



KOREA AMERICA  
FINANCE ASSOCIATION

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## President's Message

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Dear Kafa Members, Friends, and Supporters:

I am pleased to announce that Professor Saeyong Chang at University of Nevada, Las Vegas has been selected as president-elect, who will join Professor Chan-Wung Kim at Winona State University, our next president, to serve Kafa beginning this November. Also, please join me to welcome our new executive officers:

Secretary General: Professor Jin-Mo Kim at Rutgers University

Kafa-Korea Secretary General: Professor Woojin Kim at Seoul National University

I thank Professors Yong H. Kim at University of Cincinnati, Youngsoo Kim at University of Regina, Chan-Wung Kim at Winona State University for serving with me 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 including FN-Kafa Eminent Scholar Award, SHB-Kafa Young Scholar Award, 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. I would like to thank Professors Ghon Rhee at University of Hawaii, Chan-Wung Kim at Winona State University, and Soku Kim at Baylor University for serving with me on the Kafa Award Selection Committee.

Kafa continues to offer two Kafa-FMA special panel sessions on October 17 (Friday) at this year's FMA meetings. I appreciate Professors Chan-Wung Kim and Hyunhan Shin who organize the two special sessions. I strongly encourage all Kafa members to attend the two special sessions. The attendance in these sessions by Kafa members is essential for us to continue to keep the special Kafa sessions in the future FMA meetings. The details of the sessions can be found in this newsletter. I also encourage all Kafa members to attend the annual business and dinner meetings scheduled on Friday. I thank Korea Institute of Finance (KIF) and Korea Capital Market Institute (KCMI) for sponsoring the Kafa dinner meeting.

This December, selected KAFAs members will participate in the annual Conference on Asia-Pacific Financial Markets (CAFMs) Conference and the joint symposium with the KCMI in Seoul. I appreciate KAFAs members' continued interest and support for these collaborations with Korean partners.

KAFAs held an international finance conference on August 15-16, 2014 at Shilder School of Business, University of Hawaii. The theme of the conference was "Organizational Structure and Value Creation." About 30 academics from North America, Asia, and Europe participated in the conference. I believe the conference helped junior KAFAs members improve their working papers. I also believe that the conference increased the visibility of KAFAs to greater academic finance community. I deeply appreciate the sponsors for the conference, particularly Chairman Jae-Ho Jeon from Financial News for his generous donation. Many KAFAs members have been instrumental in organizing the conference including Professors Ghon Rhee, Chan-Wung Kim, Soku Byoun, and Ha-Chin Yi. I very much appreciate their time and efforts. I also thank KAFAs members who attended the conference in various capacities. The conference would not have been successful without their participation.

It has been a great honor to serve KAFAs as president for the past year. I hope that I have done a small part in growing our association. I would like to thank professor Soku Byoun who has worked tirelessly as a team. Without him, I could not have done my job.

I look forward to seeing you all in Nashville.

Best regards,

Kee-Hong Bae  
2014 KAFAs President  
York University  
Ontario, Canada

## **I. Recent KAFA Activities**

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

On May 30-31, 2014, the following KAFA members presented their papers at the 2014 Joint Korea Finance Conference in Cheon-An, Korea:

- **Sung C. Bae**, Intra-Group Business Transactions with Foreign Subsidiaries and Firm Value: Evidence from Foreign Direct Investments of Korean Firms
- **Chan Ho Cho**, Do Managers Matter for Corporate Innovation?
- **Sahn-Wook Huh**, Informed Trading and the Pricing of Good and Bad Private Information in the Cross-Section of Expected Stock Returns
- **Jin-Mo Kim**, Hedge Fund Ownership and Voluntary Disclosure
- **Young Sang Kim**, Foreign exchange exposure, financial distress and bankruptcy
- **Bong Soo Lee**, On the Timing of Capital Issuance: Market timing vs. Pseudo-Market timing

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

The annual joint conference was held on June 2<sup>nd</sup> 2014 at the Korea Federation of Banks building in Seoul under the title of The effects of financial globalization: the aftermath of the global financial crisis KAEA and two KAFA members presented papers. The following KAFA members presented their work:

- **Soku Byoun**, Contracts, Governance, and Country Risk in Project Finance: Theory and Evidence
- **Seoyoung Kim**, Designed for Failure? Risk-Return Trade offs and Risk Management of Structured Investment Vehicles

## **II. 2014 Financial News and Shinhan Bank Awards Recipients**

We are pleased to announce the recipients of the annual awards for 2013~2014. Congratulations to all award winners. All recipients must attend the annual meeting to receive the monetary award.

