Applications are invited for:-

Department of Systems Engineering and Engineering Management

The Department invites applications for the following posts in the fields of financial engineering; information systems; logistics and supply chain management; optimization and operations research or related areas.

(1) Professor(s) / Associate Professor(s) / Assistant Professor(s)
(Ref. 07/252(456)/2)
Applicants should have (i) a doctoral degree; (ii) outstanding academic record; (iii) strong commitment to excellence in both teaching and research. Appointment(s) will normally be made on contract basis for up to three years initially, leading to longer-term appointment or substantiation later subject to budget and mutual agreement. Applications will be accepted until the posts are filled.

(2) Professor(s) / Associate Professor(s) / Assistant Professor(s) (visiting posts)
(Ref. 07/253(456)/2)
Applicants should have (i) a doctoral degree; (ii) outstanding academic record; (iii) strong commitment to excellence in both teaching and research. Appointment(s) will initially be made on visiting and contract basis, renewable subject to budget and mutual agreement. Applications will be accepted until the posts are filled.

(3) Research Associate Professor(s) / Research Assistant Professor(s)
(Ref. 07/254(456)/2)
Applicants should have (i) a doctoral degree; (ii) outstanding academic record; and (iii) strong commitment to excellent research. The appointee(s) will mainly carry out research, and may also undertake some teaching duties. Appointment(s) will initially be made on contract basis for up to two years, renewable subject to budget and mutual agreement. Applications will be accepted until the posts are filled.

(4) Postdoctoral Fellow(s)
(Ref. 07/250(456)/3)
Applicants should have (i) a doctoral degree; (ii) outstanding academic record; and (iii) strong commitment to excellent research. Appointment(s) will initially be made on contract basis for one year, renewable subject to budget and mutual agreement. Applications will be accepted until the posts are filled.

Salary and Fringe Benefits
Salary will be highly competitive, commensurate with qualifications and experience. The University offers a comprehensive fringe benefit package, including medical care, plus for posts (1) to (3): a contract-end gratuity for appointments of two years or longer, and housing benefits for eligible appointees.

Further information about the University and the general terms of service for appointments is available at http://www.cuhk.edu.hk/personnel. The terms mentioned herein are for reference only and are subject to revision by the University.

Application Procedure
Applications including the curriculum vitae and names of at least three referees (with e-mail and postal addresses, telephone and fax numbers), together with copies of academic qualification documents, a publication list and/or selected abstracts [except post (4)], should be sent to the Chairman, Department of Systems Engineering and Engineering Management, Room 609, William M.W. Mong Engineering Building, The Chinese University of Hong Kong, Shatin, Hong Kong. (tel: (852) 2609 8313; fax: (852) 2603 5505; e-mail: recruit@se.cuhk.edu.hk).

The Personal Information Collection Statement will be provided upon request. Please quote the reference number and mark “Application - Confidential” on cover.
International Teachers Programme
Challenging the Way Business Educators Teach

A Management Faculty-Development Programme offered by the International Schools of Business Management (ISBM), a group of 10 leading Business Schools located in Europe and North America

- HEC Paris
- IAE Aix en Provence
- IMD Lausanne
- INSEAD Fontainebleau
- Kellogg School of Management
- London Business School
- Manchester Business School
- SDA Bocconi School of Management
- Stern School of Business, New York University
- Stockholm School of Economics

ITP has been serving over 1,000 high calibre faculty and educators from many countries for more than 30 years. According to a rotation process involving all the ISBM Schools, the SDA Bocconi School of Management hosts the Programme for the academic year 2008-2009, after having already hosted it the year before.

Can you Face Challenges as Business Educators? We can.

- Teaching in a wide range of contexts, from small groups to large audiences.
- Managing students’ diversity in terms of educational background, culture, age, and experience.
- Coping with an increasingly competitive business education environment, and related expectations towards content quality, structure and delivery.
- Using new technologies as a set of opportunities for innovative and cutting edge educational solutions.

SDA Bocconi. Knowledge and imagination.

http://www.sdabocconi.it/itp  http://www.itp-schools.org
JFQA Style Requirements

Send manuscripts via e-mail in PDF, Word, or LaTeX. The cover page must show title, author name(s) and affiliation(s), e-mail address(es), and work phone number(s). The first page of text should include the title and a one-paragraph abstract of no more than 100 words. Manuscripts must be double-spaced on one side of the page. All sections of the paper, beginning with the introduction and ending with a conclusion or summary, must be numbered with Roman numerals. Subsection headings must be lettered A, B, C, etc.

The manuscript should explain its relation to other research in the field, especially recently published material. References cited in the text should be noted by the last name(s) of the author(s) followed by the publication year enclosed in parentheses without punctuation: Smith (1988). When a particular page, section, or equation is referred to, the reference also should be placed within parentheses: (Smith and Jones (1988), p. 222), (Green (1988a), eq. 3).

