

# The Exchange

NEWS FROM THE FINANCIAL ECONOMICS INSTITUTE AT CLAREMONT MCKENNA COLLEGE

VOLUME 14, SPRING 2012

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## Director's Report

by Lisa Meulbroek



Lisa Meulbroek

THE FINANCIAL Economics Institute completed its eighth year this spring. The FEI is the financial research arm of the Robert Day School of Economics and Finance, providing data and research support for faculty, and providing research experience, networking opportunities, and educational and career support for students.

One role played by the FEI is to sponsor the Financial Economics Sequence. After completing prerequisites in math, accounting, and econometrics, students take two core finance courses and three elective courses. Seniors must write a finance-related thesis and orally defend that thesis in a presentation to faculty to receive the Sequence designation on their transcripts. Eighteen seniors completed the Financial Economics Sequence this year, and an additional 27 juniors, 19 sophomores, and 6 freshmen have indicated they are planning on completing the Sequence.

The new Investment Management Practicum completed its first year this spring. Taught by Professor Hughson, the course

meets weekly and is designed to add analytical rigor and support to the CMC Student Investment Fund. This spring, Christine Mann '87 from Goldman Sachs and Michael Larson '80 from BGI visited campus to critique students' investment ideas. Robert Thomas '99 from the George Kaiser Family Foundation also performed a critique, but did so from Oklahoma via the new teleconference equipment on campus.

Later in the newsletter, Kevin Potterton '12 describes the January New York City

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FINANCIAL ECONOMICS  
INSTITUTE

CLAREMONT MCKENNA COLLEGE

*The Financial Economics Institute fosters education and research in financial economics by offering a unique undergraduate curricular program, the Financial Economics Sequence, supporting state-of-the-art databases, and encouraging student-faculty interaction on research.*

**Director's Report** from page 1

Networking trip. Eighteen students visited nine firms, learning about careers in finance, including areas such as investment management, trading, leveraged finance and investment banking. The FEI also hosted and co-hosted two evening events with students, faculty, and alumni during the trip.

Financial Economics Sequence students and FEI Research Analysts were well-represented in the RDS awards ceremonies this spring. Sequence student Alexandra Abramovitz won the Best Thesis in Finance award for her thesis "Are Women Impact Players: The Effect of Female Executives on Firm Performance and Capital Structure." FEI Research Analyst and Sequence student Rosabella Magat won Best Thesis in Economics for her thesis "Effects of Early Round Venture Capital Syndication on IPO Exits in Europe and the United States." Sequence student Jason Rehhaus won Best Thesis in Accounting for "Past Financial Reporting Credibility: Does it Influence Market Perceptions of Fair Value Assets?"

Kevin Potterton, FEI Research Analyst and Sequence student, won Best Overall Economics Student, as well as Outstanding Achievement in Quantitative Economics. And FEI Research Analyst Sze Wai Yuen won Best Senior in Accounting.

*“The new Investment Management Practicum completed its first year this spring. Taught by Professor Hughson, the course meets weekly and is designed to add analytical rigor and support to the CMC Student Investment Fund.”*

The FEI Board welcomes Scott Arnold '09 as a new Associate member, beginning in July. Also new to the FEI's Board are three Fellows (recent alums who continue to contribute in a meaningful way to the mission of the FEI): Kyle Casella '10, Maria Lohner '10, and Nicholas Sparks '10. This May, Kyle, Maria, and Nick ran a seminar for juniors who will begin investment banking internships this summer, covering aspects of summer internships ranging from proper attire to LBO modeling. They are also organizing a summer mentor program for juniors interning in finance jobs this summer.

As always, we are grateful for the myriad contributions, financial and otherwise, made by our Board of Advisors and Associates and the BGI Fellowship Program, which provides support for faculty-student research on investment management topics. The FEI relies upon annual gifts by its Board of Advisors, Associates, and friends of the Institute to support our activities, and we appreciate the generosity of time and money that makes the FEI function. ▲

## Congratulations to the FEI Summer 2012 RAs:

- MERIEL FOSTER '14**, Economics-Accounting major
- MADISON FRIEDMAN '14**, Management-Engineering major
- PHILIP LIAO '14**, Economics major
- DANTE QUAZZO '15**, Economics major
- JING WEN '13** (Pomona), Economics major
- JINLIN YE '12** (Pomona), Mathematics and Economics major
- LAWRENCE ZHONG '14**, Economics-Accounting major