### **2.1. 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 E. Han Kim**, University of Michigan

### **2.2. 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 Nicole Choi**, University of Wyoming

### **2.3. Winners of the 7<sup>th</sup> Financial News & KAFA Top-Journal Paper Award**

**Winner: Kee H. Chung** "Uncertainty, Market Structure, and Liquidity." *Journal of Financial Economics*, forthcoming, co-authored with Chairat Chuwonganant.

### **2.4. Winner of the 7<sup>th</sup> Financial News & KAFA Doctoral Student Dissertation Awards:**

**Winners: Donghyun Kim**, "A Behavioral Model for Mutual Fund Dynamics: Structural Estimation Approach," and **Seongkyu (Gilbert) Park**, "The Power of Asking Questions: Resolving Financial Market Rumors through Public Inquiries."

### **2.5. Winners of the 7<sup>th</sup> Shinhan Bank & KAFA Best Paper Award:**

**Winner: Byoung-Hyoun Hwang**, "Wisdom of Crowds: The Value of Stock Opinions Transmitted through Social Media," *Review of Financial Studies* (2014) 27, 1367-1403, co-authored with Hailiang Chen, Prabuddha De, and Jeffrey Hu.

### **2.6. 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 Shinhan Bank scholarship:

**Haejung Na** (Korea University)

**Hak Kon Kim** (KAIST)

**Seongkyu (Gilbert) Park** (University of Chicago)

**Chanho Cho** (University of Wisconsin-Milwaukee)

\*All awardees must be present at the KAFA business meeting to receive the awards.

## **III. KAFA NEWS**

### **3.1. KAFA New Officers**

**Congratulations!!**

- **New President-Elect: Saeyong Chang** (University of Nevada, Las Vegas)
- **Secretary general: Jin-Mo Kim** (Rutgers University)
- **Secretary General for KAFA-Korea: Woojin Kim** (Seoul National University)

### **3.2. Two KAFA-FMA special sessions at the 2014 FMA annual meeting in Nashville**

- We appreciate Professors Chan-Wung Kim and Hyunhan Shin to organize two special sessions in 2014 FMA meetings. **ALL KAFA members are strongly encouraged to attend two KAFA-FMA sessions and annual business and dinner meetings on Friday.**

➤ **Issues in Corporate Governance, Liquidity and Risk Management in Korea**

Friday, October 17, 8:00 - 10:00 am, Session 127

- Standing Breakfast is served at 8:00 am, followed by the session at 8:30 am.

**Moderator: Kee-Hong Bae**, Professor, York University

In this session, panelists will present and discuss the following issues: (1) Overseas financing and foreign liquidity risk, (2) Review of corporate dividend policy and government regulatory perspective, (3) Ownership structure of Korean business groups, and (4) A historical review on the ownership structure and the corporate governance of Korean business groups.

**Panelists**

**Yoonsok Lee**, Senior Research Fellow, Korea Institute of Finance

**Inhyung Lee**, Vice President, Korea Capital Market Institute

**Wong Kang**, Professor, Sejong University

**Hyun Jong Kim**, Director/Research Fellow, Korea Economic Research Institute

➤ **Hedge Funds in Asia**

Friday, October 17 10:15 - 11:45 am, Session 158

- Coffee and snacks are provided before the sessions.

**Moderator: Chan-Wung Kim**, University of Massachusetts-Lowell

Panelists will present and discuss the following issues: (1) The manager location in relation to the performance and capital flow to emerging market hedge funds. (2) The performance and characteristics of Korean hedge funds, and (3) Issues related to Asian hedge funds.

**Panelists:**

**Hyuna Park**, Professor, Minnesota State University Mankato

**Sam Y. Chung**, Professor, Long Island University

**James Shim**, Asian Head, Hong Kong, Affiliated Managers Group, Inc.

**IV. KAFA Board and Annual Business meeting/dinner**

**4.1. KAFA Executive Board Meeting**

**Where:** : Magnolia Boardroom A (Conference Center, Level M), Gaylord Opryland Resort & Convention Center, Nashville, Tennessee, 37214

**When:** 3:00 – 5:00 p.m., Friday, October 17, 2017

#### **KAFA Officers and Executive Board**

- President Kee Hong Bae, York University
  - President-Elect Chan-Wung Kim, University of Massachusetts-Lowell
  - Vice President Hyunhan Shin, Yonsei University
  - Secretary General Soku Byoun, Baylor University
  - Secretary General KAFA Korea Joonghyuk Kim, Korea University
  - Treasurer Ha-Chin Yi, Texas State 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
    - H. Young Baek (2016), Nova Southeastern University
    - Hyuna Park (2016), Minnesota State University-Mankato
    - Jung Chul Park (2016), Auburn University
  - All Previous KAFA Presidents and Secretary Generals
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#### **4.2. Annual Business Meeting**

