

**Faculty Position in the Department of Finance and Business Economics
Foster School of Business at the University of Washington**

The Foster School of Business seeks to hire a qualified candidate for a full-time tenure track position as an assistant professor in finance to start in Autumn Quarter 2010. We will consider new Ph.D. graduates (or those near degree completion) as well current assistant professors with strong publication records. All candidates should send a cover letter indicating research and teaching interests, a curriculum vitae, and at least three letters of recommendation. Applicants should also submit examples of recently published or unpublished research. Priority will be given to applications received by November 30, 2009. All correspondence should be sent to:

Professor Lawrence D. Schall, Chair
c/o Andrew Anderson
Department of Finance and Business Economics
Box 353200
Foster School of Business
University of Washington
Seattle, WA 98195-3200

The University of Washington is an affirmative action, equal opportunity employer. The University is building a culturally diverse faculty and staff and strongly encourages applications from women, minorities, individuals with disabilities, and covered veterans.

University of Washington Faculty engage in teaching, research, and service. Employment at the University of Washington is contingent upon budgetary approval.

Forthcoming Articles

Financing Frictions and the Substitution between Internal and External Funds

Heitor Almeida and Murillo Campello

Paying for Market Quality

Amber Anand, Carsten Tanggaard, and Daniel G. Weaver

Affine Models of the Joint Dynamics of Exchange Rates and Interest Rates

Bing Anderson, Peter J. Hammond, and Cyrus A. Ramezani

Market Dynamics and Momentum Profits

Ebenezer Asem and Gloria Y. Tian

Is There Shareholder Expropriation in the United States? An Analysis of Publicly Traded Subsidiaries

Vladimir Atanasov, Audra Boone, and David Haushalter

Can Mutual Fund Managers Pick Stocks? Evidence from Their Trades Prior to Earnings Announcements

Malcolm Baker, Lubomir Litov, Jessica A. Wachter, and Jeffrey Wurgler

Is There an Intertemporal Relation between Downside Risk and Expected Returns?

Turan G. Bali, K. Ozgur Demirtas, and Haim Levy

How Syndicate Short Sales Affect the Informational Efficiency of IPO Prices and Underpricing

Björn Bartling and Andreas Park

Term Structure, Inflation, and Real Activity

Andrea Berardi

Political Connections and Minority-Shareholder Protection: Evidence from Securities-Market Regulation in China

Henk Berkman, Rebel A. Cole, and Lawrence J. Fu

On the Volatility and Comovement of U.S. Financial Markets around Macroeconomic News Announcements

Menachem Brenner, Paolo Pasquariello, and Marti Subrahmanyam

Information Quality and Stock Returns Revisited

Frode Brevik and Stefano d'Addona

Commonality in Liquidity: A Global Perspective

Paul Brockman, Dennis Y. Chung, and Christophe Pérignon

Block Ownership, Trading Activity, and Market Liquidity

Paul Brockman, Dennis Y. Chung, and Xuemin (Sterling) Yan

Can the Cross-Sectional Variation in Expected Stock Returns Explain Momentum?

George Bulkley and Vivekanand Nawosah

The Impact of the Euro on Equity Markets

Lorenzo Cappiello, Arjan Kadareja, and Simone Manganelli

Informational Efficiency and Liquidity Premium as the Determinants of Capital Structure

Chun Chang and Xiaoyun Yu

Management Quality, Financial and Investment Policies, and Asymmetric Information

Thomas J. Chemmanur, Imants Paeglis, and Karen Simonyan

Stock Market Mispricing: Money Illusion or Resale Option?

Carl R. Chen, Peter P. Lung, and F. Albert Wang

Does Prior Performance Affect a Mutual Fund's Choice of Risk? Theory and Further Empirical Evidence

Hsiu-lang Chen and George G. Pennacchi

Labor Unions, Operating Flexibility, and the Cost of Equity

Huafeng (Jason) Chen, Marcin Kacperczyk, and Hernán Ortiz-Molina

Agency Costs of Free Cash Flow and the Effect of Shareholder Rights on the Implied Cost of Equity Capital

Kevin C. W. Chen, Zhihong Chen, and K. C. John Wei

Corporate Governance and Liquidity

Kee H. Chung, John Elder, and Jang-Chul Kim

Corporate Governance and Institutional Ownership

Kee H. Chung and Hao Zhang

(continued on next page)

Forthcoming Articles (continued)

