

# KOREA-AMERICA FINANCE ASSOCIATION

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

Vol. IX

October 2005

No.2

## I. President's Message

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### President's Farewell

Dear Members, Friends, and Supporters of KAFA:

Well, it's been fun. I don't think and wouldn't say that we have achieved a great deal over the last year. But as I retire from my duty as your president, I do recall that it has been a very enjoyable and rewarding experience for me.

No, I have not been able to fully attain all those "lofty" goals I set at the beginning. But of course, my excuse is that many of those goals are set for us to pursue over a long run. Yet, through the turmoil of the great tsunami and Hurricane Katrina, KAFA has been able to make some progress.

First and foremost, I am glad and grateful that KAFA has been officially registered as a legally empowered and protected incorporation under the U.S. law during my term. Professor Chong-Soo Pyun at Memphis took the whole initiative and single-handedly accomplished this project. For that I think KAFA should be forever grateful. Thanks a million, Professor Pyun!

Also noteworthy is the progress we made in our website project. I know it still needs to be further upgraded and refined. Also, as you know, a project such as this has to be an on-going project. Nevertheless, we have made a big stride on this front thanks to the great help and expertise of Professor Ha-Chin Yi of Texas State.

The "Team of Ten" led by Professor Yong H. Kim of Cincinnati deserves our recognition for their efforts to expand and update our membership base. Thanks to their service, my e-mailing list now shows over 170 names and addresses covering North America, Korea, and elsewhere.

My special thanks go to all the members of KAFA Advisory Council and Executive Board for providing me with valuable advices, directions, and encouragement. Boy, I needed them! I also thank all the members and supporters who have paid their membership dues, made special financial contributions, and participated in KAFA-sponsored/affiliated conferences and symposia.

I'm sure I forgot some people who deserve mention. So my apologies for any oversight in this regard. But I should never forget to thank our beloved, most competent, outgoing Secretary General, Professor Hoje Jo of Santa Clara University. Again, I cannot thank Professor Jo enough for his dedicated service and contribution toward our organization during the last three years.

I have no doubt that I leave KAFA in most capable hands of our new officers – President Bong-Soo Lee of Florida State University, President-Elect Moon-Hyun Song of San Diego State University, and Secretary General Sam-Young Chung of Long Island University. Thanks gentlemen and best wishes.

It is my sincere hope that the quality of mutual concern and support for fellow scholars, researchers, and professionals will ever remain a distinguishing characteristic of KAFA. So, I encourage you to continue to address your ideas, concerns, and questions for furtherance of our organization.

Again, it was an honor for me to serve this wonderful organization as president. I thank you for the opportunity and wish all of you a productive career ahead.

S. J. Chang  
Bloomington-Normal, Illinois

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## II. KAFA NEWS

### A. Two KAFA-FMA Session

**2005 FMAI Meetings – Hyatt Regency of Chicago  
Special Sessions Presented by  
The Korea-America Finance Association**



**130**

**Global Competiveness of Korea's Finance  
Friday, October 14, 8:30 - 10:00**

The session will discuss the strengths and weaknesses of Korea's finance in relation to corporate governance, securities markets, banking structure, derivatives market, government policy-making and supervision, financial human resources, foreign currency policy, and finance research and education.

#### **Moderator**

[S J Chang, Illinois State University](#)

#### **Panelists**

[Heungsik Choe](#), President  
Korea Institute of Finance

[Young Jin Kim](#), Professor  
Seoul National University

[Hyoung-Tae Kim](#), Vice President  
Korea Securities Research Institute

[Taeho Bark](#), Professor  
Seoul National University

[Daehong Jaang](#),  
Hallym University

**155**

**Current Issues in East Asian Financial Markets  
Friday, October 14, 10:15 - 11:45**

This session will discuss the current issues in financial markets in East Asia -- China, Japan, Singapore, and South Korea -- addressing the issues of foreign currency, chaebol and keiretsu as well as government roles in financial markets in these countries.

