



KOREA AMERICA
FINANCE ASSOCIATION

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

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No.1

President's Message

Dear Kafa Members, Friends, and Supporters:

I hope everyone has a productive winter season. I am happy to see that the spring is finally here.

Last year, Professor Bong-Soo Lee, Florida State University, received the Kafa Financial News Eminent Scholar Award and Kuan-Hui Lee, Seoul National University, received Shinhan Bank Young Scholar Award. Professors Bong-Soo Lee and Kuan-Hui Lee graciously donated the full amount of their award money to Kafa. I am very grateful for their generosity. I also gratefully acknowledge a donation from Professor Suk Heun Yoon, Soongsil University.

The executive office members have been working hard to obtain new funds for Kafa, and I am pleased to announce that Samsung America has donated \$10,000 to Kafa in February 2013 to promote Kafa's research activities. I greatly appreciate Samsung America's generosity. The executive office members will continue their efforts to secure additional funding.

I'd like to thank Professors Sung Chul Bae (outgoing president) and Soku Byoun (secretary-general) for their outstanding service and leadership for the Kafa. I welcome Kafa's new Executive Office members: President-Elect Prof. Kee-Hong Bae, Secretary-General Prof. Soku Byoun (returning), Treasurer Prof. Jang-Chul Kim (returning), Vice President (Kafa Korea) Prof. Kyosik "Roy" Song (returning), and Secretary-General Kafa Korea Prof. Joonghyuk Kim (returning).

As we had done in previous years, Kafa successfully offered two Kafa-FMA sessions at the FMA meetings in Atlanta last October. The sessions titled "Korean financial markets after the global financial crisis" and "Recent developments in pacific-basin markets" were very informative and well attended.

During the last year's Annual Business Meeting in Atlanta, Kafa also presented several awards to recognize Kafa members' outstanding scholarly achievements. These awards include the Financial News (FN)-Kafa Eminent Scholar Award, Shinhan Bank (SHB)-Kafa Young Scholar Award, SHB-Kafa Best Paper Awards, FN-Kafa Top Journal Paper Awards, and FN-Kafa Doctoral Student Dissertation Awards. In addition, Kafa provided SHB-Kafa doctoral student research support to seven doctoral students.

On behalf of KAFA, I congratulate all award recipients once again and greatly appreciate Financial News and Shinhan Bank for their generous financial support for KAFA awards. I also appreciate generous support from Korea Capital Market Institute (KCMI) and Korea Institute of Finance (KIF) for KAFA.

To continue this tradition, KAFA is soliciting papers for awards and for the joint international conferences with our Korean partners--the KAFA-Allied Korean Financial Associations--and the KAFA-KIF joint symposium this May. You will find details on the KAFA awards and the joint conferences in this Newsletter. As done in previous years, KAFA will provide a research support to presenters of papers.

KAFA has witnessed an impressive growth over the past twenty years with your strong support and active participation in various KAFA activities. As we now enter into a new era for the next twenty years, I am very positive that KAFA will continue to play an important role in promoting and accomplishing our individual professional goals "together". I hope you all continue to join in this endeavor.

With Warmest Regards,
Youngsoo Kim
2013 KAFA President
University of Regina

I. Recent KAFA Activities

1. Two KAFA-FMA special sessions at the 2012 FMA annual meeting in Atlanta, GA

We appreciate great attendance in two special sessions at 2012 FMA meeting in Atlanta, GA.

➤ ***Korean Financial Markets after the Global Financial Crises Friday, October 19 8:30 - 10:00 am***

Moderator: Youngsoo Kim, University of Regina

Panelists

- Suk Heun Yoon, Soongsil University, "Korean Financial Sector in the Post-Crisis Era"
- Taehoon Yoon, Korea Institute of Finance, "The aftermath of global crises on the evolutionary path of Korean financial market"

➤ ***Recent developments in Pacific-Basin markets Friday, October 19 10:15 - 11:45 am***