## Congratulations to the 2012-2013 BGI/Larson Asset Management Fellows:

- JULIAN BUCKNER '14**, Economics-Accounting major
- VIKEN DOUZDJIAN '13**, Economics-Mathematics major
- DAVID HIRSCH '13**, Economics-Accounting major
- RACHEL KITZMILLER '13**, Economics major (BA), with a Master's in Finance (RDS)
- BLAKE MORELL '13**, Economics major
- DANIEL SHANE '13**, PPE – Economics-Accounting major

## 2012 New York City Networking Trip

By Kevin Potterton '12, FEI Research Analyst and Trip Coordinator

THIS JANUARY, THE FINANCIAL Economics Institute, in conjunction with the Robert Day School of Economics and Finance, sponsored the 9th annual New York City Networking Trip. One week before returning to campus for the start of the spring semester, fourteen juniors and four senior trip coordinators travelled to the Big Apple to learn about the world of finance and connect with CMC alumni of all ages.

The 2012 trip marked the third year that students took the lead in organizing the experience. The coordinating committee was made up of Drew Oetting '12, Kevin Potterton '12, Coady Smith '12, and Dana Staley '12. All four members of the committee participated in the 2011 trip as juniors. The committee did everything from organizing firm visits to conducting mock interviews for the juniors.

The trip began on Monday, January 9th, with a cocktail reception hosted by Sue Matteson King '85, managing director at Morgan Stanley Investment Management. Students got the chance to interact with CMC alumni working in the field of finance, including members of the Financial Economics Institute Board of Advisors and Associate members. After a quick change of venue, the party enjoyed dinner at the Glass House Tavern.

On Tuesday morning, the group kicked off a series of firm visits with a trip to Goldman Sachs, where they were hosted by David Alvillar '01, who spoke to the students about his career path from CMC and his experiences on various trading desks at Goldman. Mr. Alvillar was joined by fellow alums Christine Mann '87 and Holly Poole M'11, who spoke about their roles in investment management and leveraged finance respectively. The students also had the privilege to hear from Andrew Kaiser P'13, a member of the RDS Board of Advisors and the COO of Goldman Sachs Bank.

After a quick photo op with the Wall Street Bull, the group made their way to Deutsche Bank where they were hosted by Alan Delsman '68, a managing director in credit risk management. He was joined by managing director Rich Ferguson '81, and analysts Zain Jamal '10 and Kaitlyn Desai '11 (Ms. Desai helped coordinate the 2011 NYC trip in her senior year). This visit gave

students the unique opportunity to learn about the role of risk management in an investment bank, but they were also privy to hear from several members of the investment banking division at DB, including alums Jane Lee '02 and Esther Kim '09.

For their final visit of the day, the students headed back to midtown to visit Morgan Stanley in the heart of Times Square. The group was hosted by Scott Ashby '95, executive director, and although Mr. Ashby was called away on business at the last moment, a group of young alumni from all parts of the firm were available for a conversation about their roles at MS and the transition from CMC to the world of professional finance. Laura Jileta M'11 spoke about the debt capital markets group, while Yuchen Zhang '10 represented investment banking, and Ben Kraus '11 shared his experiences on the trading desk.

After three informative firm visits during the day, the students spent Tuesday night connecting with alumni from all over the greater New York area at the CMC Alumni Association Reception hosted at the Yale Club by Kristen Edgreen-Kaufman '98. The event drew alumni of all ages and even a sizeable contingent of current students.

Wednesday morning began with a visit to Atalaya Capital Management, where the group met with founding partner and chief investment officer Ivan Zinn '96. Mr. Zinn gave the students a primer on the world of hedge funds and private equity, providing insights into the real estate investments that have become Atalaya's specialty. Mr. Zinn also fielded questions about his career path and the unique challenges of starting his own firm.

In the afternoon, the students had lunch at RBC Capital Markets with Robert Wetenhall '94, a director in equity research. Mr. Wetenhall spoke to the students about the importance of firm culture and finding a job that fits one's skill set. A panel of young analysts gave the students a view of their day-to-day roles at RBC. This panel included recent graduate Alexander Reichert '11 who spoke about his role on the debt capital markets desk.

