran Dung, University of Massachusetts Lowell (United States); Phan Hieu, University of Massachusetts Lowell (United States)

Presenter: Phan Hieu, University of Massachusetts Lowell (United States)

Discussant: Tran Nam, University of Economics Ho Chi Minh City (Vietnam)

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**Evaluating The Impact Of Rising Emerging Market Corporate Debt**

Authors: Chan Wing, Wilfrid Laurier University (Canada); Dodd Olga, Auckland University of Technology (New Zealand); Kalimipalli Madhu, Wilfrid Laurier University (Canada)

Presenter: Dodd Olga, Auckland University of Technology (New Zealand)

Discussant: Thi Hai Ly Ho, Waikato Management School (New Zealand)

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**B3. Employee incentives**

VIP 4

Chair: Krishnan Murugappa, Rutgers University and Radford University (United States)

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**The Key Factors Determining Corporate Social Responsibility Activities Of Vietnamese Firms**

Authors: Hanh Thai, Hanoi University of Science and Technology (Vietnam); Kabir Rezaul, University of Twente (Netherlands)

Presenter: Hanh Thai, Hanoi University of Science and Technology (Vietnam)

Discussant: Lily Nguyen, La Trobe University (Australia)

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**The Impacts Of External And Internal Incentives On Corporate Innovation**

Authors: Li Zhaohua, Lincoln University (New Zealand); Yamada Takeshi, Australian National University (Australia)

Presenter: Li Zhaohua, Lincoln University (New Zealand)

Discussant: Nguyen Thanh, Waseda University (Japan)

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**The Impact Of Trade Unions On Firm Value: Evidence From Vietnamese Listed Firms**

Authors: Le Quoc Tuan, Banking Academy of Vietnam (Vietnam); Bui Dung, Banking Academy of Vietnam (Vietnam); Bui Ha, Banking Academy of Vietnam (Vietnam)

Presenter: Le Quoc Tuan, Banking Academy of Vietnam (Vietnam)

Discussant: Park Young Kyu, Sungkyukwan University (South Korea)

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15:00 - 15:30

Coffee Break

**C1. Network**

Ballroom 1

Chair: Nguyen Xuan Hai, The Chinese University of Hong Kong

**Board-CEO Social Networks And Firm Risk-Taking**

Authors: Fan Yaoyao, Glasgow Caledonian University (United Kingdom); Boateng Agyenim, Glasgow Caledonian University (United Kingdom); Jiang Showyi Yuxiang, University of Leeds (United Kingdom); Ly Kim Cuong, Swansea University (United Kingdom)

Presenter: Ly Kim Cuong, Swansea University (United Kingdom)

Discussant: Hoang Lai, National Economics University (Vietnam)

**The Impact Of Multimarket Contacts On Bank Stability In Vietnam**

Authors: Liem Nguyen, Center for Economic and Finance Research (Vietnam); Tran Son, Center for Economic and Finance Research (Vietnam); Le Tu, Center for Economic and Finance Research (Vietnam)

Presenter: Le Tu, Center for Economic and Finance Research (Vietnam)

Discussant: Nguyen T. Duc, Hoa Sen University (Vietnam)

**Social Capital Credit Choices And Growth In Vietnamese Micro-Enterprises**

Authors: Ha Phuoc Vu, Ghent University (Belgium); Frommel Michael, Ghent University (Belgium)

Presenter: Ha Phuoc Vu, Ghent University (Belgium)

Discussant: Tran Khang, Erasmus University Rotterdam (Netherlands)

**C2. Capital structure**

VIP 3

Chair: Phan Hieu, University of Massachusetts Lowell (United States)

**The Impact Of Capital Structure On Firm Performance Of Vietnamese Non-Financial Listed Companies Basing On Agency Cost Theory**

Authors: Thuy Anh Nguyen, Foreign Trade University (Vietnam); Thao Tran, Foreign Trade University (Vietnam)

Presenter: Thuy Anh Nguyen, Foreign Trade University (Vietnam)

Discussant: Dodd Olga, Auckland University of Technology (New Zealand)

**The Inter-Moderation Effects Among Financial Policies And The Role Of State Ownership: Evidence In Vietnam**

Author: Nguyen Trong Nghia, University of Economics and Law (Vietnam); Tran Khang, Erasmus University Rotterdam (Netherlands); Nguyen Cong Thanh, RMIT University (Australia)

Presenter: Nguyen Cong Thanh, RMIT University (Australia)

Discussant: Nguyen Thu Hang, Foreign Trade University, HCMC Campus (Vietnam)



### **Liquidity Leverage Deviation Target Change And The Speed Of Leverage Adjustment**

Authors: Thi Hai Ly Ho, Waikato Management School (New Zealand); Bird Ron, Waikato Management School (New Zealand); Lu Susanna, Waikato Management School (New Zealand)

Presenter: Thi Hai Ly Ho, Waikato Management School (New Zealand)

Discussant: Dang Viet Anh, Manchester Business School (United Kingdom)

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### **C3. Foreign ownership**

VIP 4

Chair: Nguyen Canh, University of Economics and Law-Ho Chi Minh City (Vietnam)

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### **Effects Of Foreign Directors On Firm Performance: Evidence From Japan**

Author: Nguyen Thanh, Waseda University (Japan)

Presenter: Nguyen Thanh, Waseda University (Japan)

Discussant: Hanh Thai, Hanoi University of Science and Technology (Vietnam)

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### **Foreign Ownership And The Cost Of Equity Capital: Evidence From Korea**

Author: Park Young Kyu, Sungkyukwan University (South Korea)

Presenter: Park Young Kyu, Sungkyukwan University (South Korea)

Discussant: Li Zhaohua, Lincoln University (New Zealand)

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### **How Informed Are Foreign Institutional Investors In India?**

Authors: Krishnan Murugappa, Rutgers University and Radford University (United States); Rangan Srinivasan, IIM Bangalore (India)

Presenter: Krishnan Murugappa, Rutgers University and Radford University (United States)

Discussant: Le Quoc Tuan, Banking Academy of Vietnam (Vietnam)

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18:30 - 21:30

**Gala Dinner**

**+ CMCRC Best Paper Award and MQD Best Paper Award**

Ballroom 3

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Friday, June 29, 2018

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

08:30 - 9:00 **Live Demo of Market Quality Dashboard**

Ballroom 1

Dr. Mollica Vito, *Associate Professor, Capital Markets Cooperative Research Centre (Australia)*

09:00 - 10:30 **Special Panel Session**

Ballroom 1

**Conducting Banking and Finance Research in Vietnam and about Vietnam**

Dr. Thuy Thu Nguyen, *Foreign Trade University*

Dr. Anh Thuy Vo, *University of Economics – The University of Danang*

Dr. Vo Xuan Vinh, *Director of Institute of Business Research, University of Economics Ho Chi Minh City*

10:30 - 11:00 **Coffee Break**

11:00 - 12:00 **Parallel Sessions (D)**

**D1. Asset pricing 2**

Ballroom 1

Chair: Phan Trang, *Augustana College (United States)*

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**Dynamic Asset Allocation And Predictability**

Author: Leirvik Thomas, *Nord University [Bodø] (Norway)*

Presenter: Leirvik Thomas, *Nord University [Bodø] (Norway)*

Discussant: Mollica Vito, *Macquarie Graduate School of Management (Australia)*

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**How Does The Dominance Of Speculators Versus Hedgers Affect Price Discovery In Commodity Derivatives?**

Author: Marc Bohmann, *University of Technology Sydney (Australia)*

Presenter: Marc Bohmann, *University of Technology Sydney (Australia)*

Discussant: Pham Peter, *UNSW Business School, University of New South Wales (Australia)*

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**D2. Bank regulation**

VIP 3

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

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**Does Bank Deregulation Affect Stock Price Crash Risk?**

