

## Recap of the 26th annual financial economics and accounting conference, November 6–7, 2015

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The 26th annual conference on financial economics and accounting was held at Rutgers University on November 6–7, 2015. There were 350 papers submitted for the conference (160 in Accounting and 190 in Finance). 48 papers were accepted for presentation at the conference (24 each in Accounting and Finance) after a rigorous review process that resulted in a 13.7 % acceptance rate. The result was both exciting and outstanding. This conference has become one of the most prestigious academic conferences in finance and accounting nationally and internationally. See the attached program for the details of the two-day event.

CFEA is an annual conference hosted by members of a consortium of eight universities: Georgia State University, Indiana University, New York University, Rutgers University, University of Maryland, University of North Carolina at Chapel Hill, University of Southern California, and University of Texas at Austin. It is a highly selective and refereed conference of research papers in financial economics and accounting. The conference aims at bringing together financial economists and accounting scholars to share their research relevant to theory and practice of business.

The conference sponsors are as followed:

- Rutgers Business School Department of Finance & Economics
- Rutgers Business School Department of Accounting & Information Systems

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## **26th Annual Conference on Financial Economics and Accounting Rutgers Business School**

*Livingston Campus*

*Rutgers University*

**November 6–7, 2015**

## **1 Friday, November 6**

**9:00 am–10:30 am**

### **Session 1A**

**Asset Pricing—Room 5085**

Chairperson: *Charles A. Trzcinka, Indiana University*

### ***Back-Running: Seeking and Hiding Fundamental Information in Order Flows***

Liyan Yang, University of Toronto

Hoaxing Zhu, Massachusetts Institute of Technology

Discussant: Jerry C. Yu, University of Baltimore

***Alpha Signals, Smart Betas and Factor Model Alignment***

Terry Marsh, University of California Berkeley

Paul Pfleiderer, Stanford University

Discussant: Yangru Wu, Rutgers Business School

***Price Discrimination against Individual Investors: Evidence from U.S. Options Market***

Yubin Li, Southwestern University of Economics and Finance, China

Chen Zhao, Southwestern University of Economics and Finance, China

Zhaodong (Ken) Zhong, Rutgers Business School

Discussant: Ronald Sverdløve, New Jersey Institute of Technology

**Session 1B****Information, Beliefs & Capital—Room 4085***Chairperson:* Lakshmana Krishnamoorthy, Rutgers University***Private Ownership and the Cost of Debt: Evidence from the Bond Market***

Brad A. Badertscher, University of Notre Dame

Dan Givoly, Penn State University

Sharon P. Katz, Columbia University

Hanna Lee, University of Maryland

Discussant: Ningzhong Li, University of Texas at Dallas

***Firm Life Cycle, Heterogeneity in Investor Beliefs, and Stock Price Crash Risk***

Lars Hamers, Maastricht University School of Business and Economics

Annelies Renders, Maastricht University School of Business and Economics

Patrick Vorst, Maastricht University School of Business and Economics

Discussant: Judson Caskey, UCLA

***The Source of Information in Prices and Investment-Price Sensitivity***

Alex Edmans, London Business School

Sudarshan Jayaraman, University of Rochester

Discussant: Valentin Dimitrov, Rutgers Business School

**Session 1C****Management Disclosures & Investor Reactions—Room 3087***Chairperson:* Feng Gao, Rutgers Business School***What Does Reputation Buy in the Options Market? The Effect of Reporting Consistency on Ex Ante Uncertainty***

Thaddues Neururer, Boston University

George Papadakis, Boston University

Edward J. Riedl, Boston University

Discussant: Nk Chidambaran, Fordham University

***Peer Firms' Reporting Incentives and Enhanced Overall Comparability Under IFRS: A Test Using IPO Underpricing***

Donal Byard, Baruch College—The City University of New York

Masako Darrough, Baruch College—The City University of New York  
 Jangwon Suh, Long Island University  
 Discussant: Don Monk, Rutgers Business School

***Financial Market Developments and Management Compensation***

Daniel Bens, INSEAD  
 Scott Liao, University of Toronto  
 Barbara Su, University of Toronto  
 Discussant: Mincherng Deng, Baruch College

