



18th Annual Conference on Financial Economics and Accounting

Friday, October 26, 2007 and Saturday, October 27, 2007

The conference begins at 12:00 p.m on Friday with lunch and ends at 5:00 p.m. on Saturday

Location:

NYU Stern School of Business
Henry Kaufman Management Center
44 West 4th Street
New York, NY 10012

Keynote Speaker:

Andrei Shleifer
Professor of Economics
Department of Economics
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Program Chairs:

Kose John
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Registration:

Please print and fill out the **registration form** and mail with the registration fee to the address specified on the form.

Contact us:

Please contact the program chairs listed above with inquiries

Hotel:

We have blocked a number of rooms for the conference at the **Park Central Hotel** for the nights of October 25, 26 and 27. The hotel is located on 56th Street and 7th Avenue, NYC. The name of the block is CFEA18, and we encourage you to reserve a room as soon as you know your travel plans. To make reservations, please call 1-800-346-1359 and mention your group name: CFEA18. The room rate for this conference is \$229 + applicable taxes.

For a list of other reasonably-priced hotels within proximity of the University, [click here](#):

Sponsors:

The conference is sponsored by the Stern School of Business Department of Finance, Department of Accounting, the Vincent C. Ross Institute of Accounting, the Salomon Center for the Study of Financial Institutions, and the NYU Pollack Center for Law & Business

Direction:

For directions to the conference, [click here](#)

Industry sponsor:



PROGRAM

Friday, October 26, 2007	11:30 - 1:30	Registration	KMC Lobby
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Friday, October 26, 2007	12:00 - 1:30	Lunch	KMC 5-50
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Session 1	1:30 - 3:00
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Finance: Corporate Finance (KMC 1-70)

Chair: Matthew Richardson, New York University

Governance Through Exit and Voice: A Theory of Multiple Blockholders

Alex Edmans, University of Pennsylvania

Gustavo Manso, MIT

Discussant: Holger Mueller, New York University

Public Trust, the Law, and Financial Investment

Bruce Ian Carlin, University of California at Los Angeles

Florin Dorobantu, The Brattle Group

S. Viswanathan, Duke University

Discussant: Daniel Wolfenzon, New York University

Non-Executive Stock Options and Firm Performance

Yael V. Hochberg, Northwestern University

Laura Lindsey, Arizona State University

Discussant: Nagpuranand Prabhala, University of Maryland

Accounting: Earnings Management (KMC 3-65)

Chair: Eli Bartov, New York University

Abnormal Accruals and External Financing

Theodore H. Goodman, University of Arizona

Discussant: Emre Karaoglu, University of Southern California

Earnings Volatility, Cash Flow Volatility, and Informed Trading

Sudarshan Jayaraman, Washington University–St. Louis

Discussant: Lihong Liang, George Washington University

The Use of Advertising Activities to Meet Earnings Benchmarks: Evidence from Monthly Data

Daniel Cohen, New York University

Raj Mashruwala, Washington University–St. Louis

Tzachi Zach, Washington University–St. Louis

Discussant: Amy Y. Zang, University of Rochester

Friday, October 26, 2007	3:00 - 3:30	Coffee Break	KMC 5-50
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Session 2	3:30 - 5:00
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Finance: CEO Incentives (KMC 1-70)

Chair: Cheng-Few Lee, Rutgers University

Negative Hedging: Performance Sensitive Debt and CEO's Equity Incentives

Alexei Tchisty, New York University

David Yermack, New York University

Hayong Yun, University of Notre Dame

Discussant: Antonio Falato, Federal Reserve Board

Investor Myopia and CEO Horizon Incentives

Brian Cadman, Northwestern University

Jayanthi Sunder, Northwestern University

Discussant: Lalitha Naveen, Temple University

CEO Centrality

Lucian Bebchuk, Harvard University

Martijn Cremers, Yale School of Management

Urs Peyer, INSEAD

Discussant: Charu Raheja, Wake Forest University

Accounting: Voluntary Management Disclosures (KMC 3-65)

Chair: **Stephen Ryan**, New York University

Why Do Firms Issue Disaggregated Earnings Guidance? The Archival Evidence

Benjamin Lansford, Northwestern University

Baruch Lev, New York University

Jennifer W. Tucker, University of Florida

Discussant: **Michael Kimbrough**, Harvard Business School

Management Earnings Forecasts and Subsequent Price Formation

Somnath Das, University of Illinois – Chicago

Kyonghee Kim, University of Illinois – Chicago

Sukesh Patro, Kansas State University

Discussant: **Michael Kimbrough**, Harvard Business School

Stealth Disclosure of Accounting Irregularities: Is Silence Golden?