Lengthy mathematical proofs and extensive tables should be placed in an appendix or omitted from the manuscript entirely. In the latter case, the author may indicate in a footnote that proofs or tables are available on request. The author should make every effort to explain the meaning of mathematical proofs.

The author should check the manuscript for clarity, grammar, spelling, and punctuation to minimize editorial changes and the necessity of extensive corrections at the proof stage. All abbreviations must be defined.

Equations. All but very short mathematical expressions should be displayed on a separate line and centered. Important displayed equations must be identified by consecutive Arabic numerals in parentheses on the left. Expressions should be aligned and subscripts and superscripts clearly marked to avoid confusion.

Tables. Each table must be titled and numbered consecutively with Arabic numerals. Please check the text to make sure there is a reference to each table. General footnotes should be marked a, b, c, etc., for specific footnotes. Asterisks * or ** indicate significance at the 5% and 1% levels, respectively. The author should check tables to be sure that tables are correct and that the title, column headings, and footnotes clearly explain the content of the table. If tables are on separate pages at the end of the article, indicate approximate placement within the text.

Figures. Figures must be titled and numbered consecutively with Arabic numerals. Captions should present sufficient information to describe the purpose of the figure. Figures for accepted manuscripts must be of professional quality and ready for reproduction.

Footnotes. Footnotes must be double-spaced. Footnotes must not be used for the purpose of citation. Footnotes with extensive content should be avoided.

References. All works cited in the text must be alphabetically arranged in a double-spaced list at the end of the manuscript. Examples:


Forthcoming Articles

Probability Judgment Error and Speculation in Laboratory Asset Market Bubbles
Lucy F. Ackert, Narat Charupat, Richard Deaves, and Brian D. Kluger

Hedge Funds for Retail Investors? An Examination of Hedged Mutual Funds
Vikas Agarwal, Nicole M. Boyson, and Narayan Y. Naik

Investment and Competition
Evrim Akdogu and Peter MacKay

Is There an Intertemporal Relation between Downside Risk and Expected Returns?
Turan G. Bali, K. Ozgur Demirtas, and Haim Levy

Aggregate Earnings, Firm-Level Earnings, and Expected Stock Returns
Turan G. Bali, K. Ozgur Demirtas, and Hassan Tehranian

Money and the (C)CAPM
Ronald J. Balvers and Dayong Huang

Term Structure, Inflation and Real Activity
Andrea Berardi

The Role of the Media in the Internet IPO Bubble
Utpal Bhattacharya, Neal Galpin, Rina Ray, and Xiaoyun Yu

Conditional Return Smoothing in the Hedge Fund Industry
Nicolas P. B. Bollen and Veronika K. Pool

Can Tests Based on Option Hedging Errors Correctly Identify Volatility Risk Premia?
Nicole Branger and Christian Schlag

Commonality in Liquidity: A Global Perspective
Paul Brockman, Dennis Y. Chung, and Christophe Pérignon

Can the Cross-Sectional Variation in Expected Stock Returns Explain Momentum?
George Bulkley and Vivekanand Nawosah

Anchoring Bias in Consensus Forecasts and Its Effect On Market Prices
Sean D. Campbell and Steven A. Sharpe

Corporate Governance, Shareholder Rights, and Shareholder Rights Plans: Poison, Placebo, or Prescription?
Gary L. Caton and Jeremy Goh

Using Innovative Securities under Asymmetric Information: Why Do Some Firms Pay with Contingent Value Rights?
Sris Chatterjee and An Yan

Management Quality, Financial and Investment Policies, and Asymmetric Information
Thomas J. Chenmanur, Imants Paegls, and Karen Simonyan

Stock Market Mispricing: Money Illusion or Resale Option?
Carl R. Chen, Peter P. Lung, and F. Albert Wang

Hsiu-lang Chen and George G. Pennacchi

Stock Options and Total Payout
Charles J. Cuny, Gerald S. Martin, and John J. Puthenpurackal

Pseudo Market Timing: A Reappraisal
Magnus Dahlquist and Frank de Jong

Second Order Stochastic Dominance, Reward-Risk Portfolio Selection, and the CAPM
Enrico De Giorgi and Thierry Post

Star Power: The Effect of Morningstar Ratings on Mutual Fund Flow
Diane Del Guercio and Paula A. Tkac

Does Sentiment Drive the Retail Demand for IPOs?
Daniel Dorn

The Relative Informational Efficiency of Stocks and Bonds: An Intraday Analysis
Chris Downing, Shane Underwood, and Yuhang Xing

