



President's Message

Dear Kafa Members, Friends, and Supporters:

I am pleased to announce that Professor Kee-Hong Bae at York University has been selected as president-elect, who will join Professor Youngsoo Kim at University of Regina, our next president, to serve Kafa beginning this November. Also, please join me to welcome our re-elected Kafa board members, Professors Sahn Wook Huh at SUNY-Buffalo, Jin-Mo Kim at Rutgers University, and Ha-Chin Yi at Texas State University, and a newly elected board member, Professor Kenneth Kim at SUNY-Buffalo. We thank Professors Jun-Koo Kang (chair), Kee Ho Chung, Youngsoo Kim, and Young Sang Kim for serving on the nomination committee.

Thanks to the continued financial support from Financial News (FN) and Shinhan Bank (SHB), we continue to recognize Kafa members' outstanding scholarly achievements through various awards. You will find this year's winners for these awards later in this Kafa Newsletter. I would like to thank Professors Yong H. Kim at University of Cincinnati, Cheol S. Eun at Georgia Tech, and Jongmoo J. Choi at Temple University for serving on the Kafa Award Selection Committee for FN-Kafa Eminent Scholar Award and SHB-Kafa Young Scholar Award, and Professors Bong-Soo Lee at Florida State University, Kee Ho Chung at SUNY-Buffalo, and Youngsoo Kim for serving on the Kafa Award Selection Committee for FN-Kafa Top-Journal Paper Award, FN-Kafa Doctoral Student Dissertation Award, and SHB-Kafa Best Paper Award. On behalf of Kafa, I congratulate all award recipients.

For the coming events, Kafa continues to offer two Korean and Asian sessions at this year's FMA meetings on Friday morning organized by Professors Youngsoo Kim and Kyojik Song at Sungkyunkwan University (through Korea Securities Association) as well as annual Kafa business and dinner meetings on Friday evening. I encourage all Kafa members to attend the Kafa sessions and meetings. As always, our special thanks go to the Korea Institute of Finance (KIF) and the Korea Capital Market Institute (KcMI) for sponsoring the Kafa dinner meeting.

This December selected Kafa members will participate in the annual Conference on Asia-Pacific Financial Markets (CAFm) Conference and the newly-revived joint symposium with the KcMI in Seoul. We appreciate our members' continued interest and support for these collaborations with Korean partners.

Last but not the least, I would like to acknowledge the dedicated service of Professor Soku Byoun as Secretary General who accompanied me and Professor Youngsoo Kim to Korea this summer for the two joint conferences and fund raising activities and has arranged this year's annual business and dinner meetings in Atlanta as well as many other KAFA activities. His tireless efforts and dedication have made my role a lot smoother and easier. I am sure you can count on his continued excellent service to the KAFA in the coming years.

It's been my honor and fun to serve KAFA as president and I look forward to seeing you all in Atlanta.

With Warmest Regards,

Sung C. Bae
2012 KAFA President
Bowling Green State University

I. Recent KAFA Activities

1.1. The Joint Conference with Allied Korea Finance Associations (KFAs)

On Friday and Saturday, May 25, 26, KAFA members presented papers at the 2012 Joint Korea Finance Conference in Cheon-An, Korea:

- Kee-Hong Bae, **Jin-Mo Kim** and Yang Ni, "Firm-specific variation and the informational efficiency of prices."
- **J. Jay Choi** and Moo Sung Kim, "Reputation and Real Earnings Management in Business Group."
- **Sahn-Wook Huh**, "An Analysis of the Amihud Illiquidity Premium."
- Daewon Kim and **C.S. Pyun**, "Investor Disagreement on Corporate Spinoff News: Confluence of Trading Volume and Abnormal Return."
- Jinyong Kim and **Yong-Cheol Kim**, "Super-size banks: Efficiency or Moral Hazard."
- **Bong-Soo Lee**, "Information Asymmetry and the Timing of Capital Issuance: An International Examination."
- **Gemma Lee**, "Lockup agreement in seasoned equity offerings: Evidence of optimal contracting."

(Bold names are presenters.)

1.2. The Joint Conference with the Korea Institute of Finance (KIF)

The annual joint conference was held on May 29th 2012 at the Korea Federation of Banks building in Seoul under the title of "New Development in Global Banking and Financial System." Two KAEA and two KAFA members presented papers. The following KAFA members presented papers:

- **Jaewon Choi**, "Granularity of Corporate Debt: Theory and Tests."

- **Kee H. Chung**, John Elder, and Jang-Chul Kim, “Liquidity and Information Flow around Monetary Policy Announcements.”
Via KAEA
- **Yong-Cheol Kim**, “Liquidity Channel: Financial Intermediaries and Market Liquidity”
- **Bong Soo Lee**, “The Dynamic Relations between Market Returns and Two Types of Risk with Business Cycles”

II. KAFA NEWS

2.1. KAFA New Officers

Congratulations!!