Authors: Dang Viet Anh, *Manchester Business School (United Kingdom)*; Lee Edward, *Manchester Business School (United Kingdom)*; Liu Yangke, *Manchester Business School (United Kingdom)*; Zeng Cheng, *Manchester Business School (United Kingdom)*

School (United Kingdom)  
Presenter: Dang Viet Anh, Manchester Business School (United Kingdom)  
Discussant: Nguyen Cong Thanh, RMIT University (Australia)

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**Financial Access And Productivity Improvement Of Stagnant Industries**

Authors: Le Nhan, Australian National University (Australia); Nguyen Ha, University of Colorado (United States);  
Emma Schultz, Australian National University (Australia)  
Presenter: Le Nhan, Australian National University (Australia)  
Discussant: Phan Hieu, University of Massachusetts Lowell (United States)

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**D3. Trading on inside information**

VIP 4

Chair: Ly Kim Cuong, Swansea University (United Kingdom)

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**Timing Stock Trades For Personal Gain: Private Information And Sales Of Shares By CEOs**

Authors: Fich Eliezer, Drexel University (United States); Parrino Robert, University of Texas at Austin (United States);  
Tran Anh, Cass Business School, City University London (United Kingdom)  
Presenter: Tran Anh, Cass Business School, City University London (United Kingdom)  
Discussant: Dang Man, University of Economics, The University of Danang (Vietnam)

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**Institution Trading On Insider Information**

Authors: Duong Xuan Truong, Iowa State University (United States); Eng-Joo Tan, Singapore Management University (Singapore)  
Presenter: Duong Xuan Truong, Iowa State University (United States)  
Discussant: Dao Nhung, University of Hull (United Kingdom)

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12:00 - 13:30

**Lunch Break**

Saigon  
Café

+ **Buffet Lunch**

13:30 - 15:00

**Parallel Sessions (E)**

**E1. Equity issues and repurchases**

Ballroom 1

Chair: Nguyen T. Duc, Hoa Sen University (Vietnam)

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**Incomplete Share Repurchase Programs In Vietnam: Completion Rates And Short-Term Returns**

Authors: Cao Kien, Foreign Trade University (Vietnam); Nguyen Thuy, Foreign Trade University (Vietnam); Nguyen Hong, Foreign Trade University (Vietnam); Dao Ha, Foreign Trade University (Vietnam)  
Presenter: Cao Kien, Foreign Trade University (Vietnam)

Discussant: Ha Phuoc Vu, Ghent University (Belgium)

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**Wrong For Rights? Short Sales In The Global Rights Issues Market**

Authors: Pham Peter, UNSW Business School, University of New South Wales (Australia); Cameron Yuen, Commonwealth Bank of Australia (Australia)

Presenter: Pham Peter, UNSW Business School, University of New South Wales (Australia)

Discussant: Duong Xuan Truong, Iowa State University (United States)

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**Divergence Of Opinion And Long-Run Performance Of Private Placements: Evidence From The Auction Market**

Authors: Han Jianlei, University of Tasmania (Australia); Pan Zheyao, Macquarie University (Australia); Zhang Guangli, Central University of Finance and Economics (China)

Presenter: Han Jianlei, University of Tasmania (Australia)

Discussant: Krishnan Murugappa, Rutgers University and Radford University (United States)

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**E2. Financial reporting**

VIP 3

Chair: Vo Hong, International University, Vietnam National University HoChiMinh City (Vietnam)

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**Impact Of Changes In Reporting Of Accounting Costs On Firms Shareholders' Value And Financial Strategies**

Author: Soobrian Lloyd, Berkeley College (United States)

Presenter: Soobrian Lloyd, Berkeley College (United States)

Discussant: Dang Vinh, Nanjing University of Finance and Economics (China)

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**The Role Of Accounting Performance Information In Firm Valuation: Focusing On US And China**

Author: Kwon Gee-Jung, Hanbat National University (South Korea)

Presenter: Kwon Gee-Jung, Hanbat National University (South Korea)

Discussant: Nguyen Trung, Foreign Trade University, Hochiminh City Campus (Vietnam)

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**Strategic Disclosure: An Empirical Examination Of CEO's Letters To Shareholders vs. Management'S Discussion And Analysis**

Authors: Nguyen Hazel, Southwestern University (United States); Liu Pu, University of Arkansas [Fayetteville] (United States)

Presenter: Nguyen Hazel, Southwestern University (United States)

Discussant: Prostakova Irina, University of Lausanne (Switzerland)

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**E3. Executives**

VIP 4

Chair: Leirvik Thomas, Nord University [Bodø] (Norway)

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**Compensation Peer Groups: A Comparison Of Execucomp And Non-Execucomp Firms**

Authors: Nguyen Thanh, California State University, Fullerton (United States); Jiang Yi, California State University, Fullerton (United States)

Presenter: Nguyen Thanh, California State University, Fullerton (United States)

Discussant: Phan Hieu, University of Massachusetts Lowell (United States)

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**Managerial Overconfidence And Cash Holdings: Evidence From Vietnam**

Authors: Dao Nhung, University of Hull (United Kingdom); Guney Yilmaz, University of Hull (United Kingdom)

Presenter: Dao Nhung, University of Hull (United Kingdom)

Discussant: Pham Manh Cuong, Monash University (Australia)

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**Managerial Ability CEO Duality And The Choice Of Seasoned Equity Offerings**

Authors: Dang Man, University of Economics, The University of Danang (Vietnam); Puwanenthiren Premkanth, University of Roehampton (United Kingdom); Al Mamun Md, La Trobe University [Melbourne] (Australia);

Puwanenthiren Pratheepkanth, University of Jaffna (Sri Lanka)

Presenter: Dang Man, University of Economics, The University of Danang (Vietnam)

Discussant: My Nguyen, RMIT University (Australia)

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15:00 - 15:30

**Coffee Break**

15:30 - 17:00

**Parallel Sessions (F)**

**F1. Economic growth****Ballroom 1**

Chair: Dang Vinh, Nanjing University of Finance and Economics (China)

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**Bank Stocks Inform Higher Growth Beyond Market Indices - Evidence From Asia**

Authors: Mittal Amit, Indian Institute of Management Lucknow (India); Garg Ajay, Indian Institute of Management Lucknow (India)

Presenter: Mittal Amit, Indian Institute of Management Lucknow (India)

Discussant: Nguyen Xuan Hai, The Chinese University of Hong Kong

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**Governance Quality Foreign Direct Investment And Entrepreneurship In Emerging Markets**

Authors: Tran Nam, University of Economics Ho Chi Minh City (Vietnam); Le Chi, University of Economics Ho Chi Minh City (Vietnam)

Presenter: Tran Nam, University of Economics Ho Chi Minh City (Vietnam)

Discussant: Soobrian Lloyd, Berkeley College (United States)

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**The Impacts Of Public Investment On Return And Economic Growth By Sector In Vietnam**

Authors: Nguyen Canh, University of Economics and Law-Ho Chi Minh City (Vietnam); Nguyen Thuy Lien, University of Economics and Law-Ho Chi Minh City (Vietnam)

Presenter: Nguyen Canh, University of Economics and Law-Ho Chi Minh City (Vietnam)

Discussant: Kwon Gee-Jung, Hanbat National University (South Korea)

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## **F2. Corporate governance**

VIP 3

Chair: My Nguyen, RMIT University (Australia)

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### **Family Involvement In Ownership Control Management And Performance: Empirical Evidence From Viet Nam**

Authors: Van Le, University of Newcastle (Australia); Wright Sue, University of Newcastle (Australia); Nguyen T. Duc, Hoa Sen University (Vietnam)

Presenter: Nguyen T. Duc, Hoa Sen University (Vietnam)

Discussant: Nguyen Hazel, Southwestern University (United States)