Are the Wall Street Analyst Rankings Popularity Contests?
Douglas R. Emery and Xi Li

(continued on next page)
Forthcoming Articles  (continued)

The Determinants of Credit Default Swap Premia
Jan Ericsson, Kris Jacobs, and Rodolfo Oviedo

International Diversification with Large- and Small-Cap Stocks
Cheol S. Eun, Wei Huang, and Sandy Lai

Sudden Deaths: Taking Stock of Geographic Ties
Mara Faccio and David C. Parsley

Founder-CEOs, Investment Decisions, and Stock Market Performance
Rüdiger Fahlenbrach

Asset Pricing Models with Conditional Betas and Alphas: The Effects of Data Snooping and Spurious Regression
Wayne E. Ferson, Sergei Sarkissian, and Timothy Simin

Institutional versus Individual Investment in IPOs: The Importance of Firm Fundamentals
Laura Casares Field and Michelle Lowry

Style Investing and Institutional Investors
Kenneth Froot and Melvyn Teo

Information, Trading Volume, and International Stock Return Comovements: Evidence from Cross-Listed Stocks
Louis Gagnon and G. Andrew Karolyi

Shareholder Initiated Class Action Lawsuits: Shareholder Wealth Effects and Industry Spillovers
Amar Gande and Craig M. Lewis

Blockholder Scarcity, Takeovers, and Ownership Structures
Gary Gorton and Matthias Kahl

Stock and Bond Market Liquidity: A Long-Run Empirical Analysis
Ruslan Y. Goyenko and Andrey D. Ukhov

Is the Value Premium a Proxy for Time-Varying Investment Opportunities: Some Time-Series Evidence
Hui Guo, Robert Savickas, Zijun Wang, and Jian Yang

Managerial Traits and Capital Structure Decisions
Dirk Hackethal

A Joint Framework for Consistently Pricing Interest Rates and Interest Rate Derivatives
Massoud Heidari and Liuren Wu

Testing Theories of Capital Structure and Estimating the Speed of Adjustment
Rongbing Huang and Jay R. Ritter

Portfolio Concentration and the Performance of Individual Investors
Zoran Ivkovich, Clemens Sialm, and Scott Weisbenner

Testing for the Elasticity of Corporate Yield Spreads
Gady Jacoby, Rose C. Liao, and Jonathan A. Batten

The Information Content of Idiosyncratic Volatility
George J. Jiang, Danielle Xu, and Tong Yao

Managers’ and Investors’ Responses to Media Exposure of Board Ineffectiveness
Jennifer R. Joe, Henock Louis, and Dahlia Robinson

Irreversible Investment, Financing, and Bankruptcy Decisions in an Oligopoly
Jyh-bang Jou and Tan Lee

Understanding the Penalties Associated with Corporate Detecting Liquidity Traders
Avner Kalay and Avi Wohl

The Cost to Firms of Cooking the Books
Jonathan M. Karpoff, D. Scott Lee, and Gerald S. Martin

The Impact of Commercial Banks on Underwriting Spreads: Evidence from Three Decades
Dongcheol Kim, Darius Palia, and Anthony Saunders

Investment Banking and Analyst Objectivity: Evidence from Analysts Affiliated with M&A Advisors
Adam C. Kolasinski and S. P. Kothari

A Portfolio Optimality Test Based on the First-Order Stochastic Dominance Criterion
Milos Kopa and G. Thierry Post

(continued on next page)
Forthcoming Articles (continued)

Dynamic Style Preferences of Individual Investors and Stock Returns
Alok Kumar

Home Biased Analysts in Emerging Markets
Sandy Lai and Melvyn Teo

Testing International Asset Pricing Models Using Implied Costs of Capital
Charles Lee, David Ng, and Bhaskaran Swaminathan

The Costs of Owning Employer Stocks: Lessons from Taiwan
Yi-Tsung Lee, Yu-Jane Liu, and Ning Zhu

Macroeconomic News, Order Flows, and Exchange Rates
Ryan Love and Richard Payne

Misconduct: An Empirical Examination of Earnings and Risk
Deborah L. Murphy, Ronald E. Shrieves, and Samuel L. Tibbs

The Adaptive Markets Hypothesis: Evidence from the Foreign Exchange Market
Christopher J. Neely, Paul A. Weller, and Joshua M. Ulrich

Firm Characteristics, Relative Efficiency, and Equity Returns
Giao X. Nguyen and Peggy E. Swanson

Institutional Investors, Past Performance, and Dynamic Loss Aversion
Paul G. J. O’Connell and Melvyn Teo

New Evidence of Asymmetric Dependence Structures in International Equity Markets
Tatsuyoshi Okimoto

