



KOREA AMERICA
FINANCE ASSOCIATION

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

Vol. XVI

March 2012

No.1

President's Message

Dear Kafa Members, Friends, and Supporters:

I hope everyone has a productive winter season. I am sure the spring is around the corner.

Hooray, we finally have our official logo of Kafa! Our special thanks go to Prof. Moon H. Song (San Diego State) and a professional logo designer for their invaluable and generous efforts. You will see more stories about the Kafa logo later on this Newsletter.

First of all, I'd like to thank Professors Jun-Koo Kang and Young Sang Kim for their outstanding service and leadership for the Kafa, particularly, the successful completion of the historic 20th Anniversary of Kafa International Conference (jointly with KCMI) in Seoul last summer. It was a wonderful opportunity to showcase the Kafa's strong presence and contribution to the development of the finance discipline in both academic and professional worlds.

I'd also like to take this opportunity to welcome Kafa's new Executive Office members, President-Elect Prof. Youngsoo Kim, Secretary-General Prof. Soku Byoun, Treasurer Prof. Jang-Chul Kim (returning), Vice President (Kafa Korea) Prof. Kyosik "Roy" Song (promoted and returning), and Secretary-General Kafa Korea Prof. Joong-hyuk Kim.

As we had done in previous years, Kafa successfully offered two Kafa-FMA sessions at the FMA meetings in Denver last October. In the first session titled "Developments of Korean Financial Markets" moderated by myself, Professors Kyhyong Kim (Chung-Ang Univ.) and Kyung S. Park (Korea Univ.), and Dr. Gilnam Nam (KCMI) presented papers. In the second session titled "Current Issues in Asian Financial Markets" moderated by Prof. Jun-Koo Kang, Professors David K. Ding (Massey Univ.), Dongcheol Kim (Korea Univ.), and Kenneth Kim (SUNY-Buffalo) presented papers. Both sessions were very informative and well attended.

During the last year's Annual Business Meeting in Denver, Kafa also presented several awards to recognize Kafa members' outstanding scholarly achievements. These awards include the two newly-developed 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 travel 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.

To continue this tradition, KAFA is soliciting papers for awards and the joint conferences with our Korean partners--the KAFA-Allied Korean Financial Associations joint international conference and the KAFA-KIF joint symposium this May. You will find more detailed information about the KAFA awards and the joint conferences in this Newsletter. As done in previous years, KAFA presenters of selected papers will be provided travel support.

Our association 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". The new KAFA logo signifies the new coming era of KAFA. I hope you all continue to join in this endeavor.

With Warmest Regards,

Sung Chul Bae
2012 KAFA President
Bowling Green State University

I. Recent KAFA Activities

1. Two KAFA-FMA special sessions at the 2011 FMA annual meeting in Denver, CO

We appreciate great attendance in two special sessions at 2011 FMA meeting in Denver, CO.

➤ **Developments of Korean Financial Markets**

Friday, October 21 8:30 - 10:00 am, Columbine Room, Tower Building, Terrace Level

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

Panelists

- Kyhyong Kim, Chung-Ang University, "Volatility Forecasts, Trading Volume, and the ARCH versus Option Implied Volatility Trade-off in Korean Stock Market"
- Kyung S. Park, Korea University, "How Does Market Competition Interact with Internal Corporate Governance? Evidence from the Korean Economy"
- Gilnam Nam, Korea Capital Market Institute, "Recent Developments in the Korean Derivatives Market"

➤ **Current Issues in Asian Financial Markets**

Friday, October 21 10:15 - 11:45 am, Columbine Room, Tower Building, Terrace Level

Moderator: Jun-Koo Kang, Professor, Nanyang Technological University

Panelists

- David K. Ding, Massey University, “The Price Discovery Puzzle in Offshore Yuan Trading: Different Contributions for Different Contracts”
- Dongcheol Kim, Korea University, “Evaluating Asset Pricing Models in the Korean Stock Market”
- Kenneth Kim, SUNY at Buffalo, “Reconsidering Price Limit Effectiveness: Evidence from China”

2. The Sixth International Conference on Asia-Pacific Financial Markets (CAFM 2011) held by Korean Securities Association (KSA) in Seoul, Korea on Saturday, December 3, 2011

