

KOREA-AMERICA FINANCE ASSOCIATION

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

Vol. XII

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No.2

President's Message

First of all, I would like to congratulate Professor Kee Ho Jung at SUNY-Buffalo, who is now elected as President-elect serving for 2008-2009. He has gladly accepted the position and will work with the next president, Professor Hoje Jo at Santa Clara University. Last May, Professor Jo appointed Professor Bongchan Ko at Seoul National University as President-elect and Professor Kyojik Song at Sungkyunkwan University as Secretary General-elect for our Korea branch association operation during the period of 2008-2009. I would give a warm welcome to all of them.

So far as our Korea Branch association, KAFA, goes, we have filed the FSC registration and are currently in the stage of waiting for its approval. Once approved, KAFA will be officially operated as non-profit organization in Korea. My deep appreciation undoubtedly goes to Professor Kwangwoo Park who has worked hard to make this happen.

The annual meeting in Dallas is approaching soon. The annual meeting is scheduled to be held on October 10th, at 7:00PM at Yellow Rose Ballroom, Gaylord Resort. I would like to give a special thanks to KAIST and Sungkyunkwan University who will sponsor the wonderful meals there.



Yellow Rose Ballroom

As in the last year meeting, we will have the time to award the various academic prizes that are generously donated by Financial News and Shinhan Bank. In addition, Korea securities Research

Institute will sponsor the dinner for KAFA members at a Japanese restaurant, Tokyo One, at 6:30PM on October 9th. We hope many of you will join and enjoy the dinner.

Before the annual meeting, we will have the board meeting. KAFA board members include all staffs and the following executive board members;

Yoon K. Choi: University of Central Florida (2010)
Sung C. Bae, Bowling Green State University (2009)
Kiyong Chang, Slippery Rock University (2010)
Saeyoung Chang, University of Nevada, Las Vegas (2009)
Chan Woong Kim. Winona State University (2010)
Wi Saeng Kim, Hofstra University (2009)
Kee H. Chung, SUNY-Buffalo (2008)
Jun-Koo Kang, Michigan State University (2009)

One of the important functions that KAFA has at FMA is to hold two panel sessions. Thanking to Professor Jo, we were able to invite many scholars to the sessions. Please visit www.fma.org and go to 2008 annual meeting, then, Conference program to see our sessions, #139 and #163. Your attendance would be so important for our program and association.

I look forward to seeing you at the meeting and I wish you have a wonderful semester.

Seungmook Choi

II. Call for Papers

Call for papers for the 2008 KAFA-KSRI seminar

There will be a KAFA-KSRI joint symposium on December, 2008. The exact date and time is to be announced.

General topics of Finance (all area) will be considered.

Submission due date: November 11, 2008.

Please submit the paper to: Professor Hoje Jo, New President Elect, hjo@scu.edu

B. Two KAFA-FMA Sessions

Session 139

Special Session : Corporate Governance in Korea : Friday, 8:30 am - 10:00 am

Moderator: Seungmook Choi, University of Nevada Las Vegas

Panelist: Ha Sung Jang Dean of the College of Business, Korea University President, Korea Finance Association.

Panelist: Jinwoo Park Editor , Asia-Pacific Journal of Financial Studies Professor of Finance, Hankuk University of Foreign Studies.

Panelist: Dr. Jang, Beomsik, President of Korea Security Association Professor of Finance, Soongsil University

Panelist: Sunghoon Cho, Vice President, Korea Securities Research Institute

Session 163

Special Session : Emerging Market in Asia, Friday, 10:15 am - 11:45 am

Moderator: Hoje Jo Santa Clara University

Panelist: Na Dai Assistant Professor of Finance, University of New Mexico

Panelist: Sharath Suri CEO, S4 Capital (Hedge Fund)

Panelist: Sung C. Bae Professor of Finance, Bowling Green State University

III. FMA meeting schedule

1. 2008 KAFA Executive Board meeting

3 :00 p.m. Friday, October 10, 2008

Room: TBA

2. 2008 KAFA Annual Business Meeting

7:00 p.m. Friday, October 10, 2008

Yellow Rose Ballroom, Gaylord Resort

3. Special membership dinner

Dinner, Thursday, October 9, 6:30 PM

Sponsor: *Korea Securities Research Institute (KSRI)*

Venue: Tokyo One (Address to be announced)

IV KAFA Activities

A. The Joint Conference with the KFA, KFMA, KSA, and KDA

The joint conference was held on May 23rd and 24th, 2008 at the Korea Securities Training Institute located in Asan, Chungchung Namdo. Ten KAFA members, selected by KAFA, presented their papers. And many other KAFA members residing in Korea are not included.