For their final Wednesday visit, the group visited Moelis & Co., where Stella Ho '97 was on hand to speak about her role as a vice president. The students also spoke with

a managing director and several analysts about the unique experience of working at a boutique investment bank founded less than five years ago.

The group started off Thursday, their last day of activities, with a trip downtown to visit Deloitte Consulting. Josh Siegel '10 made the flight from San Francisco to speak with the students about his experiences. Deloitte was the only consulting firm on the itinerary, so Mr. Siegel and his colleagues' descriptions gave a unique perspective on an industry that many CMC graduates pursue.

Rockefeller Center was the location of the students' next visit to The Capital Group. They had lunch with Brad Barrett '00, vice president and investment analyst, who made the trip from Los Angeles to speak to the group about his experiences investing in internet, media, and telecom companies. This visit was of special interest to the many trip participants who are also members of CMC's Student Investment Fund. Mr. Barrett gave an overview of Capital Group's position within the investment landscape, described his own analytical strategies, and then fielded questions about everything from the state of the telecom industry to the efficiency of capital markets.

The group's final firm visit of the trip was a surprise one. The students secured a visit to Wells Fargo at the last minute with the help of Kyle Casella '10, an investment banking analyst in Wells' Los Angeles office. The group heard from Bill Bundy, a managing director of the technology, media, and telecom group, who spoke about his movement up through the ranks of investment banking. Mr. Bundy was accompanied by a panel of analysts and associates who gave their own take on the day-to-day life of an investment banker.

The 2012 New York City Networking trip was a whirlwind success. It was not easy to fit nine firm visits into three days, a new record for the trip, but the wide variety of companies visited, and the many different functions explored within those firms, provided an educational experience unlike many others. The things the students learned and the connections they made will no doubt be invaluable as they work to establish their careers. ▲

## FEI Board of Advisors Profile: Robert P. Thomas '99 Chief Investment Officer, The George Kaiser Family Foundation

By Benjamin Pyle '13, FEI Student Research Analyst



ROBERT P. THOMAS '99

### WHEN DID YOU FIRST BECOME INTERESTED IN FINANCE?

When I started at CMC, I really had no idea what I intended to do post-graduation. I had a working knowledge of economics (my father was a professor of economic history) but it wasn't until I took Corporate Finance that I got really interested in the subject as a focus for my major and eventual career path.

### WHAT PART OF YOUR EDUCATIONAL EXPERIENCE HAS BEEN MOST USEFUL IN YOUR CAREER?

With regard to finance, the most useful areas have definitely been general corporate finance, investment theory and valuation, and accounting. In retrospect, I should have taken more accounting classes while at CMC. I am also a big fan of the general education requirements—I filled my electives with math, history, and literature courses. Being able to approach problems with the lens of multiple disciplines is a very useful skill to have in the tool box.

### WHAT ADVICE DO YOU HAVE FOR CURRENT CMC STUDENTS WHO WANT TO PURSUE A CAREER IN FINANCE?

It's a great career choice, but one that has attracted the best and brightest over the last several decades. As a result, it's highly competitive—there are always people who have more experience and knowledge than you do. You must be willing to work hard and take all the opportunities to educate yourself whether that is through programs like the CFA or as an understudy to other talented professionals.

### HOW HAS THE RECENT RECESSION AND ECONOMIC TURMOIL IMPACTED THE GEORGE KAISER FAMILY FOUNDATION'S ABILITY TO FULFILL ITS MISSION OF BREAKING THE CYCLE OF POVERTY THROUGH INVESTMENTS IN EARLY CHILDHOOD EDUCATION, COMMUNITY HEALTH, SOCIAL SERVICES AND CIVIC ENHANCEMENT?

We have been really lucky through the global financial crisis. GKFF has continued to receive significant annual donations by George Kaiser which generally are larger than our grant outflows in a given year. From an investment perspective, we have dealt with the same challenges as other endowments and foundations regarding increasing volatility, but have not faced the same level of liquidity concern. What has certainly increased over the last several years is the need in the community as other public and private funding for programs has decreased. In some ways, the operational need of a foundation or endowment goes up as market sell-offs occur due to more difficulty fundraising and more pressure to give to meet institutional goals.