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

- Byoun, Soku (Baylor Univ), “Information content of unsolicited ratings: Evidence from Japanese firms,” coauthored with Yoon S. Shin (Loyola Univ).
- Peter Chung (Univ of California Riverside), “Asymmetric price distribution and bid-ask quotes in the stock options market,” coauthored with Kalok Chan.
- Young Sang Kim (Northern Kentucky Univ.), “Corporate governance and diversification,” coauthored with Kimberly C. Gleason (Univ. of Pittsburgh), Inho Kim (Univ. of Cincinnati), and Yong H. Kim (Univ. of Cincinnati).

II. Call for Papers for Year 2012

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 expected to be fixed by March 20, 2012 on either 29th or 31st of May 2012. 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: To be determined as either on **May 29, 2011** (Tuesday) or **May 31, 2011** (Thursday).
- ✓ Submission deadline: April 2, 2012
- ✓ Notification of the accepted papers: April 20, 2012
- ✓ Submit papers to: Professor Youngsoo Kim, President-Elect, Youngsoo.Kim@uregina.ca
- ✓ We expect 2 papers to be accepted for the presentation. KIF will provide financial travel 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 2012 joint conference with Korean counterparts (KFAs) in May 25-26, 2012 at Kookmin Bank HRD Institute in Chonan. In anticipation of this conference, the KAFA would like to announce a call for papers.

- ✓ Topics: Any finance area
- ✓ Submission deadline: April 2, 2012
- ✓ Notification of the accepted papers: April 20, 2012 (expect to be 5-6 papers)
- ✓ Submit papers to: Professor Youngsoo Kim, President-Elect, Youngsoo.Kim@uregina.ca
- ✓ KAFA and KFAs will provide financial supports for all selected papers for presentation.
- ✓ KAFA members presenting papers will be assigned to discuss other papers.
- ✓ We strongly encourage all KAFA 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., KAFA joint conference with KFAs).*

III. KAFA Awards

The 2012 Eminent Scholar Award and the 2012 Young Scholar Award will be nominated and selected by the KAFA 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-KAFA Eminent Scholar Award

Selection Criteria

The FN-KAFA Eminent Scholar Award is given to a KAFA 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 “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 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 KAFAs annual meeting and expected to organize a KAFAs FMA panel sessions together with KAFAs president-elect in the following year.

Monetary Award

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

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

2. The SHB-KAFAs Young Scholar Award

Selection Criteria

The SHB-KAFAs Young Scholar Award is given to a KAFAs member who has demonstrated exemplary scholarly performance through publications in leading journals in finance and related fields. Those KAFAs 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 "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 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 KAFAs 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 2011 through August 2012, 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 2012 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 2012 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 2012 FMA Meetings.

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

Ph.D. students, who present a paper at the annual 2012 FMA meeting, will be awarded a cash grant of \$500 for travel support. Please submit your information including name, affiliation, and accepted paper to secretary general by Aug 31, 2012. (Soku Byoun, 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 31, 2012
 - ✓ Submit materials to: Professor Sung C. Bae, President, bae@bgsu.edu
 - ✓ All award winners should attend the annual meeting to receive monetary awards.
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IV. Member News

1. Publications

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 2012, and forthcoming are listed here.

- Byoun, Soku, Jaemin Kim, and Sean Sehyun Yoo, 2012, Risk Management with Leverage: Evidence from Project Finance, *Journal of Financial and Quantitative Analysis*, forthcoming
- Byoun, Soku and Yoon S. Shin, 2012, Information Content of Unsolicited Credit Ratings: Evidence from Japanese Firms, *Asia-Pacific Journal of Financial Studies* 41, 59-86.
- Choi, Paul Moon Sub, 2012, Does Information Vault Niagara Falls? Cross-listed Trading in New York and Toronto, with H. Chen (Xiamen Univ.), *Journal of Empirical Finance* 19, 175-199.
- Gleason, Kimberly C. (Univ. of Pittsburgh), Inho Kim, Yong H. Kim and Young S. Kim, 2012, Corporate Governance and Diversification, *Asia-Pacific Journal of Financial Studies* 41, 1-31.
- Song, Kyojik, 2012, The effects of the reporting of off-balance investments on EPS uncertainty, leverage, and shareholders' wealth, with A. Altintig (Chapman Univ.), J. Conover, and T. Mantecon (UNT), *Financial Management*, forthcoming
- Song, Kyojik, 2012, Chaebol- affiliated analysts: conflicts of interest and market responses, with A. Ayca (Chapman Univ.) and T. Mantecon (UNT), *Journal of Banking and Finance* 36, 584-596.
- Yi, Ha-Chin, 2012 The Determinants of Bank Loan Recovery Rates, with Khieu, Hinh and Mullineaux, Donald. J. *Journal of Banking and Finance*, 36, 923-933.

