

KOREA-AMERICA FINANCE ASSOCIATION

<http://www.K-AFA.org>

Vol. XV

March 2011

No.1

President's Message

Dear KAFA Members, Friends, and Supporters of KAFA,

Greetings from hot Singapore!

We had several successful conferences and activities last year including KAFA-Allied Korea Finance Association joint conference, KAFA- Korea Institute of Finance (KIF) joint conference, two panel sessions at the 2010 FMA meeting in New York City, and KAFA members' attendance in the program of the Conference on Asia-Pacific Financial Markets in Seoul. I would like to thank former president professor Kee H. Chung and current secretary general professor Young Sang Kim for their time and effort in organizing these conferences and sessions. I also would like to thank Professors Bong Chan Kho (Vice-President), Jang-Chul Kim (Treasurer), and Kyojik Song (Secretary General, Korea) for their hard work and dedicated services. On behalf of all KAFA members, I welcome president-elect professor Sung-Chul Bae, who will organize this year's FMA panel sessions together with Allied Korea Finance Association.

As a non-profit organization established in 1991, KAFA has played a crucial role in enhancing academic exchanges on a broad range of financial and economic issues between researchers and practitioners in Korea and abroad. KAFA has been very successful in achieving its important mission, mainly thanks to our members' dedication and supports. Because of their invaluable supports, I have no doubt that we will continuously build on our tradition of pride and spirit and succeed in achieving our main goal.

I am pleased to announce that, to mark the 20th anniversary of KAFA, we are planning to have a joint conference with Korea Capital Market Institute (KCMI), which will be held on June 1, 2011 in Seoul. The conference theme in morning panel session tentatively titled "Capital raising for small and medium sized enterprises and the role of capital markets," will certainly contribute to provide new perspectives and insights in setting a benchmark for the development of Korean capital markets for small and medium sized firms. Distinguished scholars and participants from home and abroad, including keynote speaker Ronald Masulis from Vanderbilt University and UNSW, Kalok Chan from Hong Kong University of Science and Technology, Craig Doidge from University of Toronto, Michael Lemmon from University of Utah, Clemens Sialm from University of Texas at Austin, Scott Weisbenner from University of Illinois, and many others will also enrich our understanding about the current important issues in global financial markets.

I anticipate a very exciting year for our association. We will continue to make our firm commitments to support a broad range of scholarly activities by organizing and collaborating

academic conferences and delivering new financial market agendas to Korean and global finance community. I hope all our KAFA members take part in these various activities, so we can further increase our visibility and reputation in our relevant finance community.

Finally, I would like to take this opportunity to thank our affiliated institutions –KCMI, KIF, and corporate sponsors which have generously assisted us with fulfilling our mission. I extend my sincere gratitude to The Financial News and Shinhan Bank in providing financial support for our best paper and best dissertation awards. In particular, I would like to thank Mr. Jae-ho Jeon (president of Financial News), Dr. Hyong Tae Kim (president of KCMI), Dr. Tae-Joon Kim (president of KIF), and Dr. Sung Hoon Cho (vice president of KCMI) for their generous supports sponsoring the conferences and special dinner at the FMA meeting.

I look forward to seeing you all in the upcoming conferences in Seoul and in Denver.

Sincerely,

Jun-koo Kang
President of KAFA

I. Recent KAFA Activities

1.1. Two special sessions at the FMA meeting New York in 2010

We really appreciate great and well attendance in two special sessions at the 2010 FMA meeting in New York, NY. Once again thanks for session moderator, presenters and discussants. We appreciate Professor Jun-Koo Kang to organize special sessions in 2010.

➤ Session 133

Current Problems in Korean Corporate Governance Systems and their Reform

Friday, October 22 8:00 - 9:30 am

Moderator: Jun-Koo Kang, Professor Nanyang Technological University

Panelists

Sung Hoon Cho, Vice President, Korea Capital Market Institute

Woochan Kim, Associate Professor, KDI School of Public Policy and Management

Byungyoon Lee, Research Fellow, Korea Institute of Finance

➤ Session 162

Behavioral Finance Issues in Asia

Friday, October 22 9:45 - 11:15 am

Moderator: Kee H. Chung, Professor, SUNY at Buffalo

Panelists

Ming Jian, Assistant Professor, Nanyang Technological University

Kenneth Kim, Associate Professor, SUNY at Buffalo

Wei Wang, Assistant Professor, Queen's University

1.2. Two special sessions at the forthcoming FMA meeting Denver, CO in Oct 2011.

Professor Sung C. Bae is organizing two special sessions on Friday, October 21 in the forthcoming 2011 FMA meeting in Denver, CO, jointly with Allied Korea Finance Associations. The tentative session titles and times are as follows:

- Current issues in the Korean financial markets (8:30-9:30 a.m.)
- Current issues in the Asian financial markets (9:45-11:15 a.m.)