**Moderator**

[Bong Soo Lee, Univ. of Houston](#)

**Panelists**

[Kazunori Suzuki](#)

Chuo University

[Jia He](#), Professor

Chinese University of Hong Kong

[Cheol S Eun](#),

Georgia Tech

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

**A. 2005 KAFA Executive Board Meeting**

3:00 p.m. Friday, October 14, 2005

Grand Suite #3, East Tower Gold Level, Hyatt Regency of Chicago

I. Opening President

II. Old Business

Incorporation and Registration  
Membership and Funding Status  
Association Activities  
Others

III. New Business

Future Activities  
By-laws Review  
Others

IV. Adjournment

## **B. 2005 KAFA Annual Business Meeting**

7:00 p.m. Friday, October 14, 2005

**Garden Buffet Restaurant, Chicago\*\***

- |      |   |                   |
|------|---|-------------------|
| I.   | Opening Remarks                               | Secretary General |
| II.  | Introduction of Officers, Members, and Guests | Secretary General |
| III. | Reports on the Association Activities         | President         |

Joint Academic Conference with KFA et al.  
Joint Symposium with KDI/KAFA  
KAFA Incorporation  
Fund Raising  
Information Exchange  
KAFA Website  
Membership Drive  
Best Research Paper Award  
Recognition of Outgoing Officers  
Others

- |     |                                  |                   |
|-----|----------------------------------|-------------------|
| IV. | Financial Reports                | Secretary General |
| V.  | New Businesses and Announcements | New President     |

Introduction of New Officers and Greetings  
Calls for Papers for the 2005 KIF and KSRI Symposia  
Guest Comments (KBI President and others)  
Resolutions of Executive Board Meeting  
Others

- |     |             |                       |
|-----|-------------|-----------------------|
| VI. | Adjournment | New Secretary General |
|-----|-------------|-----------------------|

**\*\* Garden Buffet Restaurant, Chicago**  
Address: 5347 N. Lincoln Ave., Chicago, IL 60625  
Phone: (773)728-1249

Depending on the traffic, it may take anywhere between 30 to 45 minutes from Hyatt to the restaurant.

### **C. Special membership dinner and lunch**

\*Good people at the Finance Department of Korea University invite all KAFA members to a dinner, Thursday, October 13. The name of the restaurant and the address will be announced at the FMA meeting.

\*Good people at the Finance Department of SKK University invite all KAFA members to a luncheon at 12 noon, Saturday, October 15 at the following restaurant.

Great Street Restaurant at Renaissance Chicago Hotel  
One West Wacker Drive (Wacker and State)  
Chicago, IL 60610  
(312) 795-3333

## **IV. Call for Papers for KAFA's Joint Conferences with Institutes in Korea**

### **A. Call for papers for the 2005 KSRI-KAFA seminar**

There will be a KSRI-KAFA joint symposium on Tuesday, December 13, 2005.

The main theme is Recent Advances in Corporate Finance, and specific topics include:

- \*financing choice
- \*issuing securities
- \*dividend policy
- \*venture financing
- \*corporate control and corporate governance, and
- \*security design

The paper submission due date: October 17, 2005.

Please submit the paper to: new president-elect, Prof. Song, Moon H. of the KAFA ([moon.song@sdsu.edu](mailto:moon.song@sdsu.edu))

### **B. KIF-KAFA joint symposium on Friday, December 16, 2005**

The Korea Institute of Finance (KIF) has invited KAFA and KAFA members to join the annual joint conference. The theme of the conference is "Financial intermediation function in Korea." Weakening financial intermediation function is now one of the hot issues in Korea, and research in both macro and micro aspects on the financial intermediation are welcome. Other general topics related to asset pricing, banking, and corporate finance will be considered.

The paper submission due date was Sep. 15 to [moon.song@sdsu.edu](mailto:moon.song@sdsu.edu)  
If you have a further question, the details can be addressed to Dr. Jae-Youn Lee in KIF at [leejy@kif.re.kr](mailto:leejy@kif.re.kr).