### THE FOCUS OF YOUR INVESTMENT MANAGEMENT HAS BEEN ASSOCIATED WITH CHARITABLE, NON-PROFIT ORGANIZATIONS. WHAT SORT OF IMPACT HAS THIS FOCUS HAD ON YOUR INVESTMENT STRATEGIES?

The simple answer to this question is that both GKFF and Cascade Investment have very long term time frames for investment and charitable giving. This allows the investment portfolio to have a longer term time horizon—to worry less about month to month returns and focus more on the 3-5 year horizon. In other words, less “trading” and more “investing.” The more complex answer is that each institution has its own constraints and goals and regardless of what type of institution you represent you need to focus more on what the needs of the organization are from an asset allocation perspective rather than what the “peer group” for your type of organization is doing.

### HAVE RECENT CHANGES IN GOVERNMENTAL POLICY, SUCH AS CHANGES IN HEALTHCARE AND SOCIAL SAFETY PROGRAMS INFLUENCED YOUR WORK WITH GKFF? WHAT OF THE

### CHANGING INVESTMENT REGULATORY ENVIRONMENT?

Yes, regulatory change is something we monitor closely. On the giving side, the changes to the delivery of healthcare and how it's funded will have significant impacts on our grantee universe. On the investment front, the two changes that are affecting us the most are the application of Dodd-Frank regarding how derivatives are traded and settled and the ongoing changes to audit requirements for foundations around transparency and disclosure. Basically, regulation increases the workload to make sure we understand and adhere to the new rules.

### GKFF HAS A FOCUS IN OKLAHOMA AND TULSA SPECIFICALLY. HOW HAS THIS INFLUENCED YOUR WORK? ARE THERE ANY PLANS OR HOPES FOR NATIONAL EXPANSION?

GKFF is a relatively young institution. We got started about thirteen years ago, but really ramped up our investment, giving, and community involvement in 2006. You could say we are still on the steep part of the learning curve about the right ways to apply philanthropy locally. There is also a huge need here at home, in Tulsa, and across Oklahoma. We are in the bottom decile in so many important categories—per capita education, per capita access to healthcare, per capita income—to name a few. I don't see any near term change to our local and regional focus. From an investment front, we do like to support local companies to the extent they represent a solid investment opportunity for the investment portfolio.

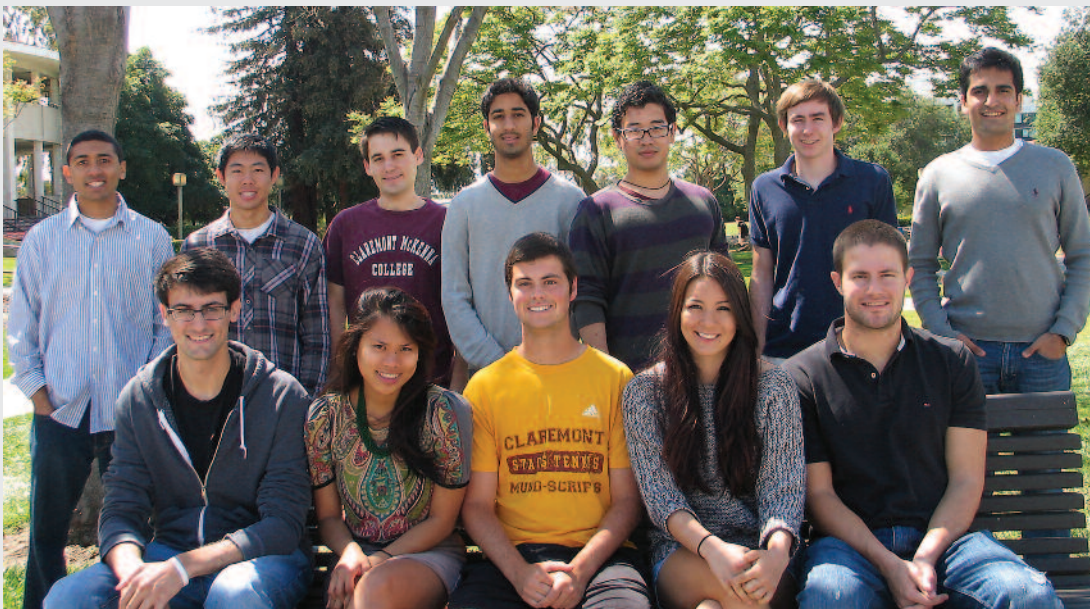
### WHAT IS THE MOST CHALLENGING PART OF YOUR JOB? WHAT ARE THE MOST REWARDING PARTS?