II. KAFA's 20th Year Anniversary Conference (Joint with KCMI)

We are pleased to announce the following 6 papers for presentation at the KAFA's 20th Year Anniversary Conference (joint with Korea Capital Market Institute (KCMI)) to be held in Seoul on June 1, 2011. Congratulations! We thank Professors Kee H. Chung at SUNY at Buffalo (Chair), Cheol S. Eun at Georgia Tech University, S. Ghon Rhee at University of Hawaii, and Youngsoo Kim at University of Regina for serving on the paper selection committee.

- **When: June 1, 2011 (Wednesday)**
- **Where: Westin Chosun Hotel, Seoul, Korea**
- **Keynote speaker:**
Ronald Masulis, Frank K. Houston Professor of Finance at Vanderbilt University / Professor of Finance at University of New South Wales
- Investments
 - ✚ Self-Fulfilling Stock Recommendations - Byoung-Hyoun Hwang* and Dong Lou
 - ✚ Onshore and Offshore Hedge Funds: Are They Twins? - Bing Liang and Hyuna Park*
 - ✚ Do Hedge Funds Have Information Advantages? Evidence from Hedge Fund Stock Holdings - Kee-Hong Bae, Bok Baik, and Jin-Mo Kim*
- Corporate Finance
 - ✚ Foreign Capital and Local Firms: The Effect of Foreign Ownership and Management on Corporate Performance - Jongmoo Jay Choi* and Sean Sehyun Yoo
 - ✚ Who Pays for Regulatory Reforms on Disclosure Requirement? - Renhui Fu, Yong H. Kim*, and Buhui Qiu
 - ✚ Culture, Corporate Governance, and Dividend Policy: International Evidence - Sung C. Bae*, Kiyong Chang, Eun Kang
- **Foreign presenter/discussant**
 - ✚ **Kalok Chan**, Synergis-Geoffrey Yeh Professor of Finance, Director of Centre for Fund Management, and Department Head at Hong Kong University of Science and Technology /President of Asian Finance Association: **Hong Kong**
 - ✚ **Craig Doidge**, Associate professor at University of Toronto: **Canada**

- ✚ **Michael Lemmon**, Wasatch Advisors Professor of Finance at University of Utah / Associate Editors of *Journal of Finance*, *Review of Financial Studies*, *Journal of Financial and Quantitative Analysis*, and *Pacific Basin Finance Journal* / Advisory Editor of *Financial Management*: **U.S.A.**
- ✚ **Clemens Sialm**, Associate professor and Eleanor T. Mosle Fellow at University of Texas at Austin / Associate Editors of *Review of Financial Studies* and *Management Science* / Research Associate at the NBER: **U.S.A.**
- ✚ **Scott Weisbenner**, Associate professor and James F. Towey Faculty Fellow at University of Illinois / Editor of the *Journal of Pension Economics and Finance* / Research Associate at the NBER: **U.S.A.**
- ✚ One more from either Singapore or Europe (will be decided later)

III. Call for Papers

Submissions will be accepted only from the lifetime KAFA members or those who have paid the KAFA membership dues for 2011 prior to the paper submission.

3.1. Call for papers for the Joint Conference with the KIF

Main Theme: "Corporate Governance of Financial Firms"

- Conference date: **May 31, 2011** (Tuesday)
- Submission deadline: March 31, 2011
- Notification of the accepted papers: April 20, 2011 (tentatively)
- Submit papers to: Professor Sung C Bae, President-Elect, bae@bgsu.edu
- We expect a few papers (2 papers) to be accepted for the presentation. KIF will provide financial travel supports for the selected papers for presentation.

3.2. Call for papers for the Joint Conference with Allied Korea Finance Associations (AKFAs)

As in previous years, we expect to be part of the 2011 joint conference with Korean counterparts (AKFAs) in May 27-28, 2011 at Korea Financial Investment Association Institute (금융투자교육원, 충남 아산). In anticipation of this conference, the KAFA would like to announce a call for papers.

- Topics: Any finance area
- Conference date: **May 27-28, 2011**
- Submission deadline: March 31, 2011
- Notification of the accepted papers (6-8 papers): April 20, 2011
- Submit papers to: Professor Sung C Bae, President-Elect, bae@bgsu.edu
- KAFA and Allied KFAs will provide financial travel supports for all selected papers for presentation.
- KAFA members presenting papers will be assigned to discuss other papers.