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### **Capital Structure Decisions In The Supplier-Customer Network**

Authors: Prostakova Irina, University of Lausanne (Switzerland)

Presenter: Prostakova Irina, University of Lausanne (Switzerland)

Discussant: Ly Kim Cuong, Swansea University (United Kingdom)

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### **Bank Risk Behavior And Board Composition: Evidence From Vietnam**

Authors: Hoang Lai, National Economics University (Vietnam); Nguyen Cuong, Lincoln University (New Zealand); Nguyen Nhut, Massey University (New Zealand)

Presenter: Hoang Lai, National Economics University (Vietnam)

Discussant: Le Tu, Center for Economic and Finance Research (Vietnam)

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## **F3. Asset pricing 3**

VIP 4

Chair: Dao Nhung, University of Hull (United Kingdom)

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### **Correlated Residuals Of Portfolio Holdings And Predictability Of Mutual Fund Performance**

Authors: Huang Wei, University of Hawaii at Manoa (United States); Hunter David, University of Queensland (Australia); Phan Trang, Augustana College (United States)

Presenter: Phan Trang, Augustana College (United States)

Discussant: Han Jianlei, University of Tasmania (Australia)

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### **Geographic Momentum**

Author: Vo Hong, International University, Vietnam National University HoChiMinh City (Vietnam)

Presenter: Vo Hong, International University, Vietnam National University HoChiMinh City (Vietnam)

Discussant: Nguyen Thanh, California State University, Fullerton (United States)

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## Abstracts of Conference Papers

### A1. Credit intermediation

#### **Supervisory Shopping In The Banking Sector: When Is It Socially Desirable?**

By: Nguyen Xuan Hai, The Chinese University of Hong Kong

Abstract: This paper analyses the welfare impact of supervisory shopping in the banking sector. Supervisory shopping leads to a welfare-increasing “race to the top” among supervisors, if strong supervision increases banks' access to deposits by signalling that banks have a less risky balance sheet. However, if deposits are subsidised through an underpriced financial safety net, banks shop for a weak supervisor in order to maximise gains from risk-shifting. Supervisory shopping then precipitates a “race to the bottom.” In an extension of the framework, contingent convertible bonds (CoCos) prevent banks from risk-shifting and supervisory shopping becomes socially desirable again.

#### **Not All Shadow Banking Is Bad! Evidence From Credit Intermediation Of Non-Financial Chinese Firms**

By: Dang Vinh, Nanjing University of Finance and Economics (China); So Erin, Hong Kong Baptist University (Hong Kong SAR China)

Abstract: Our study based on 2009-2016 data examines a component of shadow banking that is related to firm financing: entrusted loans arising via credit intermediation among non-financial listed firms in China. We detect credit intermediation by estimating the elasticity of liquid financial assets to financial liabilities. Our instrumental variable fixed-effect estimation shows that credit intermediation among Chinese firms does have some positive effects on firm investment efficiency. In particular as firms tend to lend to other affiliated firms the enhanced lender-borrower interest alignment alleviates debt overhang problem that firms must otherwise fully endure in industries where there is no active credit intermediation. For private firms affiliation with lending state-owned enterprises is a substitute for political connection as both forge stronger interest alignment and therefore reduce debt overhang. For state-owned enterprises this observation is true in industries where credit intermediation is performed by either private or state firms. Lastly credit intermediation appears to exert some disciplinary effects on the investment of some low-performance firms.

#### **Credit Risk Management And Effectiveness Of Credit Activities: Case Study In State-Owned Banks In Vietnam**

By: Nguyen Trung, Foreign Trade University, Hochiminh City Campus (Vietnam)

Abstract: The main purpose of the paper is to assess the effects of credit risk management on loan performance with the application of credit granting policies and terms client appraisal credit risk control and collection policy as aspects of credit risk management practices. By using a descriptive statistical method and linear regression model on SPSS with data derived from a survey of credit officers from state-owned commercial banks in Vietnam. The results show credit risk control has positive influence on loan performance. At 95% confidence interval credit risk control variable is statistically significant due to p-value less than 5%. The remaining three variables were not statistically significant in this study. However this article still has some limitations. Firstly the number of bank's ownership is limited so the readers can only see in a certain perspective situation of CRM in Vietnamese state-owned banks. At the same time other aspects of CRM should also be considered to reduce non-performing loans and improve loan performance in the banking sector.

### A2. Policy & Regulation

#### **Political Corruption And Mergers And Acquisitions**



By: Nguyen Nam, University of Massachusetts Lowell (United States); Phan Hieu, University of Massachusetts Lowell (United States); Simpson Thuy, Grand Valley State University (United States)

Abstract: We examine mergers and acquisitions (M&As) as a possible channel through which firms shield their liquid assets from expropriation by local officials. We find that local corruption increases firm acquisitiveness but decreases firm targetiveness. The levels of corruption in acquirer areas are positively related to the acquisition bid premiums and negatively related to the likelihood of acquisition completion. Acquiring firms located in highly corrupt areas are more likely to use excess cash for acquisition payment and create greater shareholder value from cash-financed acquisitions. The evidence indicates that firms located in corrupt areas engage in acquisitions to convert cash into hard-to-extract assets and relocate assets from the high to low corruption areas thereby shielding their liquid assets from local corruption.

### **Policy Uncertainty And Stock Liquidity**

By: Huu Nhan Duong, Monash University (Australia); Chandrasekhar Krishnamurti, University of Southern Queensland (Australia); Justin Hung Nguyen, Victoria University of Wellington (New Zealand); My Nguyen, RMIT University (Australia); S. Ghon Rhee, University of Hawaii (USA)

Abstract: We document a strong, negative, and prolonged impact of policy uncertainty on stock liquidity. Robustness checks confirm the effect is not confounded by other macro-economic factors or subject to endogeneity concerns. Moreover, the effect is stronger during the Global Financial Crisis when policy uncertainty peaks, and for stocks whose returns are more sensitive to policy uncertainty. Further analyses suggest three mechanisms for the effect, including information asymmetry, cash-flow risk, and funding constraint. The policy uncertainty-induced liquidity drop eventually diminishes stock returns. The evidence extends the far-reaching economic consequences of policy uncertainty, especially on capital markets where liquidity is essentially important to all participants.

### **M&A Laws And Stock Price Crash Risk: International Evidence**

By: Balasingham Balachandran, La Trobe University (Australia); Huu Nhan Duong, RMIT University Melbourne (Australia); Hoang Luong, Monash University (Australia); Lily Nguyen, La Trobe University (Australia)

Abstract: Using the staggered initiation of mergers and acquisitions (M&A) laws across countries that increased the threat of takeover as a quasi-natural experiment we find that firms in countries that passed M&A laws experience decreases in stock price crash risk in the post-enactment periods. This effect becomes weaker in the presence of firm- and country-level governance mechanisms. Digging further we find that earnings management a form of bad-news hoarding is mitigated following the passage of M&A laws. These findings suggest that the increased threat of takeover brought about by M&A law adoption disciplines managers by curbing their bad-news hoarding activities a precursor of crash risk. Overall our study highlights an important role of the market for corporate control as an effective external governance mechanism for protecting shareholder welfare as reflected in lower crash risk.

## **A3. Microstructure**

### **Magnet Effects Of Price Limits: Evidence From A Market Liberalization Experiment**

By: Mollica Vito, Macquarie Graduate School of Management (Australia); Curran Edward, Capital Markets CRC (Australia)



Abstract: This paper tests for the existence of the magnet effect linked to price limits imposed in China's equity markets and how a market liberalization event affects trading in securities that are bound by price limits vis-à-vis those that are not. The magnet effect of price limits theorises that instead of stabilising markets price limits act as a magnet and their existence causes trading to accelerate towards the limits increasing the likelihood of the limit being reached. This study provides evidence of the magnet effect in China and that the effect increases in magnitude following the opening of China's capital markets via the Shanghai-Hong Kong Connect (SHHKConnect). The increased magnitude of the magnet effect of price limits is due to the new inflow of capital from global markets via Hong Kong as stronger results are found for those firms that experience the largest increase in capital inflow vis-à-vis those that do not.