Edward P. Swanson, Texas A&M University

Senyo Tse, Texas A&M University

Rebecca Wynalda, Texas A&M University

Discussant: **Michael Kimbrough**, Harvard Business School

6:00 – 7:00 PM Reception (Faculty Lounge, KMC 11-185), sponsored by CRA International

7:00 – 9:00 PM Dinner (Cantor Boardroom, KMC 11-75)

Keynote Speaker: **Andrei Shleifer**, Harvard University

Saturday, October 27, 2007 7:30 - 8:30 Continental Breakfast M1-100 KMC Commons

Session 3

8:30 - 10:00

Finance: Law and Finance (KMC 2-60)

Chair: **William Allen**, New York University

Shareholders at the Gate? Cross-Country Evidence on the Role of Institutional Investors in Mergers and Acquisitions

Miguel A. Ferreira, ISCTE

Massimo Massa, INSEAD

Pedro Matos, University of Southern California

Discussant: **Anzhela Knyazeva**, University of Rochester

Corporate Lobbying and Fraud Detection

Frank Yu, University of Minnesota

Xiaoyun Yu, Indiana University

Discussant: **Simi Kedia**, Rutgers University

Stealing from Thieves: Firm Governance and Performance when States are Predatory

Art Durnev, McGill University

Larry Fauver, University of Miami

Discussant: **Diana Knyazeva**, University of Rochester

Accounting: Strategic Disclosure: Evidence and Consequences (T200)

Chair: **Paul Zarowin**, New York University

Do Cross-listed Firms Provide the Same Quality Disclosure as U.S. Firms? Evidence from the Interest Control Deficiency Disclosure Under Section 302 of the Sarbanes-Oxley Act

Guojin Gong, Pennsylvania State University

Bin Ke, Pennsylvania State University

Yong Yu, University of Texas-Austin

Discussant: **Sarah McVay**, University of Utah

Strategic Timing of Pro Forma Earnings Announcements

Nerissa C. Brown, University of Southern California

Theodore E. Christensen, Brigham Young University

W. Brooke Elliott, University of Illinois at Urbana-Champaign

Discussant: **Carol Marquardt**, Baruch College

Tempting Trading Opportunities and Litigation Consequences

Mary Brooke Billings, New York University

Discussant: Susan Shu, Boston College

Saturday, October 27, 2007 10:00 - 10:30 Coffee Break M-100 KMC Commons

Session 4

10:30 - 12:00

Finance: Empirical Corporate Finance (KMC 2-60)

Chair: Lemma W. Senbet, University of Maryland

Contingency and Renegotiation of Financial Contracts: Evidence from Private Credit Agreements

Michael R. Roberts, University of Pennsylvania

Amir Sufi, University of Chicago

Discussant: Dirk Hackbarth, Washington University

Optimal CEO Incentives and Industry Dynamics

Antonio Falato, Federal Reserve Board

Dalida Kadyrzhanova, University of Maryland

Discussant: Christa Bouwman, Case Western University

Debt as a Bonding Mechanism: Evidence from the Relations Between Employee Productivity, Capital Structure, and Outside Employment Opportunities

Jayant R. Kale, Georgia State University

Harley E. Ryan, Jr., Georgia State University

Lingling Wang, Georgia State University

Discussant: Xiaoyun Yu, Indiana University

Accounting: Valuation (T200)

Chair: John Hand, University of North Carolina – Chapel Hill

Does the Stock Market Fully Value Intangibles? Employee Satisfaction and Equity Prices

Alex Edmans, University of Pennsylvania

Discussant: Mozaffar Khan, Massachusetts Institute of Technology

The Accrual Anomaly: Exploring the Optimal Investment Hypothesis

Jin Ginger Wu, University of Georgia

Lu Zhang, University of Michigan

X. Frank Zhang, Yale School of Management

Discussant: Mozaffar Khan, Massachusetts Institute of Technology

Does Conservative Stock Option Accounting Lead to Aggressive Cash Flow Reporting?