Moderator: Sung C. Bae, Professor, Bowling Green State University

Panelists

- Edward Nelling, Drexel University, "Dynamic herding behavior in Pacific-Basin markets: Evidence and implications"
- Akitoshi Ito, Hitotsubashi University, "Empirical Examinations of the Relationship between Intangible Assets and Dividend Policies: Evidence from Japanese Firms"

- Sun-Wung Hwang, Chung-Ang University, “Do Liquidity Premiums Matter in Pricing Corporate Bonds? The Case of Korea”

2. Joint Seminar with Korea Capital Market Institute (KCMI) in Seoul, Korea on December 6, 2012

- Bong-Soo Lee, Information Asymmetry and the Timing of Capital Issuance: An International Examination.
- Soku Byoun, Corporate Cash Holdings and Capital Structures over the Financial Flexibility Demand Cycle.
- Yong-Cheol Kim, Bank Concentration and Moral Hazard.

3. The Seventh International Conference on Asia-Pacific Financial Markets (CAFPM 2012) held by Korean Securities Association (KSA) in Seoul, Korea on Saturday, December 8, 2012

In addition to many independent participants of KAFA members, the following members presented their papers selected by the KAFA review committee:

- Young S. Kim, Credit rating changes and earnings management.
- Kang H. Park, Testing for Competition in the South Korean and Chinese Commercial Banking Markets.
- Soku Byoun, Why Do Some Firms Go Debt-Free?
- Yong-Cheol Kim, Weak firms follow Strong firms in Hot IPO Markets.

II. Call for Papers for Year 2013

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

The annual joint conference with the KIF and the KAFA will be held as a one-day conference. The date is June 3, 2013. While the main theme for this year’s conference is on the New Development in Global Banking and Financial System, papers dealing with general issues in financial/capital markets and related issues are also welcome.

- ✓ Conference date: June 3, 2013 (to be confirmed)
- ✓ Submission deadline: April 2, 2013
- ✓ Notification of the accepted papers: April 20, 2013
- ✓ Submit papers to: Professor Kee-Hong Bae, President-Elect, khbae@rogers.com
- ✓ We expect 2 papers to be accepted for the presentation. KIF will provide research supports for the selected papers for presentation.
- ✓ *Note: When you submit your paper, please indicate the conference of your choice (e.g., KAFA joint conference with KIF).*

2. Call for papers for the Joint Conference with Allied Korea Finance Associations (KFAs)

As in previous years, we expect to be part of the 2013 joint conference with Korean counterparts (KFAs) on May 31-June 1, 2013 at Kookmin Bank HRD Institute in Chonan. In

anticipation of this conference, the KAFAs would like to announce a call for papers.

- ✓ Topics: Any finance area
- ✓ Submission deadline: April 2, 2013
- ✓ Notification of the accepted papers: April 20, 2013 (expect to be 5-6 papers)
- ✓ Submit papers to: Professor Kee-Hong Bae, President-Elect, khbae@rogers.com
- ✓ KAFAs and KFAs will provide research supports for all selected papers for presentation.
- ✓ KAFAs 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 KFAs).*

III. KAFAs Awards

The 2013 Eminent Scholar Award and the 2013 Young Scholar Award will be nominated and selected by the KAFAs Award Nomination Committee. Also, we will continue on the Financial News and Shinhan Bank Best Paper Awards. The detailed information for each award and necessary documentations are as follows.

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 Kafa annual meeting and expected to organize a Kafa's FMA panel sessions together with Kafa president-elect in the following year.

Monetary Award

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

* Two former Kafa presidents and no more than two past awardees will serve as members of the Committee.

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.

* Two former KAFA presidents and no more than two past awardees will serve as members of the Committee.

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 2012 through August 2013, 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 2013 FMA Meetings.

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 2013 FMA Meetings.

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 2013 FMA Meetings.

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

Ph.D. students, who present a paper at the annual 2013 FMA meeting, will be awarded a cash grant of \$500 for research support. Please submit your information including name, affiliation, and accepted paper to secretary general by Aug 15, 2013. (soku_byoun@baylor.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 15, 2013
- ✓ Submit materials to: Professor Youngsoo Kim, President, ykim39@gmail.com
- ✓ All award winners should attend the annual meeting to receive monetary awards.