**Where:** Ryman Ballroom A (Convention Center, Level 0)

**When:** 5:30-6:30 p.m., Friday, October 17, 2014

#### **4.3. KAFA Annual Dinner Meeting:**

**Where:** 해운대: 2051 Antioch Pike, Antioch, TN 37013; 615-333-9186

**When:** 7:30-9:30 p.m., Friday, October 17, 2014

**Transportation:** Bus

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

### **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 2012-2013, and forthcoming are listed here.

- Byoun, Soku and Zhaoxia Xu, 2014, Contracts, Governance, and Country Risk in Project Finance: Theory and Evidence, *Journal of Corporate Finance* 26, 124-144.
- Byoun, Soku, 2014, Information Content of Unsolicited Credit Ratings and Rating Agency's Incentive: A Theory, *International Review of Economics and Finance*, 33, 338-349.
- Kiyong Chang, "Does Corporate Social Responsibility (CSR) Improve Credit Ratings? Evidence from Geographic Identification" with Pornsit Jiraporn, Napatsorn Jiraporn, Ardisak Boeprasert, *Financial Management*, forthcoming
- Kiyong Chang, "The Heterogeneous Impact of Corporate Social Responsibility Activities That Target Different Stakeholders" with Incheol Kim and Ying Li, *Journal of Business Ethics*, forthcoming
- Jongmoo Jay Choi, Takato Hiraki and James Landi, "The value of multinationality and business group for Japanese firms," *Journal of Corporate Finance*, forthcoming
- Kee H. Chung and Chairat Chuwonganant. "Uncertainty, Market Structure, and Liquidity." *Journal of Financial Economics*, forthcoming.
- Yoo, S. Sehyun., Schenkel, Mark, & Kim, Jaemin. (2014). Examining the Impact of First Son versus Non-First Son Successions on Family Firm Performance. *Journal of Small Business Management*, 52 (2), 246-265
- Kim, Dong H., "The Effect of Interest Rate Volatility and Equity Volatility on Corporate Bond Yield Spreads: A Comparison of Noncallables and Callables," with Duane Stock, 2014, *Journal of Corporate Finance* 26, 20-35.
- Byoung-Hyun Hwang, "Wisdom of Crowds: The Value of Stock Opinions Transmitted through Social Media," *Review of Financial Studies* (2014) 27, 1367-1403, Coauthored with Hailiang Chen, Prabuddha De, and Jeffrey Hu.
- Jin Q Jeon with Kangkyu Lim, 2013, "Bank Competition and Stability : Comparison of Korean Commercial Banks and Mutual Saving Banks.", *Pacific Basin Finance Journal*, vol 25, p. 253-272.
- Jin Q Jeon with Juyoun Ryoo, 2013, "How do Foreign Investors Affect Corporate Policy?: Evidence from Korea.", *International Review of Economics and Finance*, vol 25, p.52-65.
- Jin Q Jeon with Cheolwoo Lee, 2014, "Go-Shop Provisions in M&As; Fiduciary Duties or Window Dressing?", *Journal of Business Finance & Accounting*, vol 41 Issue 1-2, p.210-241.
- E. Han Kim, "CEO Connectedness and Corporate Frauds" *Journal of Finance*, forthcoming, with V. Khanna and Yao Lu. Available at <http://ssrn.com/abstract=2323251>.
- E. Han Kim, "[Broad-based Employee Stock Ownership: Motives and Outcomes](#)" *Journal of Finance*, Vol. 69, No.3, June, 2014, pp. 1273-1320, with P. Ouimet.
- E. Han Kim, "Seasoned Equity Offerings, Corporate Governance, and Investments," *Review of Finance*, Vol. 18, No. 3, July, 2014, pp. 1023-1057, with A. Purnanandam. Available at <http://ssrn.com/abstract=1823682>.
- "Flight to Quality and Correlation between Currency and Stock Returns" with Jin-Wan Cho, Jung-Hwa Choi, and Taeyong Kim, May 2014, *Journal of Banking and Finance*, forthcoming
- Woojin Kim, "Evaluating Analysts' Value: Evidence from Recommendations around Stock Price Jumps", with George Jiang, August 2014, *European Journal of Finance*, forthcoming
- Woojin Kim, "Is Cross-Listing a Commitment Mechanism? The Choice of Destinations and Family Ownership" with Jaiho Chung and Hyejin Cho, June 2014, *Corporate Governance: An International Review*, forthcoming. doi:10.1111/corg.12079

