

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.

Forthcoming Articles

Endogenous Labor/Leisure/Investment Choice under Time Constraints

Dong-Hyun Ahn and Sun-Joong Yoon

Do Pension-Related Business Ties Influence Mutual Fund Proxy Voting? Evidence from Shareholder Proposals on Executive Compensation

Rasha Ashraf, Narayanan Jayaraman, and Harley E. Ryan, Jr.

Firm Innovation in Emerging Markets: The Role of Finance, Governance, and Competition

Meghana Ayyagari, Asli Demirgüç-Kunt, and Vojislav Maksimovic

Bank Loans with Chinese Characteristics: Some Evidence on Inside Debt in a State-Controlled Banking System

Warren Bailey, Wei Huang, and Zhishu Yang

Rights Offerings, Subscription Period, Shareholder Takeup, and Liquidity

Balasingham Balachandran, Robert Faff, Michael Theobald, and Tony van Zijl

Irrational Diversification: An Examination of Individual Portfolio Choice

Guido Baltussen and Gerrit T. Post

Do Investors See through Mistakes in Reported Earnings?

Katsiaryna Salavei Bardos, Joseph Golec, and John P. Harding

The Effects of Derivatives on Firm Risk and Value

Söhnke M. Bartram, Gregory W. Brown, and Jennifer Conrad

IPOs versus Acquisitions and the Valuation Premium Puzzle: A Theory of Exit Choice by Entrepreneurs and Venture Capitalists

Onur Bayar and Thomas J. Chemmanur

Sources of Gains in Corporate Mergers: Refined Tests from a Neglected Industry

David A. Becher, J. Harold Mulherin, and Ralph A. Walking

Estimating the Effects of Large Shareholders Using a Geographic Instrument

Bo Becker, Henrik Cronqvist, and Rüdiger Fahlenbrach

Paying Attention: Overnight Returns and the Hidden Cost of Buying at the Open

Henk Berkman, Paul D. Koch, Laura Tuttle, and Ying Zhang

Manager Characteristics and Capital Structure: Theory and Evidence

Sanjai Bhagat, Brian Bolton, and Ajay Subramanian

Repurchases, Reputation, and Returns

Alice Adams Bonaimé

Pricing Two Heterogeneous Trees

Nicole Branger, Christian Schlag, and Lue Wu

The Desire to Acquire and IPO Long-Run Underperformance

James C. Brau, Robert B. Couch, and Ninon K. Sutton

Creditor Coordination, Liquidation Timing, and Debt Valuation

Max Bruche

IPO Timing, Buyout Sponsors' Exit Strategies, and Firm Performance of RLBOs

Jerry X. Cao

Clean Sweep: Informed Trading through Intermarket Sweep Orders

Sugato Chakravarty, Pankaj Jain, James Upson, and Robert Wood

Dividend Increases and Initiations and Default Risk in Equity Returns

Andreas Charitou, Neophytos Lambertides, and Giorgos Theodoulou

Idiosyncratic Return Volatility and the Information Quality Underlying Managerial Discretion

Changling Chen, Alan Guoming Huang, and Ranjini Jha

Derivatives Use and Risk Taking: Evidence from the Hedge Fund Industry

Yong Chen

Sell-Side Information Production in Financial Markets

Zhaohui Chen and William J. Wilhelm, Jr.

The Two Sides of Derivatives Usage: Hedging and Speculating with Interest Rate Swaps

Sergey Chernenko and Michael Faulkender

(continued on next page)

Forthcoming Articles (continued)

The Determinants of Operational Risk in U.S. Financial Institutions

Anna Chernobai, Philippe Jorion, and Fan Yu

The Time-Varying Systematic Risk of Carry Trade Strategies

Charlotte Christiansen, Angelo Ranaldo, and Paul Söderlind

The Prevalence of the Disposition Effect in Mutual Funds' Trades

Gjergji Cici

The Performance of Corporate-Bond Mutual Funds: Evidence Based on Security-Level Holdings

Gjergji Cici and Scott Gibson

Why Do Traders Choose to Trade Anonymously?