➤ **New President-Elect:**

Kee-Hong Bae (York University)

➤ **New Executive Board-Elect for 2013-2015**

Sahn Wook Huh (SUNY-Buffalo)

Jin-Mo Kim (Rutgers University)

Ha-Chin Yi (Texas State University)

Kenneth Kim (SUNY-Buffalo)

2.2. Two KAFA-FMA special sessions at the 2012 FMA annual meeting in Atlanta

We appreciate Professors Yongsoo Kim and Kyojik (Roy) Song (through Korean Securities Association) to organize two special sessions in 2012 FMA meetings in Atlanta. **ALL KAFA members are strongly encouraged to attend two KAFA-FMA sessions and annual business and dinner meetings on Friday.**

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

Moderator: Youngsoo Kim, Professor, University of Regina

Panelists:

Taehoon Youn, Korea Institute of Finance, “The Aftermath of Global Crises on the Evolutionary Path of Korean Financial Market”

Suk Heun Yoon, Soongsil University, “Korean Financial Sector in the Post-Crisis Era”

Hong-Bae Kim, Dong-Seo University, “The Dynamic Interactions Between Sovereign Credit Default Swaps, Stock Index and Currency Option Implied Volatility”

➤ **Recent Developments in Pacific-Basin Markets** **Friday, October 19 10:15 - 11:45 am, Montreal Room**

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”

III. KAFA Board and Annual Business meeting/dinner

3.1. KAFA Executive Board Meeting

Where: Executive Conference Room 222, Hyatt Atlanta

When: 3:00 – 5:00 p.m., Friday, October 19, 2012

KAFA Officers and Executive Board 2012

▪ President	Sung C. Bae, Bowling Green State University
▪ President-Elect	Youngsoo Kim, University of Regina
▪ Vice President	Kyojik “Roy” Song, Sungkyunkwan University
▪ Secretary General	Soku Byoun, Baylor University
▪ Secretary General KAFA Korea	Joonghyuk Kim, Korea University
▪ Treasurer	Jang-Chul Kim, Northern Kentucky University
▪ Executive Board	
	Dong-Kyoon Kim (2013), Montclair State University
	Tai Yi (2013), SUNY Fredonia
	Sahn Wook Huh (2015), SUNY Buffalo
	Jin-Mo Kim (2015), Rutgers University
	Ha-Chin Yi (2015), Texas State University
	Kenneth Kim (2015), SUNY Buffalo

3.2. Annual Business Meeting

Where: Executive Conference Room 226, Hyatt Atlanta

When: 5:30 p.m., Friday, October 19, 2012

3.3. KAFA Annual Dinner Meeting:

Where: NoriNori

Tel: (404) 257-1288

<http://www.norinori.com>

(6690 Roswell Rd, Ste 2110, Sandy Springs, GA 30328)

When: 7:00 p.m., Friday, October 19, 2012

Sponsor: Korea Institute of Finance (KIF) and Korea Capital Market Institute (KCMI)

IV. 2011 Financial News and Shinhan Bank Awards Recipients

We are pleased to announce the recipients of the annual award for articles submitted to KAFA during 2011~2012. Congratulations to all award winners. All recipients must attend the annual meeting to receive the monetary award.

[A note from the award selection committee: “a preference was given to papers by authors who did not receive KAFA paper awards previously”]

4.1. 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.

Winner: Professor Bong Soo Lee, Florida State University

4.2. The Shinhan Bank-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.

Winner: Professor Kuan-Hui Lee, Seoul National University

4.3. Winners of the 6th Financial News & KAFA Top-Journal Paper Award

Professor Jung Hoon Lee, Tulane University, “Conflicting Family Values in Mutual Fund Families” (with Utpal Bhattacharya and Veronika Pool), *Journal of Finance*, forthcoming.

Professor Jung Chul Park, Auburn University, “Political Geography and Stock Returns: The Value and Risk Implications of Proximity to Political Power” (with Chansog Kim and Christos Pantzalis), *Journal of Financial Economics*, forthcoming.

4.3. Winner of the 6th Financial News & KAFA Doctoral Student Dissertation Awards:

Hugh Hoikwang Kim, Wharton School, University of Pennsylvania, “Contagious Runs in Money Market Funds and the Impact of a Government Guarantee.”

4.4. Winners of the 6th Shinhan Bank & KAFA Best Paper Award:

Professor Frederick Dongchuhl Oh, KAIST, “Contagion of a Liquidity Crisis Between Two Firms”, *Journal of Financial Economics*, forthcoming.