Paul Hribar, University of Iowa

D. Craig Nichols, Cornell University

Discussant: Mozaffar Khan, Massachusetts Institute of Technology

Saturday, October 27, 2007 12:00 - 1:30 Lunch M-100 KMC Commons

Saturday, October 27, 2007 12:00 - 1:30 Meeting of Executive Committee of CFEA

Session 5

1:30 - 3:00

Finance: Asset Prices: Theory (KMC 2-60)

Chair: Stijn Van Nieuwerburgh, New York University

Financial Distress and the Cross Section of Equity Returns

Lorenzo Garlappi, University of Texas at Austin

Hong Yan, University of South Carolina

Discussant: Alexander Philipov, George Mason University

Top-Down or Bottom-Up: Commonality in Disagreement and Asset Pricing

Jialin Yu, Columbia University

Discussant: Kathy Yuan, University of Michigan

Catering Through Nominal Share Prices

Malcolm Baker, Harvard University
Robin Greenwood, Harvard University
Jeffrey Wurgler, New York University
Discussant: **Harrison Hong**, Princeton University

Accounting: Audit Research (T200)

Chair: **Hollis A. Skaife**, University of Wisconsin-Madison

Tax Consulting and Reported Weaknesses in Internal Control

Randal Elder, Syracuse University
David D. Harris, Syracuse University
Jian Zhou, SUNY at Binghamton
Discussant: **Arianna S. Pinello**, Georgia State University

Incentives for Auditor Collusion: An Auditor-Agent Game

Abigail Brown, University of Technology, Sidney
Discussant: **Bharat Sarath**, Baruch College

On the Conditions that Audit Risk Increases with more Information

Yasuhiro Ohta, Keio University
Discussant: **Bharat Sarath**, Baruch College

Saturday, October 27, 2007 3:00 - 3:30 Coffee Break M-100 KMC Commons

Session 6

3:30 - 5:00

Finance: Asset Prices: Empirical (KMC 2-60)

Chair: **Charles A. Trzcinka**, Indiana University

Dispersion in Analysts' Earnings Forecasts and Credit Rating

Doron Avramov, University of Maryland
Tarun Chordia, Emory University
Gergana Jostova, George Washington University
Alexander Philipov, George Mason University
Discussant: **Claudia Moise**, Case western University

The Term Structure of Bond Market Liquidity

Ruslan Goyenko, McGill University
Avanidhar Subrahmanyam, University of California at Los Angeles
Andrey Ukhov, Indiana University
Discussant: **Stijn Van Nieuwerburgh**, New York University

The Effects of Derivatives on Firm Risk and Value

Söhnke M. Bartram, Lancaster University
Gregory W. Brown, University of North Carolina
Jennifer Conrad, University of North Carolina
Discussant: **Tracy Yue Wang**, University of Minnesota

Accounting: Analysts and Capital Markets (T200)

Chair: **Lawrence D. Brown**, Georgia State University

Analyst Recommendations and Mergers: Do Analysts Matter?

David A. Becher, University of Pennsylvania
Jennifer L. Juergens, Arizona State University
Discussant: **Michael B. Clement**, University of Texas-Austin

The Effect of Ability, Independence, and Investor Sentiment on Analysts' Propensity to Use Their Own earnings Forecasts in Stock Recommendations

Bin Ke, Pennsylvania State University
Yong Yu, University of Texas-Austin
Discussant: **Michael B. Clement**, University of Texas-Austin

The Effect of Trading Commissions on Analysts' Forecast Bias

Anne Beyer, Stanford University
Ilan Guttman, Stanford University
Discussant: **Michael B. Clement**, University of Texas-Austin

5:00

Conference Adjournment