### **Volatility Spillovers: Evidence From Southeast Asian Equity Markets**

By: Nguyen Anh, Foreign Trade University (Vietnam)

Abstract: In this paper we measure the spillover effects from major global and regional markets to Southeast Asian emerging equity markets using the variance decomposition approach of Diebold and Yilmaz (2012). In so doing we construct spillover measures that capture the contribution of an h-step-ahead forecast error variances in forecasting stock volatilities of a market due to shocks in other markets. We report two three findings. First a high level of total volatility spillovers is identified throughout our sample period suggesting high interconnectedness among developed and emerging countries. Second dynamic volatility spillovers respond to economic events and in general increase significantly in crisis time. Third innovations to volatilities of the regional markets (Hong Kong and Japan) have larger spillover effects to Southeast Asian markets than those of the US or European markets. These results are robust to the choice of the estimation window and forecast horizons.

### **Dynamics Of The Limit Order Book And The Volume-Volatility Relation**

By: Pham Manh Cuong, Monash University (Australia); Anderson Heather, Monash University (Australia); Duong Huu Nhan, Monash University (Australia); Lajbcygier Paul, Monash University (Australia)

Abstract: We study the information content of the limit order book (LOB) in explaining return volatility and the volume-volatility relation at the transaction level. We find a strong positive dynamic relationship between return volatility and trading volume which is negatively (positively) related to the market depth at the inner quotes and the LOB slope (the bid-ask spread). The impact of the LOB characteristics on the return volatility of a trade depends on a stock's liquidity and is conveyed via two channels: a direct channel that is mostly attributable to lagged LOB information and an indirect channel that is transmitted through the volume-volatility relation and is mainly contributed by the prevailing LOB information right before the trade. The LOB slope is the key driver of the volume-volatility relation. We demonstrate the negative dependence of volatility and the volume-volatility relation on the LOB slope with a simple intuitive graphical explanation.

## **B1. Asset pricing 1**

### **Tick Size Is Little More Than An Impediment To Liquidity Trading: Theory And Market Experimental Evidence**

By: Lin Yiping, Capital Markets CRC (Australia); Swan Peter, University of New South Wales (Australia); Mollica Vito, Macquarie University (Australia)

Abstract: The conventional literature contends that lit maker-taker and inverted fee structures wash-out. Moreover Foucault Kadan and Kandel (2013) claim a rise in the minimum tick size benefits maker-taker venues that subsidize limit orders. We show that as our model predicts the information content of trades increases more in maker-taker venues than in inverted venues during the SEC tick size pilot. Moreover we find that inverted venues and off-exchange trades rather than lit maker-taker venues are the major beneficiary of the mandated 400% rise in the minimum tick size that acts as an additional transaction tax paid especially by liquidity traders and a corresponding subsidy to limit orders. This very sizeable increase in transaction costs means that those uninformed traders that remain in the lit market during the pilot are far more price sensitive encouraging them to flee maker-taker venues in favor of cheaper inverted venues.

### **Stable Liquidity**

By: Tran Vu Le, Nord University Business School (Norway); Leirvik Thomas, Nord University [Bodø] (Norway)

Abstract: We investigate the role of variation in liquidity and how it affects the cross-section of stock returns. We derive a simple measure of stable liquidity and estimate the exposure to this measure for all stocks in the US stock market over the period 1993- 2013 using TAQ and CRSP data. We find that firms with a stable liquidity have a lower average expected excess return than firms with high variation in liquidity (on average 0.66% per month) corroborating earlier results on the matter. However when we control for firm size we find surprisingly that expected excess returns increases in stable liquidity. On average the difference is 1.36% per month between top and least liquid portfolio. The effect is persistent in both Fama-MacBeth regression setting and bivariate portfolio sort setting. The reason is that first on average there is an overall liquidity improvement on the market. Second given the same size portfolios this liquidity improvement pushes the price of liquid-portfolios more than the price of illiquid-portfolios thus generating excess returns. We also formulate this theoretically and derive a function that maps stable liquidity to the value of liquidity premium in Dollar terms. We show that this is a convex function which confirms our empirical results on the relationship between stable liquidity and expected returns. Finally we found a strong inverse relationship between liquidity-volatility and expected return.

### **Distraction Or Attraction? New Evidence From Financial Analysts' Behavior**

By: Lai Feifei, The Chinese University of Hong Kong (China)

Abstract: Prior literature documents that limited attention is binding when people allocate effort across multiple tasks and one attention-consuming task deteriorates the performance of the remaining. In contrast I document a contradicting positive synergistic effect: analysts achieve better performance on the spillover stocks when involving in demanding work on the shocked stocks. Interestingly this positive effect is temporary bounded in stocks where synergy is most likely applicable and only pertaining to the engagement in challenging work. Furthermore evidences suggest that some analysts intentionally make strategic coverage decision to obtain the positive synergy. I also show that such improvement injects greater information contents into the market through the dissemination across peer analysts.

## **B2. Corporate debt**

### **Manager Education Debt-Aversion And Self-Imposed Financial Constraints**

By: Nguyen Thu Hang, Foreign Trade University, HCMC Campus (Vietnam); Nguyen Manh Hiep, ESCP Europe; Troege Michael, ESCP Europe; Nguyen Thi Hoang Anh, Foreign Trade University (Vietnam)

Abstract: Using a survey data of SMEs in Vietnam from 2004 to 2014 we analyze the relationship between manager education and firm financial constraints. We demonstrate that lower educational levels of managers are associated with higher debt aversion and stronger perceived financial constraints. Moreover manager education is positively related to the probability of applying for formal loans. However manager education is neither related to general measures of financial constraints nor the approval rate of loan applications. These results suggest that education does not affect external financial constraints but has substantial consequences on self-imposed financial constraints by changing managers' perception about the use of debt in general and formal loans in particular. This has important policy implications: Alleviating external financial constraints and improving access to finance may have limited effects on economic growth if debt aversion and apprehension towards formal finance are not addressed.

### **Government Economic Policy Uncertainty And Corporate Debt Contracting**

By: Tran Dung, University of Massachusetts Lowell (United States); Phan Hieu, University of Massachusetts Lowell (United States)

Abstract: We examine the relation between government economic policy uncertainty and debt contracting of U.S. firms. We find that policy uncertainty is negatively related to corporate debt maturity and positively related to the cost of debt and the number of restrictive debt covenants. These relations are concentrated in firms with poor credit ratings or no ratings indicating that creditors are concerned about the borrowing firms' payment ability during the periods of high policy uncertainty leading to more stringent debt terms. Further analysis indicates that the negative relation between policy uncertainty and corporate investments documented by previous research is more pronounced for firms with poor credit ratings or no rating. Overall our evidence suggests that policy uncertainty dampens external financing and exacerbates firms' financial constraints leading to their investment delays.

### **Evaluating The Impact Of Rising Emerging Market Corporate Debt**

By: Chan Wing, Wilfrid Laurier University (Canada); Dodd Olga, Auckland University of Technology (New Zealand); Kalimipalli Madhu, Wilfrid Laurier University (Canada)

Abstract: Emerging market corporate debt more than quadrupled (doubled) during the years 2004-14 (2010-15) (source: IMF). During that period non-financial corporations from emerging market economies have increased their external borrowing significantly through the offshore issuance of debt securities. In this paper we investigate how increased corporate leverage of emerging market firms in the post-crisis period impacted the underlying credit risk. Using firm-level credit risk financial and balance sheet data of 350 firms from 23 emerging markets over an extended period 2002-15 we show that in the post-crisis (2010-2015) period higher leverage significantly increases the probability of default of the firms and lowers their distance to default. The incremental leverage effects are most prominent in the Asian and Latin American region firms. Leverage growth however shows no effect on firm-level CDS spreads indicating that CDS markets may discount the adverse leverage effect. Our results remain robust to endogeneity and alternate regression methodologies. We further explore and document several possible firm- industry- and country- level risk channels through which higher leverage impacted credit risk in emerging markets.