**10:30 am–10:45 am** **Break**

**10:45 am–12:15 pm**

**Session 2A**

**Asset Pricing—Room 5085**

Chairperson: Phillip A. Cartwright, PSB Paris School of Business

***Using Equity, Index and Commodity Options to Obtain Forward-Looking Betas and Conditional-CAPM Expected Crude-Oil Spot Prices***

Ehud I. Ronn, University of Texas at Austin  
 Christopher F. Baum, Boston College  
 Paola Zerilli, University of York  
 Discussant: Phillip A. Cartwright, PSB Paris School of Business

***Falling into Traps? Patent Thickets and Stock Returns***

Po-Hsuan Hsu, University of Hong Kong  
 Hsiao-Hsu Lee, University of Hong Kong  
 Tong Zhou, University of Hong Kong  
 Discussant: G. Nathan Dong, Columbia University

***News Momentum***

Hao Jiang, Michigan State University  
 Sophia Zhengzi Li, Michigan State University  
 Hao Wang, Michigan State University  
 Discussant: Ren Raw Chen, Fordham University

**Session 2B**

**Accounting Disclosures and Firm Strategies—Room 4085**

Chairperson: Siva Nathan, Georgia State University

***Downside Risk, Capital Flexibility and Operating Leases***

Jose M. Carabias, London School of Economics  
 Discussant: Teri Yohn, Indiana University

***Have SFAS 166 and SFAS 167 improved the financial reporting for securitizations?***

Samuel Bonsall and Zahn Bozanic, The Ohio State University  
 Yiwei Dou, New York University

Gordon Richardson, University of Toronto  
 Dushyantkumar Vyas, University of Toronto  
 Discussant: Leo Tang, Rutgers Business School

***Rewards and Reputation from the Managerial Labor Market and Strategic Information Distortion***

Qianqian Huang, City University of Hong Kong  
 Feng Jiang, University at Buffalo—SUNY  
 Fei Xie, University of Delaware  
 Discussant: Paul Ma, University of Minnesota

**Session 2C**

**Corporate Finance—Room 3087**

*Chairperson:* Frank C. Jen, University of Buffalo, SUNY

***Product Market Competition and CEO Pay Benchmarking***

Ivan E. Brick, Rutgers Business School  
 Darius Palia, Rutgers Business School  
 Discussant: Kai Wu, Cornell University

***Financing Decisions of Privately and Publicly Traded Firms: Evidence from Quasi-Natural Experiment***

Giorgo Sertsios, Universidad de los Andes, Chile  
 Gordon Phillips, University of Southern California  
 Discussant: Kelly Wentland, University of North Carolina—Chapel Hill

***Labor Unions and Payout Policy: A Regression Discontinuity Analysis***

Jie He, University of Georgia  
 Xuan Tian, Indiana University  
 Huan Yang, University of Georgia  
 Discussant: Serdar Dinc, Rutgers Business School

**12:15 pm–2:00 pm** Lunch

**2:00 pm–3:30 pm**

**Session 3A**

**Hedge Fund and Bond Fund—Room 5085**

*Chairperson:* Stephen J. Brown, New York University

***Managerial Talent and Hedge Fund Performance***

Turan G. Bali, Georgetown University  
 Stephen J. Brown, New York University  
 Mustafa O. Caglayan, Özyeğin University, Turkey  
 Discussant: Sugata Ray, University of Florida

***Investor Flows and Fragility in Corporate Bond Funds***

Itay Goldstein, The Wharton School of Business

Hao Jiang, Michigan State University  
 David T. Ng, Cornell University  
 Discussant: Yan Li, Temple University

***Tail Risk in Hedge Funds: A Unique View from Portfolio Holdings***

Vikas Agrawal, Georgia State University  
 Stefan Ruenzi, University of Mannheim, Germany  
 Florian Weigert, University of St. Gallen, Switzerland  
 Discussant: Jack Francis, Baruch College

**Session 3B**

**Analytical Research—Room 4085**

*Chairperson: Suresh Govindaraj, Rutgers Business School*

***How Often Do Managers Withhold Information?***

Jeremy Bertomeu, Baruch College  
 Paul Ma, University of Minnesota  
 Ívan Marinovic, Stanford University  
 Discussant: Joe Gerakos, University of Chicago

