18th Annual Conference on Financial Economics and Accounting
Friday, October 26, 2007 and Saturday, October 27, 2007

The conference begins at 12:00 p.m on Friday with lunch and ends at 5:00 p.m. on Saturday

Location:
NYU Stern School of Business
Henry Kaufman Management Center
44 West 4th Street
New York, NY 10012

Keynote Speaker:
Andrei Shleifer
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Registration:
Please print and fill out the registration form and mail with the registration fee to the address specified on the form.

Contact us:
Please contact the program chairs listed above with inquiries

Hotel:
We have blocked a number of rooms for the conference at the Park Central Hotel for the nights of October 25, 26 and 27. The hotel is located on 56th Street and 7th Avenue, NYC. The name of the block is CFEA18, and we encourage you to reserve a room as soon as you know your travel plans. To make reservations, please call 1-800-346-1359 and mention your group name: CFEA18. The room rate for this conference is $229 + applicable taxes.

For a list of other reasonably-priced hotels within proximity of the University, click here:

Direction:
For directions to the conference, click here

Industry sponsor:

Sponsors:
The conference is sponsored by the Stern School of Business Department of Finance, Department of Accounting, the Vincent C. Ross Institute of Accounting, the Salomon Center for the Study of Financial Institutions, and the NYU Pollack Center for Law & Business
**Session 1**

**Finance: Corporate Finance**
*Chair: Mathew Richardson, New York University*

- **Multiple Blockholders, Price Informativeness, and Firm Value**
  - **Alex Edmans**, University of Pennsylvania
  - **Gustavo Manso**, MIT
  - **Discussant:** Holger Mueller, New York University

- **Public Trust and Financial Market**
  - **Bruce Ian Carlin**, University of California at Los Angeles
  - **Florin Dorobantu**, The Brattle Group
  - **S. Viswanathan**, Duke University
  - **Discussant:** Daniel Wolfenzon, New York University

- **Non-Executive Stock Options and Firm Performance**
  - **Yael V. Hochberg**, Northwestern University
  - **Laura Lindsey**, Arizona State University
  - **Discussant:** Nagpurnanand Prabhala, University of Maryland

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**Accounting: Earnings Management**
*Chair: Eli Bartov, New York University*

- **Abnormal Accruals and External Financing**
  - **Theodore H. Goodman**, University of Arizona
  - **Discussant:** Emre Karaoglu, University of Southern California

- **Earnings Volatility, Cash Flow Volatility, and Informed Trading**
  - **Sudarshan Jayaraman**, Washington University–St. Louis
  - **Discussant:** Lihong Lian, George Washington University

- **The Use of Advertising Activities to Meet Earnings Benchmarks: Evidence from Monthly Data**
  - **Daniel Cohen**, New York University
  - **Raj Mashruwala**, Washington University–St. Louis
  - **Tzachi Zach**, Washington University–St. Louis
  - **Discussant:** Amy Y. Zang, University of Rochester

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**Session 2**

**Finance: CEO Incentives**
*Chair: Cheng-Few Lee, Rutgers University*

- **Negative Hedging: Performance Sensitive Debt and CEO’s Equity Incentives**
  - **Alexei Tchistyi**, New York University
  - **David Yermack**, New York University
  - **Hayong Yun**, University of Notre Dame
  - **Discussant:** S. Abraham Ravid, Rutgers University
Investor Myopia and CEO Horizon Incentives  
Brian Cadman, Northwestern University  
Jayanthi Sunder, Northwestern University  
*Discussant: Lalitha Naveen, Temple University*

CEO Centrality  
Lucian Bebchuk, Harvard University  
Martijn Cremers, Yale School of Management  
Urs Peyer, INSEAD  
*Discussant: Charu Raheja, Wake Forest University*