## **B3. Employee incentives**

### **The Key Factors Determining Corporate Social Responsibility Activities Of Vietnamese Firms**

By: Hanh Thai, Hanoi University of Science and Technology (Vietnam); Kabir Rezaul, University of Twente (Netherlands)

Abstract: We examine the impact of firm corporate governance and managerial characteristics on the corporate social responsibility (CSR) activities of Vietnamese listed firms. Our results show that export-oriented firms engage in more CSR activities. We observe that foreign ownership board diversity and CEO education positively influence CSR. The joint effects of foreign ownership with export-orientation board diversity and CEO education are significantly positive. The results of the study help us to understand the key drivers of observed CSR practices by firms in an emerging country.

### **The Impacts Of External And Internal Incentives On Corporate Innovation**

By: Li Zhaohua, Lincoln University (New Zealand); Yamada Takeshi, Australian National University (Australia)

Abstract: This paper investigates the links between government R&D subsidy employee incentive plan (EIP) and corporate innovation in China by using a large sample of firms from 2007-2014. We employ a novel empirical approach by combining propensity score matching (PSM) with difference-in-differences (DiD). The paper documents positive and significant effects of the R&D subsidy and EIP on corporate innovation outcomes. The results are robust for different innovation measures estimation methods and after addressing endogeneity concerns. This paper contributes to the literature by lending its empirical support to the theoretical prediction of the beneficial roles of the external incentive (i.e. R&D subsidy) and internal incentive (i.e. EIP) in driving corporate innovation.

### **The Impact Of Trade Unions On Firm Value: Evidence From Vietnamese Listed Firms**

By: Le Quoc Tuan, Banking Academy of Vietnam (Vietnam); Bui Dung, Banking Academy of Vietnam (Vietnam); Bui Ha, Banking Academy of Vietnam (Vietnam)

Abstract: This paper studies whether the trade union activities have any real impact on the value of Vietnamese listed firms. Using a hand-collected dataset of 642 non-financial firms during the period of 2009-2015 with propensity matching methodology and firm fixed effect panel regression we find that the trade unions positively affect the company value. The positive effect is stronger for firms with high state ownership. Beside meaningful recommendations for the firm management evidence from the paper suggests a bright side on trade unions on the context of Vietnam a country with a unique socialist-oriented market economy.

## **C1. Network**

### **Board-CEO Social Networks And Firm Risk-Taking**

By: Fan Yaoyao, Glasgow Caledonian University (United Kingdom); Boateng Agyenim, Glasgow Caledonian University (United Kingdom); Jiang Showyi Yuxiang, University of Leeds (United Kingdom); Ly Kim Cuong, Swansea University (United Kingdom)

Abstract: We examine the impact of social networks between the board and the CEO on firm risk-taking. Employing changes in socially connected directors due to their deaths and retirements and the implementation of the Sarbanes-Oxley Act for two identifications we find that board-CEO social networks have a positive impact on firm risk. This positive impact is mainly from employment social ties and other activity social ties is not significant during the 2007-2009 financial crisis and during the poor firm performance periods and is through conducting more new risky investment projects. Overall our results indicate that board-CEO social networks create a friendly risky investment environment for the CEO (less restriction and more advice with quality) and hence enhance firm risk-taking.

### **The Impact Of Multimarket Contacts On Bank Stability In Vietnam**

By: Liem Nguyen, Center for Economic and Finance Research (Vietnam); Tran Son, Center for Economic and Finance Research (Vietnam); Le Tu, Center for Economic and Finance Research (Vietnam)

Abstract: This study investigates the impact of multimarket contacts on bank stability in Vietnamese between 2006 and 2015 by using the system GMM. Our findings show that multimarket contacts among Vietnamese commercial banks improve bank stability. In addition more x-efficient banks appear to be more stable. The same is true for banks with less holding liquid assets for those with less excessive lending for smaller banks and for those with the greater level of intermediation. Listed banks are found to be less-risk taking than unlisted banks. More interestingly our findings indicate the positive relationship between foreign ownership and bank stability. Our findings have important implications for bank managers and policy-makers.

### **Social Capital Credit Choices And Growth In Vietnamese Micro-Enterprises**

By: Ha Phuoc Vu, Ghent University (Belgium); Frommel Michael, Ghent University (Belgium)

Abstract: The study provides the impact of social capital on credit choices and growth of micro-enterprises in Vietnam by using the data sample of 1363 micro-firms in 2015. Social capital is considered at different levels: micro for human capital and macro for social networks. It concludes that while macro level of social capital including number of social network people and business association membership affect on the firm's choice of informal loan and credit choice priority between formal and informal loan it does not affect on firm's growth. Besides this study also indicates that micro level of social capital including household's size and professional education plays an important role in improving the firm's growth but not influence on the firm's credit choices. The paper draws up a broader picture about the use of resources and financing choices in micro-enterprises. Accordingly this highlights the importance of social capital in multiple sides: firm itself human capital social networks and government to the development of Vietnamese micro-enterprises.

## **C2. Capital structure**

### **The Impact Of Capital Structure On Firm Performance Of Vietnamese Non-Financial Listed Companies Basing On Agency Cost Theory**

By: Thuy Anh Nguyen, Foreign Trade University (Vietnam); Thao Tran, Foreign Trade University (Vietnam)

Abstract: This paper investigates the impact of capital structure on firm performance using a sample of 2794 observations of non-financial listed companies on Vietnam stock market during 2011-2016. Using firm performance measures namely ROE and Tobin Q we examined if more leveraged firms are more efficient or less in their performance. We employed the fixed effect model to prove that there is an inverse U-shaped relationship between leverage and ROE and then we can find a preferred capital structure of around 30% debt over the total asset for Vietnam non-financial firms. To deal with endogeneity problem of leverage variable we employ two stage least squares (2SLS) regression with instrument variable estimators which help us strengthen the above results and also find out that even though there is no direct impact of dividend rate on ROE but through positively affecting the debt ratio dividend policy can make indirect consequences on firm performance.

### **The Inter-Moderation Effects Among Financial Policies And The Role Of State Ownership: Evidence In Vietnam**

By: Nguyen Trong Nghia, University of Economics and Law (Vietnam); Tran Khang, Erasmus University Rotterdam (Netherlands); Nguyen Cong Thanh, RMIT University (Australia)



**Abstract:** The three most important financial decisions including capital structure dividend policy and investment policy play a critical role in identifying how effectively a company performs. However these three factors are separately analysed in some previous studies though they in reality are interdependent. Moreover these financial policies sometimes moderate each other in order to collectively decide on firm performance. Thus the research is the first to take these three variables together with their inter-moderation impacts into consideration with the purpose of filling the existing gap in the field of corporate finance. Furthermore for the case of Vietnam where financial market is not fully developed market regulations remain weak the government still takes control of business activities in the economy it is necessary to evaluate the role of state ownership in moderating the inter-moderation effects of these three financial policies. All variables are collected from financial statements of listed non-financial companies on Vietnam's stock exchange from 2006 to 2016 with the use of fixed effects model both one-way and two-way as the econometrics technique. The findings indicate how three financial policies inter-moderate one another and how state ownership drives these inter-moderation effects to determine firm performance in Vietnamese enterprises. Consequently this study hopes to contribute to a manager's making financial decisions