IV. Member News

1. Publication

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 year 2013 are listed here.

- Sahn-Wook Huh with Michael Brennan, and Avanidhar Subrahmanyam, “An Analysis of the Amihud Illiquidity Premium,” *Review of Asset Pricing Studies*, Forthcoming.
- Sahn-Wook Huh, “Price Impact and Asset Pricing,” *Journal of Financial Markets*, Forthcoming.
- Dongcheol Kim, 2013 "Modern Portfolio Theory - Foundations, Analysis, and New Development" By Wiley and Sons (New York) (co-authored with Jack Clark Francis). This book is an advanced investment analysis book and may be appropriate for the 1st year of graduate students in MS and PhD or for senior MBA concentrated on finance.
- Woojin Kim, Woochan Kim and Hyung-Seok Kim, 2013, Death Spiral Issues in Emerging Market: A Control Related Perspective”, *Pacific-Basin Finance Journal*, Vol 22, p.14-36.
- Woojin Kim, Chan-Shik Jung and Dong Wook Lee, 2013, “Short Selling by Individual Investors: Destabilizing or Price Discovering?” *Pacific-Basin Finance Journal*, Vol 21 Issue 1, p.1232-1248.
- Woojin Kim, Jaiho Chung, Hyungseok Kim, and Yong Keun Yoo, Sep/Oct 2012, “Effects of Disclosure Quality on Market Mispricing: Evidence from Derivative Related Loss Announcement” *Journal of Business Finance and Accounting*, Vol 39 No. 7 & 8, p. 936-959.
- Woojin Kim, 2013, “Differences in Ownership Structures Across Countries”, Chapter 27, In H. Kent Baker and Leigh A. Riddick, *International Finance A Survey*. Oxford University Press.
- Hyuna Park, Onshore and Offshore Hedge Funds: Are They Twins?” with George Aragon and Bing Liang, *Management Science*, forthcoming.
- Yang-Ho Park with Garland Durham, 2013, “Beyond Stochastic Volatility and Jumps in Returns and Volatility,” *Journal of Business and Economic Statistics*, Vol. 31, No. 1.
- Unyong (Howard) Pyo with Yong Jae Shin, “Momentum Profits and Idiosyncratic Volatility: The Korean Evidence”, *Review of Accounting and Finance*, Forthcoming
- Unyong (Howard) Pyo with Yong Jae Shin and Howard E. Thompson, “Reducing Agency Conflicts with Target Debt Ratios”, *Journal of Economics and Finance*, Forthcoming.
- Chong Soo Pyun: An article, “Linking the Missing Market: The Effect of Bond Markets on Economic Growth,” coauthored with Patara Thumrongvit and Yoonbai Kim, has been accepted for publication by *International Review of Economics and Finance*.

3. New Position/ Promotion/ Awards

➤ Professorship: Award & Recognition:

- Prof. Woojin Kim has been promoted to Associate Professor at Seoul National University as of March 1.

V. Other Announcement

1. KAFA website (www.k-afa.org) will be updated including KAFA news, membership, and members’ activities. Please be patient with the update as we are in transition. Also, please give your suggestions or comments to the Secretary General (kafa1991@gmail.com).

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

KAFA Officers and Executive Board 2013

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| ▪ President | Youngsoo Kim, University of Regina |
| ▪ President-Elect | Kee-Hong Bae, York University |
| ▪ Vice President | Kyojik “Roy” Song, Sungkyungkwan University |
| ▪ Secretary General | Soku Byoun, Baylor University |
| ▪ Secretary General KAFA Korea | Joonghyuk Kim, Korea Univesity |
| ▪ Treasurer | Jang-Chul Kim, Northern Kentucky University |
| ▪ Executive Board | Sahn Wook Huh (2015), SUNY Buffalo
Jin-Mo Kim (2015), Rutgers University
Ha-Chin Yi (2015), Texas State University
Kenneth Kim (2015), SUNY Buffalo
Dong-Kyoon Kim (2013), Montclair State University
Tai Yi (2013), SUNY Fredonia |
| ▪ Advisory Board | All previous presidents |