- We strongly encourage all KAFAs members (especially junior faculty and those who have not presented papers at the joint conference in the past) to submit papers.

Note: When you submit your paper, please indicate the conference of your choice (e.g., KAFAs joint conference with KIF, or Allied KFAs)

IV. KAFAs Awards

Starting from this year, we will initiate the Eminent Scholar Award and Young Scholar Award and continue on the Financial News and Shinhan Bank Best Paper Awards. The detailed information for each award and necessary documentations are as follows.

4.1. The Financial News-KAFAs Eminent Scholar Award

Selection Criteria

The FN-KAFAs Eminent Scholar Award is given to a KAFAs member who has achieved outstanding scholarly accomplishment and research contribution in leading journals in finance and related fields.

Nomination Procedure

Nominations of award candidates are made by the “KAFAs Award Nomination Committee” (Nomination Committee hereafter) that consists of three KAFAs members (i.e., president, president-elect, and immediate former president). Nomination Committee can nominate up to three candidates from KAFAs life-time members. The nominated candidates are required to submit their review materials such as curriculum vitae and relevant publications to the Nomination Committee before a specified date announced in the KAFAs Newsletter.

Selection Procedure

The “KAFAs Award Nomination Committee” will forward the names of nominated candidates and their supporting materials to the “KAFAs Award Selection Committee” (Selection Committee hereafter) for the selection of the final award recipient. Selection Committee that consists of three KAFAs members (including former KAFAs presidents and past FN-KAFAs Eminent Scholar Awardees)* will review nominees’ research credentials and select a single award recipient on the basis of the nominee’s scholarly accomplishment and research contribution to the field. Selection Committee may request nominees to provide additional information. The recipient of this honor is required to receive the award in person at the KAFAs annual meeting and expected to organize a KAFAs’s FMA panel sessions together with KAFAs president-elect in the following year.

Monetary Award

There will be a prize of **\$5,000** along with an award plaque.

* Three former KAFAs presidents in the case of inaugural year (2011) and two former presidents in the following year (2012). No more than two past awardees will serve as members of the Committee.

4.2. The SHB-KAFA Young Scholar Award

Selection Criteria

The SHB-KAFA Young Scholar Award is given to a KAFA member who has demonstrated exemplary scholarly performance through publications in leading journals in finance and related fields. Those KAFA members who earned his or her Ph.D. degree within seven years prior to the award date would be considered for the award.

Nomination Procedure

Nominations of award candidates are made by the “KAFA Award Nomination Committee” (Nomination Committee hereafter) that consists of three KAFA members (i.e., president, president-elect, and immediate former president). Nomination Committee can nominate up to three candidates from KAFA life-time members. The nominated candidates are required to submit their review materials such as curriculum vitae and relevant publications to the Nomination Committee before a specified date announced in the KAFA Newsletter.

Selection Procedure

The “KAFA Award Nomination Committee” will forward the names of nominated candidates and their supporting materials to the “KAFA Award Selection Committee” (Selection Committee hereafter) for the selection of the final award recipient. Selection Committee that consists of three KAFA members (including former KAFA presidents and past FN-KAFA Eminent Scholar Awardees)* will review nominees’ research credentials and select a single award recipient on the basis of the nominee’s scholarly achievements and research contribution to the literature based on their published and forthcoming papers in internationally recognized journals prior to the award date. Selection Committee may request nominees to provide additional information. The recipient of this honor is required to receive the award in person at the KAFA annual meeting.

Monetary Award

There will be a prize of **\$2,500** along with an award plaque.

* Three former KAFA presidents in the case of inaugural year (2011) and two former presidents in the following year (2012). No more than two past awardees will serve as members of the Committee.

4.3. Call for the 5th Financial News & KAFA Top-Journal Paper Award

If you have papers published or accepted for the top three journals; *Journal of Finance*, *Journal of Financial Economics*, or *Review of Financial Studies*, during the period of September 2010 through August 2011, please provide us with the following information for the consideration of this award. The author of the selected paper will be awarded a cash grant of \$2,500 along with a plaque by the representative of Financial News at the annual KAFA banquet during the 2011 FMA Meetings.

4.4. Call for the 5th Financial News & KAFA Doctoral Student Dissertation Award

If you are currently doctoral student (ABD status), please submit your dissertation for the consideration of this award. One or two dissertations will be selected for the awards. Each author

will be awarded a cash grant of \$1,500 along with a plaque by the representative of Financial News at the annual KAFA banquet during the 2011 FMA Meetings.

