General Equilibrium Stock Index Futures Prices: Theory and Empirical Evidence
Michael L. Hemler and Francis A. Longstaff

A Log-Transformed Binomial Numerical Analysis Method for Valuing Complex Multi-Option Investments
Lenos Trigeorgis

A Model of Capital Structure when Earnings Are Mean-Reverting
Steven Raymar

Measuring Risk in Fixed Payment Securities: An Empirical Test of the Structured Full Rank Covariance Matrix
Jimmy E. Hilliard and Susan D. Jordan

The Pricing of Exchange Rate Risk in the Stock Market
Philippe Jorion

A Quick Algorithm for Pricing European Average Options
Stuart M. Turnbull and Lee Macdonald Wakeman

Toehold Acquisitions, Shareholder Wealth, and the Market for Corporate Control
Dosoung Choi

Futures Prices on Yields, Forward Prices, and Implied Forward Prices from Term Structure
Suresh Sundaresan

Valuation Effects of Cancelled Debt Offerings
Marlin R. H. Jensen and William N. Pugh
General Equilibrium Stock Index Futures Prices: Theory and Empirical Evidence ................................. 287
Michael L. Hemler and Francis A. Longstaff

A Log-Transformed Binomial Numerical Analysis Method for Valuing Complex Multi-Option Investments .................. 309
Lenos Trigeorgis

A Model of Capital Structure when Earnings Are Mean-Reverting ......................................................... 327
Steven Raymar

Measuring Risk in Fixed Payment Securities: An Empirical Test of the Structured Full Rank Covariance Matrix .................. 345
Jimmy E. Hilliard and Susan D. Jordan

The Pricing of Exchange Rate Risk in the Stock Market ................................................................. 363
Philippe Jorion

A Quick Algorithm for Pricing European Average Options ................................................................. 377
Stuart M. Turnbull and Lee Macdonald Wakeman

Toehold Acquisitions, Shareholder Wealth, and the Market for Corporate Control ................................. 391
Dosoung Choi

Futures Prices on Yields, Forward Prices, and Implied Forward Prices from Term Structure ................................. 409
Suresh Sundaresan

Valuation Effects of Cancelled Debt Offerings ................................................................. 425
Marlin R. H. Jensen and William N. Pugh

Pricing Stock and Bond Options when the Default-Free Rate Is Stochastic: A Comment ......................................... 433
Ren-Raw Chen
PURPOSE AND FOCUS
The Journal of Financial and Quantitative Analysis (JFQA) is published quarterly in March, June, September, and December by the Graduate School of Business Administration, University of Washington, 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 Graduate 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 to or call the JFQA office.

SUBMISSIONS
Manuscripts are to be sent in quadruplicate with a $50.00 submission fee for subscribers ($85.00 for nonsubscribers) to Professor Paul Malatesta, Managing Editor. To receive a style guide, write to or call the JFQA office.

SUBSCRIPTIONS
Subscriptions, which must be prepaid and renewed annually, start with the next available issue unless otherwise requested. VISA and MasterCard are accepted. Claims for missing issues must be made within six months of the date of publication.

Rates are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm or library</td>
<td>$75.00/yr.</td>
</tr>
<tr>
<td>Outside U.S.A. and Canada</td>
<td>$80.00/yr.</td>
</tr>
<tr>
<td>Individual</td>
<td>$35.00/yr.</td>
</tr>
<tr>
<td>Outside U.S.A. and Canada</td>
<td>$40.00/yr.</td>
</tr>
<tr>
<td>Student (with verification)</td>
<td>$20.00/yr.</td>
</tr>
<tr>
<td>Outside U.S.A. and Canada</td>
<td>$25.00/yr.</td>
</tr>
<tr>
<td>Airmail</td>
<td>$20.00/yr.</td>
</tr>
</tbody>
</table>