Suk Hi Kim and Kenneth A. Kim, *IPO performance under low information asymmetry and low agency conflicts : The cases of demutualized insurers*

Soku Byoun, *Financial Flexibility and Capital Structure Decision*

Bob Baik, Jun-Koo Kang & Jin-Mo Kim, *Local Institutional Investors, Information Asymmetries, and Equity Returns*

Jun-Koo Kang & Jin-Mo Kim, *Do Foreign Investors Exhibit a Corporate Governance Disadvantage? : An Information Asymmetry Perspective*

Pornsit Jiraporn, Jang-Chul Kim & Young Sang Kim, *Dividend Policy and Corporate Governance Quality*

David P. Baron, Maretno A. Harjoto & Hoje Jo, *The Economics and Politics of Corporate Social Performance*

Zhongzhi He, Sahn-Wook Huh & Bong-Soo Lee, *Dynamic Factors and Asset Pricing*

Kiseok Nam, Chong Soo Pyun & Joshua Krausz, *Intertemporal Behavior of Expected Market Returns : Time-Varying and Asymmetry Properties*

Ki Yool Ohk, Woo Je Jang & Yong H. Kim, *Option-Trading Activity and Stock Price Volatility : A Regime-Switching GARCH Model*

Jongmoo Jay Choi, Connie X. Mao & Arun D. Upadhyay, *Corporate Risk Management under Information Asymmetry : Evidence on R&D and Hedging in the Pharmaceutical Industry*

Many thanks to those who reviewed the submitted papers for the joint conference.

B. The Joint Conference with the KIF and KAEA

The annual joint conference was held on May 26th, 2008 at the Korea Federation of Banks building in Seoul under the title of "New Trends in the Banking Industry and Capital Markets and Their Impacts." Two KAEA members, two KAFA members and one KIF member made presentations in the symposium.

Yi, Ha Jin, *When do Banks decide to acquire non-depository financial firms?*

Lee, Bong Soo, *Regional Economic Disparity, Financial Disparity, and National Economic Growth*

V. Member News

A. Publications

The list of following publications is only tip of iceberg. We recognize there are omissions due to an information limitation.

Sangwoo Lee, Kwangwoo Park, Hyun-Han Shin, "Disappearing Internal Capital Markets: Evidence from Diversified Business Groups in Korea," forthcoming, **Journal of Banking and Finance**.

Julian Atanassov and E. Han Kim, "Labor and Corporate Governance: International Evidence from Restructuring Decisions", Forthcoming in **Journal of Finance**

Sahn-Wook Huh, Tarun Chordia, and Avanidhar Subrahmanyam, "Theory-Based Illiquidity and Asset Pricing," forthcoming, **Review of Financial Studies**

Jaemin Kim, James Landi, and Sehyun Yoo, "Inter-temporal examination of the trading activities of foreign investors in the Korean stock market," **Pacific- Basin Finance Journal**

Gil S. Bae, Youngsoon S. Cheon and Jun-Koo Kang "Intra-Group Propping: Evidence from the Stock-Price Effects of Earnings Announcements by Korean Business Groups," forthcoming, **Review of Financial Studies**

Rosita P. Chang a, S. Ghon Rhee a,b, Gregory R. Stone c, Ning Tang , "How does the call market method affect price efficiency? Evidence from the Singapore Stock Market, 2008, **Journal of banking and Finance**

Sumit Agarwala, Sheri Fairclothc, Chunlin Liuc, and S. Ghon Rhee, "Why do foreign investors underperform domestic investors in trading activities? Evidence from Indonesia, 2008, **Journal of Financial Markets**.

Byoung-Hyoun Hwang and Seoyoung Kim, "It Pays to Have Friends," forthcoming, the **Journal of Financial Economics**

VI. Other Announcements

- A. The annual joint conference with KSRI is scheduled back to December. It was announced before it would be held in May or June. This year, the conference will be held in December. See the section: call for paper.
- B. 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.
- C. Please pay your annual membership dues, or preferably, be a life- time member by paying a one time due of just \$300. Membership fee may be paid at the 2008 KAFA annual meeting in Dallas.