Does Skin in the Game Matter? Director Incentives and Governance in the Mutual Fund Industry
Martijn Cremers, Joost Driessen, Pascal Maenhout, and David Weinbaum

Deviations from Put-Call Parity and Stock Return Predictability
Martijn Cremers and David Weinbaum

Clientele Change, Liquidity Shock, and the Return on Financially Distressed Stocks
Zhi Da and Pengjie Gao

Portfolio Optimization with Mental Accounts
Sanjiv Das, Harry Markowitz, Jonathan Scheid, and Meir Statman

Transparency, Price Informativeness, and Stock Return Synchronicity: Theory and Evidence
Sudipto Dasgupta, Jie Gan, and Ning Gao

Estimating the Equity Premium
R. Glen Donaldson, Mark J. Kamstra, and Lisa A. Kramer

Arbitrage Risk and Stock Mispricing
John A. Doukas, Chansog (Francis) Kim, and Christos Pantzalis

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

Disagreement, Portfolio Optimization, and Excess Volatility
Ran Duchin and Moshe Levy

Factoring Information into Returns
David Easley, Soeren Hvídkjaer, and Maureen O'Hara

Longer-Term Time Series Volatility Forecasts
Louis H. Ederington and Wei Guan

The Term Structure of Variance Swap Rates and Optimal Variance Swap Investments
Daniel Egloff, Markus Leippold, and Liuren Wu

How Does Liquidity Affect Government Bond Yields?
Carlo Favero, Marco Pagano, and Ernst-Ludwig von Thadden

What Drove the Increase in Idiosyncratic Volatility during the Internet Boom?
Jason Fink, Kristin E. Fink, Gustavo Grullon, and James P. Weston

Friend or Foe? The Role of State and Mutual Fund Ownership in the Split Share Structure Reform in China
Michael Firth, Chen Lin, and Hong Zou

The Signaling Hypothesis Revisited: Evidence from Foreign IPOs
Bill B. Francis, Iftekhar Hasan, James R. Lothian, and Xian Sun

Organization and Financing of Innovation, and the Choice between Corporate and Independent Venture Capital
Paolo Fulghieri and Merih Sevilir

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

Dynamic General Equilibrium and T-Period Fund Separation
Anke Gerber, Thorsten Hens, and Peter Woehrmann

Investor Protection, Equity Returns, and Financial Globalization
Mariassunta Giannetti and Yrjö Koskinen

Pharmaceutical R&D Spending and Threats of Price Regulation
Joseph Golec, Shantaram Hegde, and John Vernon

The Term Structure of Bond Market Liquidity and Its Implications for Expected Bond Returns
Ruslan Goyenko, Avaniidhar Subrahmanyam, and Andrey Ukhov

Has the Propensity to Pay Out Declined?
Gustavo Grullon, Bradley Paye, Shane Underwood, and James P. Weston

Dynamic Factors and Asset Pricing
Zhongzhi (Lawrence) He, Sahn-Wook Huh, and Bong-Soo Lee

(continued on next page)

Forthcoming Articles (continued)

Behavioral and Rational Explanations of Stock Price Performance around SEOs: Evidence from a Decomposition of Market-to-Book Ratios

Michael G. Hertzel and Zhi Li

Seasonality in the Cross-Section of Stock Returns: The International Evidence

Steven L. Heston and Ronnie Sadka

How Did Japanese Investments Influence International Art Prices?

Takato Hiraki, Akitoshi Ito, Darius A. Spieth, and Naoya Takezawa

Predicting Global Stock Returns

Erik Hjalmarsson

Market Feedback and Equity Issuance: Evidence from Repeat Equity Issues

Armen Hovakimian and Irena Hutton

The Sensitivity of American Options to Suboptimal Exercise Strategies

Alfredo Ibáñez and Ioannis Paraskevopoulos

Forecasting Volatility Using Long Memory and Comovements: An Application to

Option Valuation under SFAS 123R

George J. Jiang and Yisong S. Tian

Stock Option Repricing and Its Alternatives: An Empirical Examination

Swaminathan Kalpathy

A Longer Look at the Asymmetric Dependence between Hedge Funds and the Equity Market

Byoung Uk Kang, Francis In, Gunky Kim, and Tong Suk Kim

Exploitable Predictable Irrationality: The FIFA World Cup Effect on the U.S. Stock Market

Guy Kaplanski and Haim Levy

Prospect Theory and the Disposition Effect

Markku Kaustia

Do Firms Target Credit Ratings or Leverage Levels?