**Accounting: Voluntary Management Disclosures**  
*Chair: Stephen Ryan, New York University*

**Why Do Firms Issue Disaggregated Earnings Guidance? The Archival Evidence**  
Benjamin Lansford, Northwestern University  
Baruch Lev, New York University  
Jennifer W. Tucker, University of Florida  
*Discussant: Michael Kimbrough, Harvard Business School*

**Investor Conservatism and the Long Term Price Response to Management Earnings Forecasts**  
Somnath Das, University of Illinois – Chicago  
Kyonghee Kim, University of Illinois – Chicago  
Sukesh Patro, Kansas State University  
*Discussant: Michael Kimbrough, Harvard Business School*

Stealth Disclosure of Accounting Irregularities: Is Silence Golden?  
Edward P. Swanson, Texas A&M University  
Senyo Tse, Texas A&M University  
Rebecca Wynalda, Texas A&M University  
*Discussant: Michael Kimbrough, Harvard Business School*

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6:00 – 7:00 PM Reception (TBA), sponsored by CRA International  
7:00 – 9:00 PM Dinner (TBA)  
Keynote Speaker: Andrei Shleifer, Harvard University

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Saturday, October 27, 2007  
7:30 - 8:30  Continental Breakfast

Sesson 3  8:30 - 10:00

**Finance: Law and Finance**  
*Chair: William Allen, New York University*

**Shareholders at the Gate? Cross-Country Evidence on the Role of Institutional Investors in Mergers and Acquisitions**  
Miguel A. Ferreira, ISCTE  
Massimo Massa, INSEAD  
Pedro Matos, University of Southern California  
*Discussant: Anzhela Knyazeva, University of Rochester*

**Corporate Lobbying and Fraud Detection**  
Frank Yu, University of Minnesota  
Xiaoyun Yu, Indiana University  
*Discussant: Simi Kedia, Rutgers University*
Stealing from Thieves: Firm Governance and Performance when States are Predatory
Art Durnev, McGill University
Larry Fauver, University of Miami
Discussant: Diana Knyazeva, University of Rochester

Accounting: Strategic Disclosure: Evidence and Consequences
Chair: Paul Zarowin, New York University

Do Cross-listed Firms Provide the Same Quality Disclosure as U.S. Firms?
Evidence from the Interest Control Deficiency Disclosure Under Section 302
of the Sarbanes-Oxley Act
Guojin Gong, Pennsylvania State University
Bin Ke, Pennsylvania State University
Yong Yu, University of Texas-Austin
Discussant: Sarah McVay, University of Utah

Strategic Timing of Pro Forma Earnings Announcements
Nerissa C. Brown, University of Southern California
Theodore E. Christensen, Brigham Young University
W. Brooke Elliott, University of Illinois at Urbana-Champaign
Discussant: Carol Marquardt, Baruch College

Tempting Trading
Mary Brooke Billings, New York University
Discussant: Susan Shu, Boston College

Saturday, October 27, 2007 10:00 - 10:30 Coffee Break

Session 4 10:30 - 12:00

Finance: Empirical Corporate Finance
Chair: Lemma W. Senbet, University of Maryland

Contingency and Renegotiation of Financial Contracts: Evidence from Private Credit Agreements
Amir Sufi, University of Chicago
Discussant: Gordon Phillips, University of Maryland

Optimal CEO Incentives and Industry Dynamics
Antonio Falato, Federal Reserve Board
Dalida Kadyrzhanova, University of Maryland
Discussant:

Debt as a Bonding Mechanism: Evidence from the Relations Between Employee Productivity, Capital Structure, and Outside Employment Opportunities
Jayant R. Kale, Georgia State University
Harley E. Ryan, Jr., Georgia State University
Lingling Wang, Georgia State University
Discussant:

Accounting: Valuation
Chair: John Hand, University of North Carolina – Chapel Hill

Does the stock market fully Value Intangibles? Employee Satisfaction and Equity Prices
Alex Edmans, University of Pennsylvania
Discussant: Moazaffar Khan, Massachusetts Institute of Technology

The Accrual Anomaly: Exploring the Optimal Investment Hypothesis
Jin Ginger Wu, University of Georgia
Lu Zhang, University of Michigan
X. Frank Zhang, Yale School of Management
Discussant: Moazaffar Khan, Massachusetts Institute of Technology
Does Conservative Stock Option Accounting Lead to Aggressive Cash Flow Reporting?