***Tacit Collusion and Voluntary Disclosure: Theory and Evidence from the U.S. Automotive Industry***

Jeremy Bertomeu, Northwestern University  
 John Harry Evans III, University of Pittsburgh  
 Mei Feng, University of Pittsburgh  
 Ayung Tseng, Indiana University  
 Discussant: Meng Xiaojing, New York University

***Firm Fundamentals and Variance Risk Premiums***

Matthew R. Lyle, Kellogg School of Management  
 James P. Naughton, Kellogg School of Management  
 Discussant: Suresh Govindaraj, Rutgers Business School

**Session 3C**

**Earnings Management and Conservatism—Room 3087**

*Chairperson: Larry Brown, Temple University*

***Management Earnings Forecasts and Accounting Conservatism***

Bikki Jaggi, Rutgers Business School  
 Joshua Ronen, New York University  
 Xin Hua, University of Louisville  
 Discussant: Rajib Doogar, University of Washington

***Securities Lawsuits as a Disciplining Mechanism: Evidence from Mergers and Acquisitions***

Thomas Bourveau, HKUST  
 Francois Brochet, Boston University

Sven Michael Spira, Boston Consulting Group  
Discussant: Xin Dai, Drexel University

***Analysts' Monitoring Incentives across the Business Cycle***

Dan Dhaliwal, University of Arizona  
Stephen Hillegeist, Arizona State University  
An-Ping Lin, Singapore Management University  
Laura Wellman, Northwestern University, University of Illinois at Chicago  
Discussant: Donal Byard, Baruch University

**3:30 pm–3:45 pm** Coffee Break

**3:45 pm–5:15 pm**

**Session 4A**

**Corporate Finance—Room 5085**

Chairperson: Simi Kedia, Rutgers Business School

***Do Pension Plans Manipulate Pension Liabilities?***

Michael Kisser, Norwegian School of Economics  
John Kiff, International Monetary Fund  
Mauricio Soto, International Monetary Fund  
Discussant: Irina Stefanescu, Federal Reserve Board

***Management Risk and the Cost of Borrowing***

Yihui Pan, University of Utah  
Tracy Yue Wang, University of Minnesota  
Michael S. Weisbach, Ohio State University  
Discussant: Oded Palmon, Rutgers Business School

***Is There Performance-Based Turnover on Corporate Boards?***

Thomas W. Bates, Arizona State University  
David A. Becher, Drexel University  
Jared I. Wilson, Drexel University  
Discussant: Yifei Mao, Cornell University

**Session 4B**

**Banking and Banking Management—Room 4085**

Chairperson: Jay Choi, Temple University

***Financial Advice and Bank Profits***

Daniel Hoehle, Zurich University, Switzerland  
Stefan Ruenzi, University of Mannheim, Germany  
Nic Schaub, University of St. Gallen, Switzerland  
Markus Schmid, University of St. Gallen, Switzerland  
Discussant: Jay Choi, Temple University

***Banks and Biased Regulatory Disclosure***

Andrew Bird, Carnegie Mellon University  
 Stephan A. Karolyi, Carnegie Mellon University  
 Thomas G. Ruchti, Carnegie Mellon University  
 Austin C. Sudbury, Carnegie Mellon University  
 Discussant: Ben Sopranzetti, Rutgers Business School

***Shadow Banking and Asset Pricing***

Jinji Hao, Washington University in St. Louis  
 Discussant: Jonathan Ross, Binghamton University

**Session 4C****Collective Impact of Individual Decisions—Room 3087**

*Chairperson:* Teri Yohn, Indiana University

***The Economic Impact of the Employment of Foreign-born Graduates in the Auditing Industry***

Daniel Aobdia, Northwestern University & PCAOB, Center for Economic Analysis  
 Anup Srivastava, Dartmouth University  
 Erqiu Wang, Northwestern University  
 Discussant: Feng Gao, Rutgers Business School

***Directors from Related Industries and Management Forecast Properties: An International Study***

Herita Akamah, University of Oklahoma  
 Ervin L. Black, University of Oklahoma  
 Dipankar Ghosh, University of Oklahoma  
 Discussant: Li Zhang, Rutgers Business School

***Cheating When in The Hole: The Case of New York City Taxis***

Shivaram Rajagopal, Columbia Business School  
 Roger White, Emory University  
 Discussant: Siva Nathan, Georgia State University