## V. Publications

Following is a list of recent publications by KAFA members. Only those provided to the KAFA office by the authors are listed here.

E. Han Kim, "To Steal or Not to Steal: Firm Attributes, Legal Environment, and Valuation," *Journal of Finance*, June 2005, with Art Durnev

E. Han Kim, "Business Ties and Proxy Voting by Mutual Funds," *Journal of Financial Economics* (forthcoming), with Gerald Davis.

Young Sang Kim, "Corporate Governance, Shareholder Rights and Firm Diversification: An Empirical Analysis," with P. Jiraporn, W. Davidson, and M. Singh, *Journal of Banking and Finance*, forthcoming.

Young Sang Kim, "Is Operational Hedging a Substitute or a Complement to Financial Hedging?" with I. Mathur and J. Nam, *Journal of Corporate Finance*, forthcoming.

Young Sang Kim, "CEO Compensation, Shareholder Rights, and Corporate Governance: An Empirical Investigation," with P. Jiraporn and W. Davidson, *Journal of Economics and Finance*, forthcoming.

Kyojik "Roy" Song, S. Johnson, and JC Lin, Dividend Policy, Signaling, and Discounts on Closed-End Funds, Forthcoming at *Journal of Financial Economics*

Kyojik "Roy" Song and S. Rauterkus, Auditor's reputation and equity offering: The case of Arthur Andersen, Forthcoming at *Financial Management*

Kyojik "Roy" Song, J. Finnerty, and E. Lee, How to teach M&M capital structure irrelevance theory: a simple arbitrage approach, Forthcoming at *Journal of Financial Education*

## VI. Member News

Professor Suk Kim at the University of Detroit Mercy and McFarland & Company in North Carolina have agreed to publish a new refereed journal, "North Korean Review," three times per

year, whose inauguration issue will be published in Summer 2005. For details, please visit Professor Kim's website at <[www.mich.com/~kimsuk](http://www.mich.com/~kimsuk)>.

## **VII. Announcement**

### **A. Best paper Award**

We started our KAFA Best paper Award from this year. This year's winner is Prof. Sung, Jae Young at the University of Illinois at Chicago. A plaque of the Best Paper Award and \$1,000 will be awarded to Prof. Sung at KAFA annual business meeting.

### **B. Position Announcement**

#### **Korea Banking Institute**

**POSITION NUMBER ASSIGNED: P179**

**DATE OF POSTING: 9/6/2005**

**TYPE/TITLE OF POSITION: Associate/ Professor**

**ANTICIPATED START DATE: February 1st, 2006**

**SALARY RANGE (optional):**

**CONTACT PERSON: Young O. Ha**

**FINANCE SPECIALTIES DESIRED:**

Corporate

Investments **X**

Insurance

Financial Markets **X**

Real Estate

General Finance

**PLANNED FMA ANNUAL MEETING ATTENDANCE:**

FMA - Yes **X**

FMA - No

FMA - Possible

**FMA Representative(s): Hyung Moon Kang**

SFA - Yes

SFA - No

SFA - Possible

**SFA Representative(s):**

ASSA - Yes

ASSA - No

ASSA - Possible

**ASSA Representative(s):**

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#### **KDI School of Public Policy and Management**

**POSITION NUMBER ASSIGNED: P156**

**DATE OF POSTING: 8/23/2005**

**TYPE/TITLE OF POSITION: Professor of Finance**



**ANTICIPATED START DATE:**  
**SALARY RANGE (optional): Commensurate**  
**CONTACT PERSON: Seung-Ho Jung**

**FINANCE SPECIALTIES DESIRED:**  
Corporate  
Investments  
Insurance  
Financial Markets  
Real Estate  
General Finance

**PLANNED FMA ANNUAL MEETING ATTENDANCE:**  
FMA - Yes **X**  
FMA - No  
FMA - Possible  
FMA Representative(s): Woochan Kim, JoongHo Han  
SFA - Yes  
SFA - No  
SFA - Possible  
SFA Representative(s):  
ASSA - Yes **X**  
ASSA - No  
ASSA - Possible  
ASSA Representative(s): Woochan Kim