Professor Nicole Choi, University of Wyoming, “Why does Financial Strength Forecast Stock Returns? Evidence from Subsequent Demand by Institutional Investors” (with Richard Sias), *Review of Financial Studies* 25 (February 2012), 1550-1587.

4.5. Shinhan Bank & KAFA Scholarship for Ph.D. students

Congratulations! The following PhD students who are presenting papers at the FMA conference are selected for the scholarship of \$500 each:

Joung Hwa Choi (Seoul National University)

Hoikwang (Hugh) Kim (U of Pennsylvania)

JunSik Kim (KAIST)

Kirak Kim (Arizona State U)

Ted (Taek-yul) Kim (Drexel U.)

Kihun Kim (Rutgers U.)

Taiyong Roh (KAIST)

V. Member News

5.1. 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.

Chang, Kiyoung, “The Impact of Operational Diversity on Corporate Philanthropy: An Empirical Study of U.S. Companies,” with Kabongo, Jean D, Ying Li *Journal of Business Ethics*, forthcoming.

Chang, Kiyoung, “Unintended Regulatory Consequences: Evidence from the Korean IPOs,” with Yong-Cheol Kim, Young Sang Kim, and John H. Thornton Jr, 2012, *Pacific-Basin Finance Journal* 20, 292-309.

Chang, Kiyoung, “Does National Culture Influence the Firm’s Choice of Debt Maturity?” with Jung-Bum Wee and Ha-Chin Yi, 2012, *Asia-Pacific Journal of Financial Studies* 41, Issue 4, 424-457.

Choi, Nicole, “Why does Financial Strength Forecast Stock Returns? Evidence from Subsequent Demand by Institutional Investors,” with Richard Sias, 2012, *Review of Financial Studies*, 25 1550-1587.

Kim, Dong H. “Impact of the TARP financing choice on existing preferred stock.” with Duane Stock, *Journal of Corporate Finance*, forthcoming.

Kim, Woojin, “Investor Protection and the Mode of Acquisition: Implications for Ownership Dilution and Formation of Pyramids,” 2012, *Financial Management*, Vol. 41 No. 1, p.55-93.

Kim, Woojin, “Differences in Ownership Structure Across Countries”, Chapter 27, In H. Kent Baker and Leigh A. Riddick, *Survey of International Finance*. Oxford University Press, forthcoming .

Kim, Woojin, “Effects of Disclosure Quality on Market Mispricing: Evidence from Derivative Related Loss Announcement” with Jaiho Chung, Hyungseok Kim, and Yong Keun Yoo, *Journal of Business Finance and Accounting*, forthcoming.

Kim, Woojin, “Macroeconomic Conditions and Capital Raising” with Isil Erel, Brandon Julio, and Michael Weisbach, 2012, *Review of Financial Studies*, Vol. 25 No. 2, p.341-376.

Kim, Young Sang, “Capital structure and corporate governance quality: Evidence from the Institutional Shareholder Services (ISS),” with P. Jiraporn, J.C. Kim, and P. Kitsabunnarat, 2012, *International Review of Economics and Finance*, 208-221.

Kim, Young Sang, “Analyst following, staggered board, and managerial entrenchment,” with P. Jiraporn and P. Chintrakarn, 2012, *Journal of Banking and Finance*, Vol 36. 3091-3200.

Kim, Young Sang, “How do powerful CEO affect analyst coverage?” with P. Jiraporn and Y. Liu, 2012, *European Financial Management*, forthcoming.

Lee, Jung Hoon, “Conflicting Family Values in Mutual Fund Families” with Utpal Bhattacharya and Veronika Pool, *Journal of Finance*, forthcoming.

Oh, Frederick Dongchuhl, “Contagion of a Liquidity Crisis Between Two Firms” *Journal of Financial Economics*, forthcoming.

Park, Jung Chul, “Political Geography and Stock Returns: The Value and Risk Implications of Proximity to Political Power,” with Chansog Kim, Christos Pantzalis, 2012, *Journal of Financial Economics* 106 (1), 196-228.

Shim, Jeungbo, "Bank capital buffer and portfolio risk: The influence of business cycle and revenue diversification," *Journal of Banking and Finance*, forthcoming.

Shin, Yoon S., “Unsolicited Versus Solicited: Credit Ratings and Bond Yields,” with S. Han, W. Moore, and S. Yi, 2012, *Journal of Financial Services Research*, forthcoming

5.2. New Position/ Promotion/ Awards

➤ New Position:

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

➤ Other Awards & Recognition:

- **Sang Baum Kang**, Illinois Institute of Technology (IIT), Stuart School of Business, received the “2012 Asian Investment Management Research Prize by the CFA Institute Research Foundation” at 2012 FMA Asian Conference (Phuket, Thailand)

VI. Other Announcements

- 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).
- 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.
- 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.*