2. New Position/ Promotion/ Awards

➤ New Position:

- Sang Baum Kang, PhD candidate at McGill University, will start working as an assistant professor at Illinois Institute of Technology (IIT) in Fall 2012.

➤ Professorship: Award & Recognition:

- Professor Sung C. Bae at Bowling Green State University was reappointed to the Ashel G. Bryan/Huntington Bank Professorship for a three-year term starting Spring 2012.

V. Other Announcement

1. As you have noticed in this issue of KAFA newsletter, we have tentatively adopted its new logo. There were six logos suggested by a professional designer, a friend of Professor Moon H. Song at San Diego State University. Initially, all six logos were circulated among KAFA executive officers and the board of directors. The intention was to narrow the choice to two or three logos for which all KAFA members would vote. However, the officers and directors expressed overwhelming preference for the logo shown at the top of the current newsletter. In addition, after consulting with the designer, Professor Song suggested that we use all three

logos as they fit our various needs. The other two (shown below) are basically the same design. Thus, we will tentatively use all three. All six original designs will be posted in the Kafa website for your look. The official logo(s) of Kafa will be confirmed by the next Kafa newsletter after hearing members' comments/suggestions. Please let Prof. Bae or Prof. Byoun know your thoughts about the logo.



2. 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 on managing the website. If you need Kafa members list in excel, please contact the Secretary General (kafa1991@gmail.com).
3. 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.
4. 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 2012

<ul style="list-style-type: none"> ▪ President ▪ President-Elect ▪ Vice President ▪ Secretary General ▪ Secretary General Kafa Korea ▪ Treasurer ▪ Executive Board 	<p>Sung C. Bae, Bowling Green State University Youngsoo Kim, University of Regina Kyojik "Roy" Song, Sungkyungwan University Soku Byoun, Baylor University Joonghyuk Kim, Korea Univesity Jang-Chul Kim, Northern Kentucky University</p> <p>Sahn Wook Huh (2012), SUNY Buffalo Jin-Mo Kim (2012), Rutgers University Ha-Chin Yi (2012), Texas State University Dong-Kyoon Kim (2013), Montclair State University Tai Yi (2013), SUNY Fredonia</p>
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THE KOREA-AMERICA FINANCE ASSOCIATION (KAFA)

Renewal/Application for 2011-2012 Membership

Name: _____
Last First

Education:

Undergraduate _____
School Degree Year

Graduate _____
School Degree Year

Graduate _____
School Degree Year

Current Position:

Title: _____

Affiliation: _____

Address: _____
City State Zip

Office Phone:() _____ Fax:() _____

E-mail Address:

Home Address: _____
City State Zip

Home Phone: _____ Other Phone: _____

Fields of Specialization in Finance:

1. _____ 2. _____

Annual Membership Dues:

() \$30; Regular and Guest Member () \$20; Associate Member Ph.D Student

() \$300 Lifetime Member

<Please send the UPPER portion of this form and your check (payable to KAFA) to:

Dr. Jang-Chul Kim, Haile/US Bank College of Business, Northern Kentucky University, Highland Hts., KY 41099,
or fax it to (859) 572- 6627, phone: (859) 572-1486 or e-mail to "kafa1991@gmail.com">

<Keep this LOWER portion for your record.>

RECEIPT OF KAFA MEMBERSHIP DUES

I have paid KAFA annual membership dues for the year of 2011 - 2012 on _____:

() \$30; Regular and Guest Member () \$20; Associate Member

() \$300; Lifetime Member