Carole Comerton-Forde, Talis J. Putnins, and Kar Mei Tang

Where Did All the Dollars Go? The Effect of Cash Flows on Capital and Asset Structure

Sudipto Dasgupta, Thomas H. Noe, and Zhen Wang

An Extended Macro-Finance Model with Financial Factors

Hans Dewachter and Leonardo Iania

A New Method to Estimate Risk and Return of Non-Traded Assets from Cash Flows:

The Case of Private Equity Funds

Joost Driessen, Tse-Chun Lin, and Ludovic Phalippou

Margins and Hedge Fund Contagion

Evan Dudley and Mahendrarajah Nimalendran

The Log-Linear Return Approximation, Bubbles, and Predictability

Tom Engsted, Thomas Q. Pedersen, and Carsten Tanggaard

An International Comparison of Capital Structure and Debt Maturity Choices

Joseph P. H. Fan, Sheridan Titman, and Garry Twite

Demographic Trends, the Dividend-Price Ratio, and the Predictability of Long-Run Stock Market Returns

Carlo A. Favero, Arie E. Gozluklu, and Andrea Tamoni

Leverage Expectations and Bond Credit Spreads

Mark J. Flannery, Stanislava (Stas) Nikolova, and Özde Öztekin

Loss Allocation in Securitization Transactions

Günter Franke, Markus Herrmann, and Thomas Weber

Heterogeneous Beliefs and Risk Neutral Skewness

Geoffrey C. Friesen, Yi Zhang, and Thomas S. Zorn

Purchasing IPOs with Commissions

Michael A. Goldstein, Paul Irvine, and Andy Puckett

The Cross Section of Expected Returns with MIDAS Betas

Mariano González, Juan Nave, and Gonzalo Rubio

Asset Liquidity and Stock Liquidity

Radhakrishnan Gopalan, Ohad Kadan, and Mikhail Pevzner

Why Do Firms Form New Banking Relationships?

Radhakrishnan Gopalan, Gregory F. Udell, and Vijay Yerramilli

Financial Strength and Product Market Competition: Evidence from Asbestos Litigation

Charles J. Hadlock and Ramana Sonti

The Performance of Investment Bank Affiliated Mutual Funds: Conflicts of Interest or Informational Advantage?

(Grace) Qing Hao and Xuemin (Sterling) Yan

Stocks, Bonds, and Long-Run Consumption Risks

Henrik Hasseltoft

The Dividend Initiation Decision of Newly Public Firms: Some Evidence on Signaling with Dividends

Jayant R. Kale, Omesh Kini, and Janet D. Payne

Term Structure Estimation with Survey Data on Interest Rate Forecasts

Don H. Kim and Athanasios Orphanides

It's All in the Timing: Simple Active Portfolio Strategies that Outperform Naïve Diversification

Chris Kirby and Barbara Ostdiek

(continued on next page)

Forthcoming Articles (continued)

Venture Capital Reputation, Post-IPO Performance, and Corporate Governance

C. N. V. Krishnan, Vladimir I. Ivanov, Ronald W. Masulis, and Ajai K. Singh

Large Foreign Ownership and Firm-Level Stock Return Volatility in Emerging Markets

Donghui Li, Quang N. Nguyen, Peter K. Pham, and Steven X. Wei

On the Scope and Drivers of the Asset Growth Effect

Marc L. Lipson, Sandra Mortal, and Michael J. Schill

Institutions and Corporate Investment: Evidence from Investment-Implied Return on Capital in China

Qiao Liu and Alan Siu

New Evidence on the Relation between the Enterprise Multiple and Average Stock Returns

Tim Loughran and Jay W. Wellman

A Theory of Merger-Driven IPOs

Evgeny Lyandres, Alexei Zhdanov, and Jim Hsieh

Creditor-Focused Corporate Governance: Evidence from Mergers and Acquisitions in Japan

Vikas Mehrotra, Dimitri van Schaik, Jaap Spronk, and Onno Steenbeek

Customer Order Flow, Intermediaries, and Discovery of the Equilibrium Risk-Free Rate

Albert J. Menkveld, Asani Sarkar, and Michel van der Wel

Inefficient Labor or Inefficient Capital? Corporate Diversification and Productivity around the World

Todd Mitton

Governance Problems in Closely Held Corporations

Venky Nagar, Kathy Petroni, and Daniel Wolfenzon

Risk-Return Tradeoff in U.S. Stock Returns over the Business Cycle

Henri Nyberg

Survival of Overconfidence in Currency Markets

Thomas Oberlechner and Carol Osler

Corporate Governance and Innovation

Matthew O'Connor and Matthew Rafferty

Long-Term Effects of a Financial Crisis: Evidence from Cash Holdings of East Asian Firms

Kyojik (Roy) Song and Youngjoo Lee

Are CFOs' Trades More Informative than CEOs' Trades?