### **Liquidity Leverage Deviation Target Change And The Speed Of Leverage Adjustment**

By: Thi Hai Ly Ho, Waikato Management School (New Zealand); Bird Ron, Waikato Management School (New Zealand); Lu Susanna, Waikato Management School (New Zealand)

**Abstract:** This paper examines the impact of equity liquidity leverage deviation and target change on a firm's dynamic leverage adjustments using a sample of U.K. firms over the period from 1996 to 2016. Our analyses yields three new findings. First we evidence that firms whose equity is more liquid have a significantly faster speed of adjustment (SOA) than firms whose equity is less liquid. Second further analyses imply that equity liquidity has a distinct impact on the SOA of under-levered and over-levered firms: high liquid firms that are over-levered tend to adjust quickly to their targets while leverage SOA of under-levered firms are not affected by equity liquidity. It emphasizes the fact that more liquid equities results in firm's being more drawn to issuing equities and questions the importance that firms place on a target ratio. Third we document that the positive relationship between liquidity and SOA is most pronounced for firms that are relatively close to their target leverage ratio and whose target ratio is relatively stable but is dissipated for firms with both large leverage deviation and large target moves.

## **C3. Foreign ownership**

### **Effects Of Foreign Directors On Firm Performance: Evidence From Japan**

By: Nguyen Thanh, Waseda University (Japan)

**Abstract:** This paper examines the effects of foreign directors on firm performance a subset of board composition which has not received enough attention in corporate governance area by providing direct empirical evidence. No single theory directly links the board composition with financial performance but resource dependence theory provides the most convincing theoretical arguments for board diversity that different types of directors will bring different beneficial resources to the firm and a more diverse board will provide more resources and that make firm perform better. Why firms introduce foreign directors to their all-domestic board? And do foreign directors improve firm performance? We dealt with these research questions in our paper. Our sample consists all listed non-financial firms in Japan from 2004 to 2015. Foreign directors in our research are defined as directors whose nationalities are not Japanese. There is an advantage of using Japanese data as there are many big firms in Japan well-known as global corporations but all board members are still Japanese. To utilize that unique characteristic we focus on the firms introduce their first foreign director(s) during the research period. The novelty of the research lies in the dataset as we must collect by hands the information on foreign directors such as their nationalities

their profiles introduction stories as well as their working contribution/activities after being appointed to boards. The effects of foreign director on firm performance are measured through the operating performance changes after having introduced first foreign director(s) proxied by ROA and the market reactions to announcements of the introduction of first foreign directors by calculating the cumulative abnormal return (CAR) over five window periods. In our paper we used theoretically well-grounded econometric methods such as event study logistic regression and propensity score matching to measure the effects. In brief we document that firms having foreign director on board are of larger size larger foreign sales higher foreign ownership and higher R&D investment than firms without. Announcements of first-time introduction are associated with positive abnormal returns and statistically significant in case the foreign directors are familiar with Japanese language and Japan business practices. However we find weak empirical evidence that the long-term performance of the introduced firms is worse than control firms having no foreign directors on board.

### **Foreign Ownership And The Cost Of Equity Capital: Evidence From Korea**

By: Park Young Kyu, Sungkyukwan University (South Korea)

Abstract: We investigate how foreign ownership and its changes affect the cost of equity capital. We measure the ex-ante implied cost of equity capital by using two residual income valuation (RIV) models that assume a clean surplus relation and two abnormal earnings growth (AEG) models that do not. Controlling for a comprehensive set of risk proxies we find that foreign ownership and implied costs of equity capital are inversely related. We also find that increases in foreign ownership decrease the cost of capital. Foreign ownership has more economic impact and stronger statistical significance in KOSPI firms suggesting that higher levels of information asymmetry in KOSDAQ firms still lead to higher required rates of return.

### **How Informed Are Foreign Institutional Investors In India?**

By: Krishnan Murugappa, Rutgers University and Radford University (United States); Rangan Srinivasan, IIM Bangalore (India)

Abstract: How informed are Foreign Institutional Investors (FIIs) in Indian financial markets? We build a model of imperfect competition in a financial market in which market makers have up to two public signals on which to define their pricing rule – firms' earnings announcements and FII trading signals. We define the payoff structure with a sum of correlated components one known to firms and the other to FIIs. We estimate the deep parameters of the model such as the variance governing the FIIs' informational advantage the level of background noise and the correlation between the two components of the payoff. So instead of treating multicollinearity as a problem to be resolved using more orthogonal instruments or a better selection of regressors we explain it using an underlying model of financial market equilibrium and identify deep parameters that are unobservable but have economic significance. Our results indicate the information advantage of FIIs with respect to the component they have information about exceeds the information advantage that firms have with respect to information released via earnings announcements. We also find that correlation between the two fundamental information components is significantly positive

## **D1. Asset pricing 2**

### **Dynamic Asset Allocation And Predictability**

By: Leirvik Thomas, Nord University [Bodø] (Norway)

Abstract: I analyze how stochastic interest rates stock return predictability and a finite horizon affect the optimal allocation of wealth between cash bonds and stocks.

## **How Does The Dominance Of Speculators Versus Hedgers Affect Price Discovery In Commodity Derivatives?**

By: Marc Bohmann, University of Technology Sydney (Australia)

Abstract: This paper investigates price discovery in six commodity derivative markets. First we estimate the two most common price discovery approaches i.e. information share (Hasbrouck 1995) and component share (Gonzalo and Granger 1995) and compare the results to Putnins' (2013) information leadership share measure. We generally confirm the leading role of futures estimated by the first two approaches. In contrast the information leadership share results are homogeneously identifying options as leading markets for price discovery. Secondly this paper identifies the effect of hedgers and speculators on price discovery by creating regimes of market sentiment utilising two different measures i.e. Working (1958) T-index and return autocorrelation as per Llorente et al. (2002). We report that speculation drives option price discovery in corn and silver and partly in gold and soybeans options. Both crude oil and natural gas options price discovery innovations are attributed to hedging.

## **D2. Bank regulation**

### **Does Bank Deregulation Affect Stock Price Crash Risk?**

By: Dang Viet Anh, Manchester Business School (United Kingdom); Lee Edward, Manchester Business School (United Kingdom); Liu Yangke, Manchester Business School (United Kingdom); Zeng Cheng, Manchester Business School (United Kingdom)

Abstract: We examine the effect of the deregulation of bank branch restrictions on nonfinancial firms' stock price crash risk. Most U.S. states lifted restrictions on intrastate branching from the 1970s to the 1990s which improved bank monitoring and lending quality. We find robust evidence that the bank deregulation leads to lower levels of firms' stock price crash risk consistent with branch reform improving bank monitoring efficiency and enabling banks to better constrain borrowers' bad-news-hoarding behavior. This mitigating effect is more pronounced for firms that are riskier and more reliant on external finance. Our study suggests that bank branch deregulation is beneficial for protecting nonfinancial firms' market value.

### **Financial Access And Productivity Improvement Of Stagnant Industries**

By: Le Nhan, Australian National University (Australia); Nguyen Ha, University of Colorado (United States); Emma Schultz, Australian National University (Australia)

Abstract: The paper investigates the impact of staggered state banking deregulation on labor productivity growth of stagnant industries. Eventhough the banking reform entails a very modest effect on overall productivity growth it remarkably improves productivity growth of stagnant industries. We show that after banking deregulation employment of stagnant industries is slightly contracted suggesting that Baulmol cost disease is modestly mitigated. The effect strengthens in deregulated states that are small in size mostly comprise of stagnant firms and experience slower productivity growth in stagnant industries. The improvement effect of deregulation on stagnant industry is likely explained by the dominant presence of small firms in these industries. Taken together our paper highlights the important role of financial reforms and liberalization and underlines a mechanism where it can improve economic growth.