- Jaiho Chung, Hyejin Cho, and Woojin Kim, Is Cross-listing a Commitment Mechanism?: The Choice of Destinations and Family Ownership, *Corporate Governance: An International Review*, 2014, forthcoming
- Jung Chul Park, “Exuberance Out of the Left Field: Do Sports Results Causes Investors to Take Their Eyes Off the Ball?” with Christos Pantzalis, *Journal of Economic Behavior and Organization*, forthcoming.
- Jung Chul Park, “Too Close for Comfort? Geographic Propinquity to Political Power and Stock Returns,” with Christos Pantzalis, 2014, *Journal of Banking and Finance* 48, 57-78.
- Jung Chul Park, Agency Costs and Equity Mispricing,” with Christos Pantzalis, 2014, *Asia-Pacific Journal of Financial Studies* 43, 89-123.
- Yoo, S. Sehyun., Schenkel, Mark, & Kim, Jaemin. (2014). Examining the Impact of First Son versus Non-First Son Successions on Family Firm Performance. *Journal of Small Business Management*, 52 (2), 246-265

## 5.2. New Position/ Promotion/ Awards

- New Position:
  - Professor Byoung-Hyoun Hwang joined Cornell University.
- Promotion:
  -
- Other Awards & Recognition:
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## VI. Other Announcements

- KAFA website ([www.k-afa.org](http://www.k-afa.org)) is updated including KAFA news, membership, and members’ activities. Also, please give your suggestions on managing the website.
- 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 \$300.
- ASIA FMA Conference Announcement:



## Financial Management Association International

### Call for Papers and Participation 2015 FMA Asian Meeting

June 23 – 25, 2015  
Seoul, South Korea



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FMA International is pleased to announce its Seventh Annual Asian Meeting in Seoul, South Korea to be hosted by Seoul National University. Continuing the successful model used for our previous Asian meetings, this meeting will be smaller than our traditional meetings and offer only a few high-quality concurrent sessions. We therefore seek strong papers from scholars in all fields of finance.

*In addition to papers on traditional finance topics, we encourage the submission of papers on the financial crisis, and post-crisis challenges for financial markets.*

The criteria used to select papers for the program include the nature of the research problem, implications of the proposed research, the quality of the research design, and the expected contribution of the research to the literature.

If your submission is accepted for presentation at the 2015 Asian Meeting, your paper may be eligible to compete for a “Best Paper” Award. In addition, CFA Institute is sponsoring a best paper award of US\$3,000 for research that is original and of practical significance to the investment profession with a preference for papers focused on the Asian capital markets.

**2015 FMA Asian Meeting Program Co-Chairs**  
**Bong-Chan Kho, Seoul National University**  
**Harrison Hong, Princeton University**

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As South Korea's largest city, Seoul offers a unique blend of business, culture, tradition, technology, nightlife, and serene temples that is truly unique. The Seoul Capital Area is the world's second largest metropolitan area with over 25.6 million people. Situated on the Han River, Seoul's history stretches back more than 2,000 years. Today, Seoul is considered a leading and rising global city, resulted from an economic boom called the Miracle on the Han River which transformed it from the ashes of the Korean War to the world's 4th largest metropolitan economy with a GDP of US\$774 billion in 2012 after Tokyo, New York City and Los Angeles.

The conference host, Seoul National University (SNU), is located in the southern part of Seoul, surrounded by Mt. Gwanak, and is the Korea's first national university and the leader of higher education in Korea. Since its founding in 1946, SNU has produced leaders in every sector of Korean society, ranging from business and politics to science, technology and the arts. As Korea's leading research university, SNU is committed to diversifying its student body and faculty, fostering global exchange, and promoting path-breaking research in all fields of knowledge.

The SNU Business School, fully accredited by the AACSB in 2002 and ranked 40th by the QS World University Rankings by Subject 2014 - Accounting and Finance, is comprised of a world-class faculty with degrees from renowned institutions such as Chicago, Harvard, MIT, Wharton, Columbia, NYU, Ohio State, Michigan, Carnegie Mellon, London Business School, etc. The Business School faculty earns international recognition with publication in world renowned academic journals. According to a study conducted by a public media association, the CEO's of Korea's top 100 corporations and 17% of government officials are alumni of SNU's management program. For more information, please visit the SNU Business School website at <http://cba.snu.ac.kr/en>.

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DEADLINE SUMMARY

Program Committee Member Applications: November 28, 2014

Completed Papers: December 19, 2014

Panel Discussion Proposals: December 19, 2014

Doctoral Student Consortium Applications: February 20, 2015

Requests to serve as session chairpersons/paper discussants: February 27, 2015

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Submission Fee: US \$25/ US \$35 for non-members

For information on submission procedures, go to:

[www.fma.org/Seoul](http://www.fma.org/Seoul)

