



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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Program Chairs:

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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.

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](#)

Contact us:

Please contact the program chairs listed above with inquiries

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

Industry sponsor:



PROGRAM

Friday, October 26, 2007 11:30 - 1:30 Registration and Lunch

Session 1 1:30 - 3:00

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

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

Friday, October 26, 2007 3:00 - 3:30 Coffee Break

Session 2 3:30 - 5:00

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

6:00 – 7:00 PM Reception (TBA), sponsored by CRA International

7:00 – 9:00 PM Dinner (TBA)

Keynote Speaker: Andrei Shleifer, Harvard University

Saturday, October 27, 2007

7:30 - 8:30

Continental Breakfast

Session 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 Firm 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: **Mozaffar 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: **Mozaffar 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

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