## **D3. Trading on inside information**

### **Timing Stock Trades For Personal Gain: Private Information And Sales Of Shares By CEOs**

By: Fich Eliezer, Drexel University (United States); Parrino Robert, University of Texas at Austin (United States); Tran Anh, Cass Business School, City University London (United Kingdom)



Abstract: We investigate the determinants of gains to CEOs from large stock sales. Consistent with the literature we find that some CEOs benefit from inside information by strategically timing sales. We also find that internal accounting information can be used to predict such timing. Furthermore sales executed under plans that conform to SEC Rule 10b5-1 tend to follow positive abnormal stock returns but do not on average precede abnormal declines. In contrast sales that do not conform to the requirements of Rule 10b5-1 tend to follow smaller positive abnormal stock returns but on average precede large abnormal declines. Board and CEO characteristics are related to the magnitude of the post-transaction abnormal returns. Overall the evidence suggests that Rule 10b5-1 plans do not prevent CEOs from timing large sales or the release of discretionary information around them.

### **Institution Trading On Insider Information**

By: Duong Xuan Truong, Iowa State University (United States); Eng-Joo Tan, Singapore Management University (Singapore)

Abstract: In this paper we propose a simple way to identify institutions connected to corporate insiders without having to specify exactly how their relationship is formed: an institution is classified as connected if it trades in a consistent direction prior to a profitable trade by an insider. We find that trading by connected institutions earns a statistically significant 1.51% higher return before earnings announcements with good news than before ones with no news. For takeover announcements we also find that connected institutions have lower net trades but 3.87% higher return in the 2-month period prior to the announcements. Overall we show that institutional insider trading is sufficiently systematic without presupposing the nature of the relationship or how that relationship is formed.

## **E1. Equity issues and repurchases**

### **Incomplete Share Repurchase Programs In Vietnam: Completion Rates And Short-Term Returns**

By: Cao Kien, Foreign Trade University (Vietnam); Nguyen Thuy, Foreign Trade University (Vietnam); Nguyen Hong, Foreign Trade University (Vietnam); Dao Ha, Foreign Trade University (Vietnam)

Abstract: Using a sample of open market repurchases announced in Vietnam from 2010 to 2016 we find that earnings management practice prior to stock repurchase programs has a significant impact on the completion of these repurchase programs. We also show that the percentage of intended buyback shares and CEO characteristics have an impact on the completion of repurchases. In addition the results suggest that cash shortage is not a primary reason for incomplete repurchase programs in Vietnam. Moreover most of the windows surrounding the expiration and announcement dates do not have any significant abnormal movement of the stock prices. A plausible explanation is that due to weak rule of law and inefficient law enforcement Vietnamese firms send lots of misleading signals through various corporate activities especially stock repurchase programs. Thus these signals have less meaning to investors.

### **Wrong For Rights? Short Sales In The Global Rights Issues Market**

By: Pham Peter, UNSW Business School, University of New South Wales (Australia); Cameron Yuen, Commonwealth Bank of Australia (Australia)

Abstract: Rights issues are intended to safeguard existing shareholder interests but attract perplexingly low shareholder participation. Using a comprehensive cross-country dataset we study the vulnerability of uninformed shareholders in rights-issuing firms against potential market distortions created by short sales. We document that rights on average lose about a third of their value as short activity increases during the relatively information-void period from the ex-rights date to the completion of an issue. Short constraint measures explain both the issue-period rights value decline and post-issue price reversal patterns. We use regression discontinuity designs to address

endogeneity and a special type of dual-tranche rights issues to estimate the wealth loss of retail shareholders. Our evidence highlights the need for further strengthening rights issue regulations in trading environments where short-related investor protection is still arbitrary.

### **Divergence Of Opinion And Long-Run Performance Of Private Placements: Evidence From The Auction Market**

By: Han Jianlei, University of Tasmania (Australia); Pan Zheyao, Macquarie University (Australia); Zhang Guangli, Central University of Finance and Economics (China)

Abstract: In this paper we propose and construct a direct measure of investors' divergence of opinion based on auction bids data of the private placements in China. We find that the firms with higher bids dispersion generate lower long-run stock returns after the issuance of private placements. This effect is economically significant and robust when controlling for market discount earnings management alternative existing dispersion measures and self-selection bias. Moreover this negative relation is stronger for stocks with more stringent short-sale constraints. Our findings therefore provide strong evidence in support of the Miller (1977)'s overvaluation hypothesis.

## **E2. Financial reporting**

### **Impact Of Changes In Reporting Of Accounting Costs On Firms Shareholders' Value And Financial Strategies**

By: Soobrian Lloyd, Berkeley College (United States)

Abstract: This paper re-examines the wealth impact on shareholders' value and companies' financial strategies due to the Financial Accounting Standards Board (FASB) and the International Accounting Standards board (IASB) new rules announced in February 25 2016 for reporting of long term leases. These rules were revised updated and announced on November 29 2017. The new rules will come into effect for public companies after December 15 2018 as companies will have to record operating leases as long term liabilities on their balance sheets and depreciate the total lease value over the life of the lease. Previous limited study did not find any impact on large companies' shareholders wealth from the February 2016 announcement. However this new study will re-examine previous studies by including much more significant information to include: the new announcement on November 29 2017. A study different companies that are more susceptible and were not included in previous studies use different financial analysis techniques and methodologies that detect any wealth impact or abnormal returns on the companies studied.

### **The Role Of Accounting Performance Information In Firm Valuation: Focusing On US And China**

By: Kwon Gee-Jung, Hanbat National University (South Korea)

Abstract: This study examines how accounting information such as book value of equity accounting earnings cash flow operating income and operating cash flow affect the corporate value of manufacturing companies listed on US and Chinese stock markets from 2008 to 2015. The empirical analysis shows that first the book value of equity has the greatest effect on increases in firm value in all models; earnings per share operating income per share and operating cash flow per share have a negative effect on corporate value and cash flow per share has positive value relevance. Second comparing the results of regression analyses of US and Chinese firms reveals that the book value of equity that substitutes for liquidation value is the most valuable factor among US companies; cash flows that indicate net cash holdings and net cash flows from operating activities help increase firm value; and accounting earnings a traditional corporate performance variable and operating income reflecting business performance reduce firm value. For Chinese firms

## **Strategic Disclosure: An Empirical Examination Of CEO's Letters To Shareholders vs. Management'S Discussion And Analysis**

By: Nguyen Hazel, Southwestern University (United States); Liu Pu, University of Arkansas [Fayetteville] (United States)

Abstract: This paper provides evidence that firms utilize alternative disclosure outlets as a form to strategically report their financial performance. We document that relative to the MD&A the CEO letter has higher levels of positive words and lower levels of negative words when describing the same firm fiscal performance. While the MD&A provides incremental information to the quantified financial material the language in the CEO letter is incongruent with firm performance influenced predominantly by the levels of positive words. This shows that the CEO letter is utilized as a form of impression management. However given the cost of impression management to organizational legitimacy personal reputation and market overreaction there is evidence that the CEO letter has some information content when discussing future performance. Taken together our study urges investors to exercise caution when using the CEO letter to inform investment decisions.

### **E3. Executives**

#### **Compensation Peer Groups: A Comparison Of Execucomp And Non-Execucomp Firms**

By: Nguyen Thanh, California State University, Fullerton (United States); Jiang Yi, California State University, Fullerton (United States)

Abstract: Using a hand-collected database, we compare the selection and use of compensation peer groups for a sample of 707 ExecuComp and 237 non-ExecuComp firms. While firms select peers based on characteristics, such as industry affiliation, capital market competition, and organization complexity, that signify efficient contracting, there is evidence of opportunism. On average, ExecuComp (non-ExecuComp) firms choose peers that pay executives 7.8% (19.7%) higher than they do. For every 1% increase in peer group median compensation, executive pay increases 0.57% and 0.53% at ExecuComp and non-ExecuComp firms, respectively. We also document that the inference drawn from multivariate logistic regression is sensitive to the researchers' choice of the pool of potential peers.