Capital Market Imperfections and the Sensitivity of Investment to Stock Prices
Alexei V. Ovtchinnikov and John J. McConnell

Are Household Portfolios Efficient? An Analysis Conditional on Housing
Loriana Pelizzon and Guglielmo Weber

Recovering Risk-Neutral Densities from Option Prices: A New Approach
Leonidas S. Rompolis and Elias Tzavalis

Nonparametric Estimation of the Short Rate Diffusion Process from a Panel of Yields
Abdoul G. Sam and George J. Jiang

The (Poor) Predictive Performance of Asset Pricing Models
Timothy Simin

Fixed-Strike European Arithmetic Asian Options
Wai-Man Tse, Eric C. Chang, and Henry M. K. Mok

Asset Substitution and Structured Financing
Joel M. Vanden

Heterogeneous Beliefs and Momentum Profits
Michela Verardo

Liquidity, Investment Style, and the Relation between Fund Size and Fund Performance
Xuemin (Sterling) Yan

Debt Capacity, Cost of Debt, and Corporate Insurance
Hong Zou and Mike B. Adams
The Journal of Financial and Quantitative Analysis (JFQA) is published quarterly in March, June, September, and December by the Michael G. Foster School of Business at the University of Washington in Seattle, Washington, U.S.A. Topics include corporate finance, investments, capital and security markets, and quantitative methods of particular relevance to financial researchers. With a circulation of 3000 libraries, firms, and individuals in 70 nations, the JFQA serves an international community of sophisticated finance scholars—academics and practitioners alike. The JFQA prints 8% of the more than 600 unsolicited manuscripts submitted annually. An intensive blind review process and exacting editorial standards contribute to the JFQA's reputation as a top finance journal.

Payment in advance is required. Checks or money orders must be payable to the JFQA in U.S. dollars for deposit in a U.S. bank. Subscriptions start with the next available issue unless otherwise requested. Online access is available to current individual subscribers of paid print subscriptions. Claims for missing issues must be made within six months of the publication date.

To inquire about permission to reprint or the availability of specific back issues (at a cost of $30 per copy), contact the JFQA office.

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>International</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Library or Firm</td>
<td>$160</td>
<td>$180</td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>$80</td>
<td>$100</td>
<td></td>
</tr>
<tr>
<td>Student (with current verification)</td>
<td>$25</td>
<td>$30</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please start subscription with the ☐ March ☐ June ☐ Sept ☐ Dec 2008 issue.

Name ______________________________________________________________________________________
Company ___________________________________________________________________________________
Address ____________________________________________________________________________________
City __________________________________________ State ________________ ZIP ______________________________
Country __________ E-mail __________________________ FAX ______________________________________
Phone ___________________________ Fax ___________________________
Payment made by: ☐ Check ☐ VISA ☐ MasterCard ☐ American Express
Account No. _______________________________ Exp. Date (mm/yyyy) __________________
Cardholder’s Name ___________________________ Today’s Date _______________________

Mail or fax directly to:
Journal of Financial and Quantitative Analysis
University of Washington
Michael G. Foster School of Business
115 Lewis
Box 353200
Seattle, WA 98195-3200 U.S.A.

Phone: (206) 543-4598
Fax: (206) 616-1894

Federal Identification No.: 91-6001537 ISSN: 0022-1090 URL: http://www.jfqa.org

E-mail: jfqa@u.washington.edu

OFFICE USE ONLY
Chk # __________________
Date __________________
CT __________________
Iss __________________
Information and the Intermediary: Are Market Intermediaries Informed Traders in Electronic Markets?
Amber Anand and Avanidhar Subrahmanyam

Idiosyncratic Volatility and the Cross Section of Expected Returns
Turan G. Bali and Nusret Cakici

The Determinants of Capital Structure: Capital Market-Oriented versus Bank-Oriented Institutions
Antonios Antoniou, Yilmaz Guney, and Krishna Paudyal

Order Consolidation, Price Efficiency, and Extreme Liquidity Shocks
Michael J. Barclay, Terrence Hendershott, and Charles M. Jones

An Explicit, Multi-Factor Credit Default Swap Pricing Model with Correlated Factors
Ren-Raw Chen, Xiaolin Cheng, Frank J. Fabozzi, and Bo Liu

Control Transfers, Privatization, and Corporate Performance: Efficiency Gains in China’s Listed Companies
Gongmeng Chen, Michael Firth, Yu Xin, and Liping Xu

Stock Market Participation and the Internet
Vicki Bogan

Insiders’ Tax Preferences and Firms’ Choices between Dividends and Share Repurchases
Jim Hsieh and Qinghai Wang

The Genesis of Home Bias? The Location and Portfolio Choices of Investment Company Start-Ups
Jerry T. Parwada