### **Korea Institute of Finance**

**POSITION NUMBER ASSIGNED: P189**  
**DATE OF POSTING: 9/12/2005**  
**TYPE/TITLE OF POSITION: Research Fellow**  
**ANTICIPATED START DATE: Negotiable**  
**SALARY RANGE (optional): Negotiable**  
**CONTACT PERSON: Dr. Byungyoon Lee (bylee@kif.re.kr)**

**FINANCE SPECIALTIES DESIRED:**  
Corporate **X**  
Investments **X**  
Insurance **X**  
Financial Markets **X**  
Real Estate **X**  
General Finance **X**

**PLANNED FMA ANNUAL MEETING ATTENDANCE:**  
FMA - Yes **X**  
FMA - No  
FMA - Possible  
FMA Representative(s): Dr. HeungSik Choe, Dr. Byungyoon Lee  
SFA - Yes  
SFA - No **X**  
SFA - Possible  
SFA Representative(s):  
ASSA - Yes

ASSA - No

ASSA - Possible **X**

ASSA Representative(s): Not Yet Decided

### **Korea Securities Research Institute**

**POSITION NUMBER ASSIGNED: P158**

**DATE OF POSTING: 8/23/2005**

**TYPE/TITLE OF POSITION: Research Fellow**

**ANTICIPATED START DATE: 1 Jan. 2006**

**SALARY RANGE (optional): Competitive**

**CONTACT PERSON: Dr. Noh, Hee Jin (hjnoh@ksri.org)**

**FINANCE SPECIALTIES DESIRED:**

Corporate **X**

Investments **X**

Insurance

Financial Markets **X**

Real Estate

General Finance **X**

**PLANNED FMA ANNUAL MEETING ATTENDANCE:**

FMA - Yes **X**

FMA - No

FMA - Possible

FMA Representative(s): Dr. Noh, Hee Jin

SFA - Yes

SFA - No **X**

SFA - Possible

SFA Representative(s):

ASSA - Yes

ASSA - No **X**

ASSA - Possible

ASSA Representative(s):

### **SKK GSB Sungkyunkwan University**

**POSITION NUMBER ASSIGNED: P068**

**DATE OF POSTING: 7/6/2005**

**TYPE/TITLE OF POSITION: Assistant/Associate Professor of Finance**

**ANTICIPATED START DATE: 15-Aug-06**

**SALARY RANGE (optional): Competitive with U.S. plus free housing and children's tuition for international schools in Korea.**

**CONTACT PERSON: Dr. Jae Ha Lee**

**FINANCE SPECIALTIES DESIRED:**

Corporate **X**

Investments

Insurance

Financial Markets

Real Estate

General Finance

**PLANNED FMA ANNUAL MEETING ATTENDANCE:**

**FMA - Yes**

**FMA - No**

**FMA - Possible**

**FMA Representative(s):**

**SFA - Yes**

**SFA - No**

**SFA - Possible**

**SFA Representative(s):**

**ASSA - Yes**

**ASSA - No**

**ASSA - Possible**

**ASSA Representative(s):**

**C. Other KAFA Announcement**

\*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. We appreciate Prof. Kim, Yong H at the Univ. of Cincinnati for his continuous efforts to introduce KAFA to potential KAFA members.

\*Please bring your most recent business cards at the FMA meeting. This time, we would like to update our membership directory that is currently quite outdated. We need a volunteer possibly from an executive board member to perform that task.

\*Please pay your annual membership dues, or preferably, be a life- time member by paying one time dues of just \$300.

\*If you are currently a Ph.D. student and are presenting a paper at FMA, please let Hoje Jo know such that KAFA can subsidize your travel budget. In addition, if you know other PH.D. students who are presenting papers at FMA, please also inform Hoje Jo. However, we do not subsidize a session chair or a discussant.

\*All KAFA and potential KAFA members are strongly encouraged to attend the business meeting on Oct. 14 (Friday) evening.