**5:30 pm–6:15 pm Keynote Speech—Room 1095**

Welcome and Introduction of Keynote Speaker Dean Lei Lei, Rutgers Business School  
 “Risk, Innovation and Corporate Governance” Kose John, New York University

**7:00 pm  
onwards**

**Dinner**—Hyatt Regency, 2 Albany St., New Brunswick, Garden State Ballroom



## 2 Saturday, November 7

9:00 am–10:30 am

### Session 5A

#### **Bond and Investment Analysis—Room 5085**

*Chairperson: Thomas Chiang, Drexel University*

#### ***Liquidity Risk and Expected Municipal Bond Returns***

Yao-Tsung Chen, Penghu University of Science and Technology, Taiwan

Chunchi Wu, State University of New York at Buffalo

Chung-Ying Yeh, National Chung Hsing University, Taiwan

Discussant: Michael B. Imerman, Lehigh University

#### ***An Inquiry into the Nature and Sources of Variation in the Expected Excess Return of a Long-Term Bond***

Gurdip Bakshi, University of Maryland

Fousseni Chabi-Yo, Ohio State University

Xiaohui Gao, University of Maryland

Discussant: Yuzhao Zhang, Rutgers Business School

#### ***Investor Attention: Seasonal Patterns and Endogenous Allocations***

Hongqi Liu, Baruch College, CUNY

Lin Peng, Baruch College, CUNY

Discussant: Oleg Sokolinskiy, Rutgers Business School

### Session 5B

#### **Information and Market Structure—Room 4085**

*Chairperson: Bikki Jaggi, Rutgers Business School*

#### ***On the Disparity between Corporate Profits and Economic Growth***

Urooj Khan, Columbia Business School

Suresh Nallareddy, Columbia Business School

Ethan Rouen, Columbia Business School

Discussant: Partha Mohanram, University of Toronto

#### ***Do Industry Leading Auditors Earn Fee Premia?***

Rajib Doogar, University of Washington-Bothell

Manju Jaiswall, Indian Institute of Management Calcutta

Padmakumar Sivadasan, Tulane University

Discussant: Xin Hua, University of Louisville

#### ***Information Disclosure and Insider Trading around Board Meetings***

Seil Kim, New York University

Discussant: Kara Wells, Southern Methodist University

**10:30 am–10:45 am Break**

**10:45 am–12:15 pm**

**Session 6A**

**Corporate Finance—Room 5085**

*Chairperson: Dan Weaver, Rutgers Business School*

***Are Non-Pecuniary Factors Priced? Evidence from Target Family Firms Trade Legacy for Premium***

James Ang, Florida State University

Dominique Gehy, Hofstra University

Arinna Yang, University of Florida

Discussant: Kevin Tseng, University of Kansas

***Confidential Voting, Institutional Dual Holders, and the Cost of Debt***

Sattar Mansi, Virginia Tech

Maryam Nazari, University of Texas at San Antonio

John Wald, University of Texas at San Antonio

Discussant: Wan-Jiun Chiou, Northeastern University

***Policy Uncertainty, Political Capital, and Firm Risk-Taking***

Pat Akey, University of Toronto

Stefan Lewellen, London Business School

Discussant: Darius Palia, Rutgers Business School

**Session 6B**

**Emerging Topics—Room 4085**

*Chairperson: Partha Mohanram, University of Toronto*

***The Power of Economic Network: Investor Recognition through Supply-Chain Relationships***

Ling Cen, University of Toronto

Erfan Danesh, University of Toronto

Chayawat Ornthanalai, University of Toronto

Xiaofei Zhao, University of Texas at Dallas

Discussant: Shunlan Fang, Temple University

***Shareholder Activism and Political Spending***

Vishal P. Baloria, Boston College

Kenneth J. Klassen, University of Waterloo

Christine I. Wiedman, University of Waterloo

Discussant: Xi Li, Temple University

***The Role of Accounting Information in Equity Crowdfunding***

John Donovan, Washington University in St. Louis

Discussant: Vishal Baloria, University of Waterloo

**12:15 pm–2:30 pm Lunch and Presentation—Room 1144**

**“NJ Local Government Revenue Challenges in the Face of NJ Economics Realities”**

**Raphael J. Caprio, Ph.D. Rutgers University**

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