Paul Hribar, University of Iowa  
D. Craig Nichols, Cornell University  
Discussant: Mozaffar Khan, Massachusetts Institute of Technology

Saturday, October 27, 2007  12:00 - 1:30  Lunch

Saturday, October 27, 2007  12:00 - 1:30  Meeting of Executive Committee of CFEA

Session 5  1:30 - 3:00

Finance: Asset Prices: Theory
Chair: Ehud Ronn, University of Texas at Austin

Financial Distress and the Cross Section of Equity Returns  
Lorenzo Garlappi, University of Texas at Austin  
Hong Yan, University of South Carolina  
Discussant:

Top-Down or Bottom-Up: Commonality in Disagreement and Asset Pricing  
Jialin Yu, Columbia University  
Discussant:

Catering Through Nominal Share Prices  
Malcolm Baker, Harvard University  
Robin Greenwood, Harvard University  
Jeffrey Wurgler, New York University  
Discussant:

Accounting: Audit Research
Chair: Hollis A. Skaife, University of Wisconsin-Madison

Tax Consulting and Reported Weaknesses in Internal Control  
Randal Elder, Syracuse University  
David D. Harris, Syracuse University  
Jian Zhou, SUNY at Binghamton  
Discussant: Arianna S. Pinello, Georgia State University

Incentives for Auditor Collusion: An Auditor-Agent Game  
Abigail Brown, University of Technology, Sidney  
Discussant: Bharat Sarath, Baruch College

On the Conditions that Audit Risk Increases with more Information  
Yasuhiro Ohta, Keio University  
Discussant: Bharat Sarath, Baruch College
### Session 6 3:30 - 5:00

**Finance: Asset Prices: Empirical**
*Chair: Charles A. Trzcinka, Indiana University*

- **Dispersion in Analysts’ Earnings Forecasts and Credit Rating**
  - Doron Avramov, University of Maryland
  - Tarun Chordia, Emory University
  - Gergana Jostova, George Washington University
  - Alexander Philipov, George Mason University
  - *Discussant: Claudia Moise, Case Western University*

- **The Term Structure of Bond Market Liquidity**
  - Ruslan Goyenko, McGill University
  - Avanidhar Subrahmanyam, University of California at Los Angeles
  - Andrey Ukhov, Indiana University
  - *Discussant:*

- **The Effects of Derivatives on Firm Risk and Value**
  - Söhnke M. Bartram, Lancaster University
  - Gregory W. Brown, University of North Carolina
  - Jennifer Conrad, University of North Carolina
  - *Discussant:*

**Accounting: Analysts and Capital Markets**
*Chair: Lawrence D. Brown, Georgia State University*

- **Analyst Recommendations and Mergers: Do Analysts Matter?**
  - David A. Becher, University of Pennsylvania
  - Jennifer L. Juergens, Arizona State University
  - *Discussant: Michael B. Clement, University of Texas-Austin*

- **The Effect of Ability, Independence, and Investor Sentiment on Analysts’ Propensity to Use Their Own Earnings Forecasts in Stock Recommendations**
  - Bin Ke, Pennsylvania State University
  - Yong Yu, University of Texas-Austin
  - *Discussant: Michael B. Clement, University of Texas-Austin*

- **The Effect of Trading Commissions on Analysts’ Forecast Bias**
  - Anne Beyer, Stanford University
  - Ilan Guttman, Stanford University
  - *Discussant: Michael B. Clement, University of Texas-Austin*

### 5:00 Conference Adjournment