

Washington Area Finance Association 13th Annual Meeting Program

With the support of the George Washington University School of Business, the Department of Business and Economics and the Dean of The School of Arts and Sciences at the Catholic University of America, The Department of Finance and Real Estate at Kogod School of Business at American University, The School of Management at the George Mason University, the Federal Deposit Insurance Corporation (FDIC), McGraw-Hill Publishing, and the GW Global and Entrepreneurial Finance Research Institute

March 17, 2006
The George Washington University
School of Business
Duques Hall; 2201 G. Street, NW; Washington, DC 20052

Duques Hall is located on the corner of 22nd and G Streets

Entrance to Duques is on the 22nd Street

Parking garage is on the corner of 22nd and H streets

Contact: Robert Savickas (202) 994-8936; (571) 215-8087
Arthur Wilson (202) 994-8058

Continental Breakfast

8:30-10:00, Duques 552

Session A1: Mutual Funds and Portfolio Allocation

Chair: [H. Kent Baker](#), American University

10:00-12:30, Duques 255

[An Empirical Analysis of Retail S&P 500 Index Funds with Diverse Expense Ratios.](#), [H. Kent Baker](#), American University

Discussant: [Dale Stout](#), Calvert Funds

[Homemade Sector Hedge Funds: Can Investors Replicate the Returns Without Paying the Fees?](#), [Pamela A. Turner](#), Howard University

Discussant: [Vladimir Atanasov](#), College of William and Mary

[Tax-Deferred Investing With Diversification Concern](#), [Ashraf Zaman](#), Department of Finance, St. Mary's University

Discussant: [Kent Baker](#), American University

Session A2: Asset Pricing

Chair: [Robert Savickas](#), George Washington University

10:00-12:30, Duques 258

[Average Idiosyncratic Volatility in G7 Countries](#), [Hui Guo](#), Federal Reserve Bank of St. Louis

Discussant: [Mathijs van Dijk](#), Ohio State University

[Aggregate Technology Growth and Market Returns Predictability](#), [Paul Po-Hsuan Hsu](#), Graduate School of Business, Columbia University

Discussant: [Hui Guo](#), Federal Reserve Bank of St. Louis

[Inflation Risk and International Asset Returns](#), [Mathijs A. van Dijk](#), Ohio State University

Discussant: [Robert Savickas](#), George Washington University

[Estimating Preferences Toward Risk: Evidence from Dow Jones](#), [Douglas Blackburn](#), Indiana University

Discussant: [Karyen Chu](#), FDIC

Session A3: Mergers, Spinoffs, Venture Capital

Chair: [Reza Saidi](#), The Catholic University of America

10:00-12:30, Duques 251

[Bank Ties, Wealth Gain and Operating Gain of Japanese M&A Acquirers - A Study of Corporate Governance by Controlling Debt-holders](#), [Huong](#)

[Higgins](#), Worcester Polytechnic Institute

Discussant: [Oghenovo Obrimah](#), Virginia Commonwealth University

[Should production and trading activities be separated?](#), [Karan Bhanot](#),

Discussant: [Reza Saidi](#), The Catholic University of America

[Bargaining Power, Adverse Selection Problems, and Entrepreneurs' Choice of Venture Capitalists](#), [Oghenovo Obrimah](#), Virginia Commonwealth University

Discussant: [Tim McCormick](#), SEC

Session A4: Market Legal Issues and Regulation

Chair: [Gerald Hanweck](#), SOM-GMU and FDIC

10:00-12:30, Duques 254

[Are Longer Bankruptcies Really More Costly?](#), [Song Han](#), Federal Reserve Board

Discussant: [Jesse Weiher](#), FDIC

[Penalties and Optimality in Financial Contracts: Taking Stock](#), [Michel Robe](#), American University

Discussant: [Gerald Hanweck](#), SOM-GMU and FDIC

[Error Trades in Futures Markets](#), [Michael Haigh](#), CFTC

Discussant: [Arthur Wilson](#), GWU

[Ownership Structure and Enforcement Incentives at Self-regulating Financial Exchanges](#), [David Reiffen](#), CFTC

Discussant: [Jeffrey Smith](#), NASDAQ

Luncheon and Keynote Address

by **Chester Spatt**, Chief Economist and Director of the Office of Economic Analysis, U.S. Securities and Exchange Commission

