

Forthcoming Articles

Probability Judgment Error and Speculation in Laboratory Asset Market Bubbles

Lucy F. Ackert, Narat Charupat, Richard Deaves, and Brian D. Kluger

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

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

The Role of the Media in the Internet IPO Bubble

Utpal Bhattacharya, Neal Galpin, Rina Ray, and Xiaoyun Yu

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

Menachem Brenner, Paolo Pasquariello, and Marti Subrahmanyam

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

Does Skin in the Game Matter? Director Incentives and Governance in the Mutual Fund Industry

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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 Hvidkjaer, 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 Eglhoff, Markus Leippold, and Liuren Wu

Sudden Deaths: Taking Stock of Geographic Ties

Mara Faccio and David C. Parsley

How Does Liquidity Affect Government Bond Yields?

Carlo Favero, Marco Pagano, and Ernst-Ludwig von Thadden

Institutional versus Individual Investment in IPOs: The Importance of Firm Fundamentals

Laura Casares Field and Michelle Lowry

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, Iftexhar 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

Dynamic Factors and Asset Pricing

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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

Testing for the Elasticity of Corporate Yield Spreads

Gady Jacoby, Rose C. Liao, and Jonathan A. Batten

Forecasting Volatility Using Long Memory and Comovements: An Application to Option Valuation under SFAS 123R

George J. Jiang and Yisong S. Tian

Managers' and Investors' Responses to Media Exposure of Board Ineffectiveness

Jennifer R. Joe, Henock Louis, and Dahlia Robinson

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

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Do Firms Target Credit Ratings or Leverage Levels?

Darren J. Kisgen

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

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Dynamic Style Preferences of Individual Investors and Stock Returns

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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

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Debt Capacity and Tests of Capital Structure Theories

Michael L. Lemmon and Jaime F. Zender

Heterogeneity and Volatility Puzzles in International Finance

Tao Li and Mark L. Muzere

Predicting Hedge Fund Failure: A Comparison of Risk Measures

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Information, Expected Utility, and Portfolio Choice

Jun Liu, Ehud Peleg, and Avaniidhar Subrahmanyam

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

Anthony W. Lynch and Sinan Tan

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R. David McLean

Level Dependent Annuities: Defaults of Multiple Degrees

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

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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 Sögner, 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

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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

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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.

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