Darren J. Kisgen

A Portfolio Optimality Test Based on the First-Order Stochastic Dominance Criterion

Milos Kopa and G. Thierry Post

Hard-to-Value Stocks, Behavioral Biases, and Informed Trading

Alok Kumar

The Response of Corporate Financing and Investment to Changes in the Supply of Credit

Michael L. Lemmon and Michael R. Roberts

Debt Capacity and Tests of Capital Structure Theories

Michael L. Lemmon and Jaime F. Zender

Why are Derivative Warrants More Expensive than Options? An Empirical Study

Gang Li and Chu Zhang

Heterogeneity and Volatility Puzzles in International Finance

Tao Li and Mark L. Muzere

Predicting Hedge Fund Failure: A Comparison of Risk Measures

Bing Liang and Hyuna Park

Information, Expected Utility, and Portfolio Choice

Jun Liu, Ehud Peleg, and Avanidhar Subrahmanyam

Multiple Risky Assets, Transaction Costs, and Return Predictability: Allocation Rules and Implications for U.S. Investors

Anthony W. Lynch and Sinan Tan

Trading Volume in Dealer Markets

Katya Malinova and Andreas Park

Idiosyncratic Risk, Long-Term Reversal, and Momentum

R. David McLean

Why Do Firms with Diversification Discounts Have Higher Expected Returns?

Todd Mitton and Keith Vorkink

Level Dependent Annuities: Defaults of Multiple Degrees

Aksel Mjøs and Svein-Arne Persson

(continued on next page)

Forthcoming Articles (continued)

Pricing American Options under the Constant Elasticity of Variance Model and Subject to Bankruptcy

João Pedro Vidal Nunes

Stock Returns and the Volatility of Liquidity

João Pedro Pereira and Harold H. Zhang

Why Do Demand Curves for Stocks Slope Down?

Antti Petajisto

Fund Flow Volatility and Performance

David Rakowski

Nonparametric Estimation of the Short Rate Diffusion Process from a Panel of Yields

Abdoul G. Sam and George J. Jiang

The Economic Role of Jumps and Recovery Rates in the Market for Corporate Default Risk

Paul Schneider, Leopold Sogner, and Tanja Veza

Rational Cross-Sectional Differences in Market Efficiency: Evidence from Mutual Fund Returns

Paul Schultz

Conflicts of Interest in the Stock Recommendations of Investment Banks and Their Determinants

Chung-Hua Shen and Hsiang-Lin Chih

An Epidemic Model of Investor Behavior

Sophie Shive

Asset Liquidity and Capital Structure

Valeriy Sibilkov

Cross-Sectional Return Dispersion and Time-Variation in Value and Momentum Premia

Chris Stivers and Licheng Sun

Fixed-Strike European Arithmetic Asian Options

Wai-Man Tse, Eric C. Chang, and Henry M. K. Mok

Incorporating Economic Objectives into Bayesian Priors: Portfolio Choice under Parameter Uncertainty

Jun Tu and Guofu Zhou

Asset Substitution and Structured Financing

Joel M. Vanden

Heterogeneous Beliefs and Momentum Profits

Michela Verardo

What Does the Individual Option Volatility Smirk Tell Us about Future Equity Returns?

Yuhang Xing, Xiaoyan Zhang, and Rui Zhao

A Reexamination of the Causes of Time-Varying Stock Return Volatilities

Chu Zhang

JFQA Style Requirements

Submit manuscripts online at www.jfqa.org. Manuscripts must be double-spaced and single-sided on 8.5" × 11" paper. 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. 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 from the author. 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 totals 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:

Brown, S., and J. Warner. "Using Daily Stock Returns: The Case of Event Studies." *Journal of Financial Economics*, 14 (1985), 1–31.

Ross, S. A. "Return Risk and Arbitrage." In *Risk and Return in Finance*, Vol. I, I. Friend and J. L. Bicksler, eds. Cambridge, MA: Ballinger (1977).

Titman, S.; K. C. Wei; and F. Xie. "Capital Investments and Stock Returns." *Journal of Financial and Quantitative Analysis*, 39 (2004), 677–700.

Cambridge Journals Online
For further information about this journal please
go to the journal website at:
journals.cambridge.org/jfq

CAMBRIDGE
UNIVERSITY PRESS