12:30-2:00, Duques 552

Session B1: Credit Markets

Chair: [Gerald Hanweck](#), SOM-GMU and FDIC

2:00-4:30, Duques 254

[The Dynamics of the Short-Term Interest Rate in the UK](#), [Diether Beuermann](#), IADB

Discussant: [Gerald Hanweck](#), SOM-GMU and FDIC

[Two Steps Forward, One Step Back: The Dynamics of Learning and Backsliding in the Consumer Credit Market](#), [Sumit Agarwal](#),

Discussant: [Benjamin Bolitzer](#), GAO

[Do Borrowers Make Rational Choices on Points and Refinancing?](#), [Yan Chang](#), Freddie Mac

Discussant: [Gary Fissel](#), FDIC

[The Size of Credit Bureaus with Multiple Lender Relationship](#), [Artashes Karapetyan](#), Swiss Banking Institute, University of Zurich

Discussant: [Al James](#), FDIC

Session B2: Derivative Instruments**Chair:** [Robert Savickas](#), George Washington University

2:00-4:30, Duques 255

[Exotic options](#), [Ilya Gikhman](#), IndependentDiscussant: [Robert Savickas](#), George Washington University[Structural estimation of real options models](#), [Andrea Gamba](#), University of Verona (Italy)Discussant: [Chintal Desai](#), George Washington University[The Value of Liquidity Services in the Mortgage Market](#), [Douglas McManus](#), Freddie MacDiscussant: [Dolores Sanchez](#), FDIC[Methodology and Implementation of Value-at-Risk Measures in Emerging Fixed-Income Markets with Infrequent Trading](#), [Diether Beuermann](#), IADBDiscussant: [Douglas A. McManus](#), Freddie Mac**Session B3: Economic and Systemic Perspectives****Chair:** [Arthur Wilson](#), GWU

2:00-4:30, Duques 258

[Monetary Policy in the Greenspan Era: A Retrospective](#), [Frederick Breimyer](#), FDIC BostonDiscussant: [Erik Benrud](#), American University[Reflexivity in Social Systems: The Theories of George Soros](#), [Stuart Umpleby](#), GWUDiscussant: [Arthur Wilson](#), GWU[The Decline and Fall of the Glass-Steagall Act: The Role of PAC Contributions](#), [Carlos Ramirez](#), George Mason UniversityDiscussant: [Robert Winder](#), Christopher Newport University[The Useful Properties of the WSJ Yen/Dollar Forecasts: an Update](#), [Erik Benrud](#), American UniversityDiscussant: [Sam Nasybek](#), George Washington University**Session B4: Corporate Governance****Chair:** [Anzhela Knyazeva](#), Stern School of Business, New York University

2:00-4:30, Duques 251

[Payout policy, agency conflicts, and corporate governance](#), [Anzhela Knyazeva](#), Stern School of Business, New York UniversityDiscussant: [Senay Agca](#), George Washington University[Ownership change, institutional development and performance](#), [Diana Knyazeva](#), Stern School of Business, New York UniversityDiscussant: [Meghana Ayyagari](#), George Washington University[Takeover Defenses, Managerial Ownership, and Firm Leverage](#), [Senay Agca](#), George Washington UniversityDiscussant: [Anzhela Knyazeva](#), Stern School of Business, New York University[Minority Shareholder Expropriation in U.S. Publicly-Traded Subsidiaries: The Role of Accounting Rules for Consolidation](#), [Vladimir Atanasov](#), College of William and MaryDiscussant: [Diana Knyazeva](#), Stern School of Business, New York University**Session B5: Earnings and Audit****Chair:** [Dino Falaschetti](#), Council of Economic Advisers

2:00-4:30, Duques 250

[Auditor Capacity, Stress and Audit Quality: Market-Based Evidence from Andersen's Indictment](#), [Mary W. Sullivan](#), George Washington UniversityDiscussant: [David Pritchett](#),[Auditor Independence and Earnings Quality: Evidence from Fee Disclosures, and Implications for Governance Regulation](#), [Dino Falaschetti](#), Council of Economic AdvisersDiscussant: [Steven Hansen](#), GWU

[*How Well Can One Predict Stock Price Based on Quarterly Earnings Forecasts? An Application of the Ohlson Model and Bayesian Statistics.*](#) [Huong Higgins](#), Worcester Polytechnic Institute
[*Analysis of Unsolicited Credit Ratings: New Evidence from Moody's.*](#) [Susan Flaherty](#), Loyola College in Maryland
Discussant: [Huong Higgins](#), Worcester Polytechnic Institute