4.5. Call for the 5th Shinhan Bank & KAFA Best Paper Award

The KAFA and Shinhan Bank jointly announce that they will select the best research paper/proposal in the all areas of finance written by KAFA members. The author(s) of selected paper/proposal will be awarded a cash grant of \$2,500 along with a plaque by the representative of Shinhan Bank at the annual KAFA banquet during the 2011 FMA Meetings.

4.6. Shinhan Bank and KAFA support the Ph.D. students

Ph.D. students, who present a paper at the annual 2011 FMA meeting, each Ph.D student will be awarded a cash grant of \$500 for travel support. Please submit your information including name, affiliation, and accepted paper to secretary general by Aug 31, 2011. (Young S. Kim, kimy1@nku.edu)

**** Required information for the Awards:**

- Title of the Paper, Author(s) (names, affiliations, phones, e-mails), Name of the Journal Issue Date, Volume, and Page Numbers (if published), Copy of the Acceptance Letter (if accepted but not yet published), and Electronic Copy of the Paper
 - Submission Deadline: August 31, 2011
 - Submit materials to: Professor Jun-Koo Kang, President, jkkang@ntu.edu.sg
 - All award winners should attend the annual meeting to receive monetary awards.
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V. Member News

5.1. Publications

Following is a list of recent publications by KAFA members. Only those provided to the KAFA office by the authors and the paper published or accepted in calendar year of 2010, and 2011 are listed here.

5.2. New Position/ Promotion/ Awards

- New Position:
- Professorship:
- Promotion:

5.3. Finance Position Announcement

- **University of Cincinnati** invites a newly established Thornburgh Endowed Chair in Finance in corporate finance position and encourages potential candidates in the academic circle of KAFA to apply. Position is described in the following website:
<http://www.business.uc.edu/departments/finance>

VI. Other Announcement

6.1. Now our KAFA website (www.k-afa.org) is updated including KAFA news, membership, and members' activities. Especially we now have updated KAFA Member records with life-time member, annual member and others. If you need KAFA members list in excel, please contact Secretary General (kafa1991@gmail.com).

6.2. We need more active participation of currently inactive finance professors and/or Ph.D. students for KAFA involvement. We strongly encourage you to introduce KAFA to your colleagues for their new membership.

6.3. Please pay your annual membership dues, or preferably, be a life-time member by paying one time due of \$300, mailed to: *Dr. Jang-Chul Kim, Haile/US Bank College of Business, Northern Kentucky University, Highland Hts., KY 41099.*

➤ KAFA Executive Board

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|--------------------------------|---|
| ▪ President | Jun-Koo Kang, Nanyang Tech University |
| ▪ President-Elect | Sung C. Bae, Bowling Green State University |
| ▪ Vice President | Bong-Chan Kho, Seoul National University |
| ▪ Secretary General | Young Sang Kim, Northern Kentucky University |
| ▪ Secretary General KAFA Korea | Kyojik (Roy) Song, Sungkyunkwan University |
| ▪ Treasurer | Jang-Chul Kim, Northern Kentucky University |
| ▪ Executive Board | |
| | Sahn Wook Huh (2012), SUNY Buffalo |
| | Jin-Mo Kim (2012), Rutgers University |
| | Ha-Chin Yi (2012), Texas State University |
| | Soku Byoun (2013), Baylor University |
| | Dong-Kyoon Kim (2013), Montclair State University |
| | Tai Yi (2013), SUNY Fredonia |
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THE KOREA-AMERICA FINANCE ASSOCIATION (KAFA)

Renewal/Application for 2011-2012 Membership

Name: _____
Last First

Education:

Undergraduate _____
School Degree Year

Graduate _____
School Degree Year

Graduate _____
School Degree Year

Current Position:

Title: _____

Affiliation: _____

Address: _____
City State Zip

Office Phone:() _____ Fax:() _____

E-mail Address:

Home Address: _____
City State Zip

Home Phone: _____ Other Phone: _____

Fields of Specialization in Finance:

1. _____ 2. _____

Annual Membership Dues:

\$30; Regular and Guest Member \$20; Associate Member Ph.D Student

\$300 Lifetime Member

<Please send the UPPER portion of this form and your check (payable to KAFA) to:
Dr.Jang-Chul. Kim, Haile/US Bank College of Business, Northern Kentucky University, Highland Hts., KY 41099,
or fax it to (859) 572- 6177, phone: (859) 572-5160 or e-mail to "kafa1991@gmail.com">

<Keep this LOWER portion for your record.>

RECEIPT OF KAFA MEMBERSHIP DUES

I have paid KAFA annual membership dues for the year of 2011 - 2012 on _____:

\$30; Regular and Guest Member \$20; Associate Member

\$300; Lifetime Member