Weimin Wang, Yong-Chul Shin, and Bill B. Francis

Equity Mispricing and Leverage Adjustment Costs

Richard S. Warr, William B. Elliott, Johanna Koëter-Kant, and Özde Öztekin

The Value of Active Investing: Can Active Institutional Investors Remove Excess

Comovement of Stock Returns?

Pengfei Ye

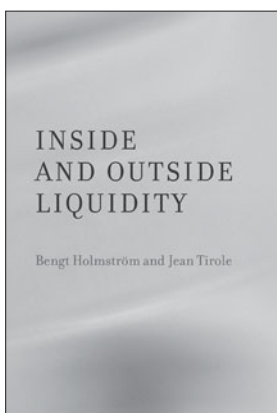
Corporate Lobbying and Fraud Detection

Frank Yu and Xiaoyun Yu

Volatility Trading: What Is the Role of the Long-Run Volatility Component?

Guofu Zhou and Yingzi Zhu

 The MIT Press



Inside and Outside Liquidity

Bengt Holmström and Jean Tirole

"This is a very insightful book on a difficult and poorly understood topic at the center of the current financial crisis. It benefits from a unified approach, based on incentive theory, which delivers a coherent perspective on the elusive concept of liquidity."

— Xavier Vives, University of Navarra

224 pp., 21 illus., \$35 cloth

New Directions in Financial Services Regulation

edited by Roger B. Porter, Robert R. Glauber, and Thomas J. Healey

Prominent policy makers, practitioners, and scholars discuss regulatory reform in the aftermath of the financial crisis of 2008.

272 pp., 3 illus., \$35 cloth

To order call 800-405-1619 • <http://mitpress.mit.edu> • Visit our e-books store: <http://mitpress-ebooks.mit.edu>

CAMBRIDGE

Fantastic Titles *from* Cambridge!

TEXTBOOK

Second Edition

General Equilibrium Theory

An Introduction

Ross M. Starr

\$120.00: Hb: 978-0-521-82645-7
\$44.99: Pb: 978-0-521-53386-7:
360 pp.

Introduction to Computable General Equilibrium Models

Mary E. Burfisher

\$110.00: Hb: 978-0-521-76696-8
\$45.00: Pb: 978-0-521-13977-9:
368 pp.

Economic Foundations of Symmetric Programming

Quirino Paris

\$125.00: Hb: 978-0-521-19472-3
\$59.00: Pb: 978-0-521-12302-0:
568 pp.

Finitary Probabilistic Methods in Econophysics

Ubaldo Garibaldi
and Enrico Scalas

\$75.00: Hb: 978-0-521-51559-7:
342 pp.

Prices subject to change.

Third Edition

An Elementary Introduction to Mathematical Finance

Sheldon M. Ross

\$60.00: Hb: 978-0-521-19253-8:
328 pp.

Eighth Edition

Entertainment Industry Economics

A Guide for Financial Analysis

Harold L. Vogel

\$60.00: Hb: 978-1-107-00309-5:
680 pp.

Public-Private Partnership Projects in Infrastructure

An Essential Guide for Policy Makers

Jeffrey Delmon

\$85.00: Hb: 978-0-521-76396-7
\$27.99: Pb: 978-0-521-15228-0:
256 pp.

TEXTBOOK

Third Edition

Modeling Monetary Economies

Bruce Champ,
Scott Freeman,
and Joseph Haslag

\$125.00: Hb: 978-1-107-00349-1
\$49.00: Pb: 978-0-521-17700-9:
360 pp.

TEXTBOOK

Second Edition

Macroeconomics in Emerging Markets

Peter J. Montiel

\$225.00: Hb: 978-0-521-51472-9
\$90.00: Pb: 978-0-521-73304-5:
784 pp.

Macroeconomic Performance in a Globalising Economy

Edited by

Robert Anderton
and Geoff Kenny

\$99.00: Hb: 978-0-521-11669-5:
298 pp.

Debt-for-Development Exchanges

The Origins of a Financial Technique

Edited by Ross P. Buckley

\$90.00: Hb: 978-1-107-00942-4:
340 pp.

NEW IN PAPERBACK!

Reforming the World Bank

Twenty Years of Trial - and Error

David A. Phillips

\$29.99: Pb: 978-0-521-17477-0:
342 pp.

Central Banking in the Twentieth Century

John Singleton

\$99.00: Hb: 978-0-521-89909-3:
350 pp.

www.cambridge.org/us
800.872.7423



CAMBRIDGE
UNIVERSITY PRESS

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

CAMBRIDGE
UNIVERSITY PRESS