UNIVERSITY OF WASHINGTON SCHOOL OF BUSINES ADMINISTRATION.

> VOL. 27. NO 2 JUNE 1992

> > by Cambridge University Press

Optimal Dynamic Trading with Leverage Constraints Sandra J. Grossman and Jean-Luc Vila

Information and Diversity of Analyst Opinion Christopher B. Barry and Robert H. Jennings

Adverse Selection and Large Trade Volume: The Implications for Market Efficiency David Easley and Maureen O'Hara

The Probability of a Trade at the Ask: An Examination of Interday and Intraday Behavior

David C. Porter

The Valuation of Multiple Claim Insurance Contracts David C. Shimko

Simultaneous Determination of Insider Ownership, Debt, and Dividend Policies Gerald R. Jensen, Donald P. Solberg, and Thomas S. Zorn

Robust Measurement of Beta Risk Louis K. C. Chan and Josef Lakonishok

The Tylenol Incident, Ensuing Regulation, and Stock Prices Thomas D. Dowdell, Suresh Govindaraj, and Prem C. Jain

Spanning with Index Options Jin-Chuan Duan, Arthur F. Moreau, and C. W. Sealey



JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

A PUBLICATION OF THE UNIVERSITY OF WASHINGTON SCHOOL OF BUSINESS ADMINISTRATION

VOL. 27, NO. 2, JUNE 1992

Optimal Dynamic Trading with Leverage Constraints
Information and Diversity of Analyst Opinion
Adverse Selection and Large Trade Volume: The Implications for Market Efficiency
The Probability of a Trade at the Ask: An Examination of Interday and Intraday Behavior
The Valuation of Multiple Claim Insurance Contracts
Simultaneous Determination of Insider Ownership, Debt, and Dividend Policies
Robust Measurement of Beta Risk
The Tylenol Incident, Ensuing Regulation, and Stock Prices
Spanning with Index Options

MANAGING EDITORS

Jonathan Karpoff Paul Malatesta

ADVISORY EDITOR

Peter Frost

ASSOCIATE EDITORS

Gordon Alexander University of Minnesota

Paul Asquith

Massachusetts Institute of Technology

Stephen Brown New York University

Nai-Fu Chen University of California, Irvine

Larry Dann University of Oregon

Robert Geske University of California, Los Angeles

Lawrence Harris

University of Southern California

Campbell Harvey Duke University

Robert Heinkel
University of British Columbia

Chi-Fu Huang Yale University

John Hull University of Toronto

Robert Jarrow Cornell University Ronald Masulis
Vanderbilt University

John McConnell Purdue University

Wayne Mikkelson University of Oregon

Edward Rice University of Washington

Eduardo Schwartz

University of California, Los Angeles

Lemma Senbet

University of Maryland, College Park

Hans Stoll

Vanderbilt University

Suresh Sundaresan Columbia University

Rex Thompson

Southern Methodist University

Sheridan Titman

University of California, Los Angeles

EDITORIAL STAFF

Martha Auvil Editor Linda Nelson Office Manager Gloria Young Editorial Associate

POSTMASTER: Send address changes to Journal of Financial and Quantitative Analysis, School of Business Administration, University of Washington, DJ–10, Seattle, Washington 98195.

Second class postage is paid at Seattle, Washington.

Copyright 1991, School of Business Administration, University of Washington.

Journal of Financial and Quantitative Analysis—ISSN 0022-1090.



JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

SCHOOL OF BUSINESS ADMINISTRATION UNIVERSITY OF WASHINGTON, DJ-10 SEATTLE, WA 98195 U.S.A.

Phone: (206) 543-4598 Fax: (206) 543-6872

PURPOSE AND FOCUS

The Journal of Financial and Quantitative Analysis (JFQA) is published quarterly in March, June, September, and December by the School of Business Administration at the University of Washington in Seattle, Washington U.S.A.

The JFQA publishes theoretical and empirical research in financial economics. Topics include corporate finance, investments, capital and security markets, and quantitative methods of particular relevance to financial researchers.

Opinions expressed in the **JFQA** are those of the authors and do not necessarily reflect those of the School of Business Administration of the University of Washington.

For specific information concerning subscriptions, submissions, single-copy orders, missing issues, permission to reprint, or advertising, write, call, or fax the **JFQA** office.

SUBMISSIONS

Manuscripts are to be sent in quadruplicate with a \$50 submission fee for subscribers (\$85 for nonsubscribers) to Professor Paul Malatesta, Managing Editor. To receive a style guide, write, call, or fax the **JFQA** office.

SUBSCRIPTIONS

Subscriptions, which must be prepaid and renewed annually, start with the next available issue unless otherwise requested. Checks or money orders must be payable to the **JFQA** in U.S. dollars for deposit in a U.S. bank. VISA and MasterCard are accepted. Claims for missing issues must be made within 6 months of the date of publication.

Annual Subscription Fees:

Library or Firm	U.S. \$75
Outside U.S.A.	U.S. \$80
Individual	U.S. \$35
Outside U.S.A.	U.S. \$40
Student (with verification) Outside U.S.A.	U.S. \$20 U.S. \$25
Airmail (additional)	U.S. \$20