#### **Managerial Overconfidence And Cash Holdings: Evidence From Vietnam**

By: Dao Nhung, University of Hull (United Kingdom); Guney Yilmaz, University of Hull (United Kingdom)

Abstract: The literature argues that overconfident managers tend to hold less cash and lead to a high deviation from target cash holding levels compared to the optimal cash levels. We analyze the impact of managerial traits on corporate cash holdings of listed Vietnamese firms. In order to measure overconfidence of managers voice pitch and psychometric tests are used which are collected through 74 interviews with top-line managers. Our empirical evidence indicates that higher overconfident levels of managers are associated with lower cash holdings. The findings also show that overconfident managers tend to lead to a high deviation from desired cash holding levels.

#### **Managerial Ability CEO Duality And The Choice Of Seasoned Equity Offerings**

By: Dang Man, University of Economics, The University of Danang (Vietnam); Puwanenthiren Premkanth, University of Roehampton (United Kingdom); Al Mamun Md, La Trobe University [Melbourne] (Australia); Puwanenthiren Pratheepkanth, University of Jaffna (Sri Lanka)

Abstract: We provide contrasting evidence on the role of managerial ability and chief executive officer (CEO) duality on the issuance decision of seasoned equity offerings (SEOs) in the U.S. market. We find that firms with higher managerial ability choose accelerated SEOs while firms with CEO duality prefer firm commitment SEOs. Our result is robust after controlling for various internal and external governance mechanisms addressing the problem of endogeneity and a number of alternative specifications. Our study supports the notion that a higher managerial ability is perceived as a positive quality certification while CEO-chairman duality position is considered as a negative quality certification on firms' information environments.

## **F1. Economic growth**

### **Bank Stocks Inform Higher Growth Beyond Market Indices - Evidence From Asia**

By: Mittal Amit, Indian Institute of Management Lucknow (India); Garg Ajay, Indian Institute of Management Lucknow (India)

Abstract: A Panel GMM estimation of GDP growth in a sample of high growth emerging markets from Asia shows that Bank stocks contain information beyond the monetary and banking aggregates and can positively motivate higher templated GDP growth. Government ownership of banks and close monitoring of banks is found to be a positive for the overall economy while market index is found to be not so informative about economic growth. Monetary and Banking aggregates retain their informativeness as control variables in the estimation. While we recover a much higher coefficient for the impact of bank stocks than Cole Moshirian and Wu(2008) we also recover the beneficial impact of good governance and motivate research of more homogenous subsets of emerging markets

### **Governance Quality Foreign Direct Investment And Entrepreneurship In Emerging Markets**

By: Tran Nam, University of Economics Ho Chi Minh City (Vietnam); Le Chi, University of Economics Ho Chi Minh City (Vietnam)

Abstract: The effect of foreign direct investment (FDI) on indigenous entrepreneurship in emerging markets is shaped in association with the quality of national governance infrastructure. The essence of such a convoluted interplay is uncovered: governance quality alters the FDI-based spillovers of entrepreneurship in ways that depend on whether FDI is inward or outward and entrepreneurship is opportunity-motivated or necessity-motivated.

### **The Impacts Of Public Investment On Return And Economic Growth By Sector In Vietnam**

By: Nguyen Canh, University of Economics and Law-Ho Chi Minh City (Vietnam); Nguyen Thuy Lien, University of Economics and Law-Ho Chi Minh City (Vietnam)

Abstract: This study uses panel data regression model to analyze the impact of public investment from government budget on economic growth by measuring the indirect effects of public investment on return and attracting private investment of 16 economic industries in the period 1990-2016. The analysis shows that private investment (PI) economic growth (Growth) the share of public investment in infrastructure in GDP (GI / GDP) and the share of public investment in education in GDP (GC / GDP) have a positive impact on return on total assets (ROA) by industry. However total state-owned investment (GI) has the negative effect on the industry's ROA. After-tax profit by industry (R) the share of manufacturing industry in GDP (Yind / Y) and labor productivity by industry (Y / P) have a positive impact on the share of total investment in GDP (I / Y).

## F2. Corporate governance

### **Family Involvement In Ownership Control Management And Performance: Empirical Evidence From Viet Nam**

By: Van Le, University of Newcastle (Australia); Wright Sue, University of Newcastle (Australia); Nguyen T. Duc, Hoa Sen University (Vietnam)

Abstract: This study examines the effects of family involvement in ownership, control, and management on firm performance in emerging markets by using data from Vietnamese listed firms as its sample. In particular, we study non-linear relationships between family involvement in ownership, board of directors, top management team and firm financial performance; moderation effects of multiple-generational involvement and family Chair/CEO spouse on the relationship between family involvement in ownership and firm performance.

### **Capital Structure Decisions In The Supplier-Customer Network**

By: Prostakova Irina, University of Lausanne (Switzerland)

Abstract: We explore network effects in capital structure decision making. The economy is presented as a set of nodes (industries) and edges (trading links between them). First we propose a simple theoretical setup which allows us to illustrate numerically joint dynamics of optimal capital structure choices with respect to agents' characteristics and the intensity of input-output links. We find that the position of an industry in the network affects its capital structure policy. The more suppliers or customers an industry has or the more connected to other industries it is the higher its leverage becomes. Our second finding is a positive dependence between partner industries' leverages. It implies that industries with highly levered partners are prone to keep higher leverage. This result supports the theory that leverage is partly used as an instrument to improve an economic agent's bargaining position. The results are confirmed under multiple robustness checks.

### **Bank Risk Behavior And Board Composition: Evidence From Vietnam**

By: Hoang Lai, National Economics University (Vietnam); Nguyen Cuong, Lincoln University (New Zealand); Nguyen Nhut, Massey University (New Zealand)

Abstract: Although risk management in banking sector has attracted tremendous concern of both academics and practitioners surprisingly little attention was paid on the relationship between demographic characteristics of board members and banks' risk-taking behavior especially in developing countries. Exploiting the dataset of Vietnamese banks from 2009 to 2016 we found that the introduction of female or foreign board members is likely to reduce banks' risk taking. However increasing the percentage of female or foreign board members has no marginal effect on the risk-taking behavior of banks which already had such board members. Further board age has a positive relationship but board size shows a negative one with banks' risk taking. Additionally bank size is found to be an important determinant of banks' risk-taking behavior in the context of Vietnam meaning that larger banks tend to involve in high risk.

## F3. Asset pricing 3

### **Correlated Residuals Of Portfolio Holdings And Predictability Of Mutual Fund Performance**

By: Huang Wei, University of Hawaii at Manoa (United States); Hunter David, University of Queensland (Australia); Phan Trang, Augustana College (United States)

Abstract: Correlations between idiosyncratic returns of portfolio holdings (CRH) explain the pre-

### **Geographic Momentum**

By: Vo Hong, International University, Vietnam National University HoChiMinh City (Vietnam)

Abstract: The effects of stock firm or industry characteristics on momentum have been extensively investigated. However the effects found in previous studies were proven to be minimized after accounting for extreme past returns (Bandarchuk and Hilscher 2013). This study examines a new dimension of momentum the location of firms because it is less likely to relate to extreme past returns. My finding shows that stocks in urban areas have stronger momentum effect than those in nonurban/rural areas. The result remains robust after controlling for stock firm and industry characteristics affecting momentum mentioned in previous studies and time-varying state characteristics. The strong overreaction of risk-averse individual investors to nonurban/rural losers and the strong demand of institutional investors for urban winners are possible explanations for my finding.



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