The best and most challenging part of my job is that every day is different. Financial markets change minute to minute, and you need to be engaged and excited about the resulting opportunities and challenges. I enjoy constantly getting back on the learning curve for new areas of the investment universe, but like everyone in this industry, the last four years have been a roller coaster ride of volatility and rapid change. ▲

## Financial Economics Institute Spring 2012 Student Research Analysts

During the Spring 2012 semester, seventeen student Research Analysts were assisting faculty members with research projects. The following is a list of the students, the topics they were researching, and their faculty advisors:

- ▶ **WILLIAM LOCKE BROWN '14**, *How Much Should Judges be Paid? An Empirical Study on the Effect of Judicial Pay on the State Appellate Bench; Are Patent Settlements Collusive? Evidence from Pharmaceutical Patent Litigation; and Market Power in Property Casualty Insurance Markets: Evidence from Medical Professional Liability* with Professor Eric Helland
- ▶ **MAXWELL CHAMBERS '12**, *Case Studies of Management Structures Utilizing Neuroeconomic O-Factors* with Professor Paul Zak (CGU)
- ▶ **STACIE HETRICK '13**, *Congressional Insider Trading: Should We Be Concerned?* with Professor Eric Hughson
- ▶ **DAVID HIRSCH '13**, *Aggregated versus Disaggregated Forward Looking Information and its Effect on Risk Taking* with Professor Ananda Ganguly
- ▶ **ALEX JOHNSON '13**, *Congressional Insider Trading: Should We Be Concerned?* with Professor Eric Hughson
- ▶ **ARJUN KAPUR '14**, *See research project titles for William Locke Brown*, with Professor Eric Helland
- ▶ **NIKHIL LEDLIE '13**, *See research project titles for William Locke Brown*, with Professor Eric Helland
- ▶ **ROSABELLA MAGAT '12**, *Section 363 Sales in Bankruptcy* with Professor Marc Martos-Vila
- ▶ **AKBAR MIRZA '13**, *Research on Institutional Investors and Dual Holdings of Debt and Equity in Distressed Firms* with Professor Janet Smith
- ▶ **RISHABH PAREKH '12**, *Aggregated versus Disaggregated Forward Looking Information and its Effect on Risk Taking* with Professor Ananda Ganguly
- ▶ **BENJAMIN PYLE '13**, *College and University Endowments in the Current Recession* with Professor Henrik Cronqvist, Professor Lisa Meulbroek, and Professor Janet Smith
- ▶ **SARA REED '12**, *The Effect of the Introduction of a Clearinghouse on Trading Costs: The New York Stock Exchange in the 1890s* with Professor Eric Hughson
- ▶ **YIJING (ARTEMIS) SHEN '13**, *China's Futures Markets During the Global Recession and The Internationalization of the Renminbi* with Professor Richard Burdekin
- ▶ **ANKIT SUD '14**, *Congressional Insider Trading: Should We Be Concerned?* with Professor Eric Hughson
- ▶ **HAO TANG '12 (POM)**, *Econometric Analysis of International Trade Flows* with Professor Sven Arndt
- ▶ **SAMUEL WONG '13**, *Congressional Insider Trading: Should We Be Concerned?* with Professor Eric Hughson
- ▶ **SZE WAI YUEN '12**, *Individual vs. Aggregate Decision Making: Diversification Discount* with Professor Ananda Ganguly



Back row, from left:  
Rishabh Parekh '12, Samuel Wong '13, Ben Pyle '13, Ankit Sud '14, Hao Tang '12 (POM), William (Locke) Brown '14, Arjun Kapur '14.  
Front row, from left: Akbar Mirza '13, Rosabella Magat '12, Alex Johnson '13, Stacie Hettrick '13, and David Hirsch '13.

## Where Will FEI Students Be Working?

CONGRATULATIONS TO THE FOLLOWING SENIORS AND JUNIORS COMPLETING THE FINANCIAL ECONOMICS Sequence who have notified the FEI that they have secured a full-time job, placement in graduate school, or a summer internship. This list identifies the students' major(s) and their place of employment/graduate school.

### Graduating Financial Economics Sequence Seniors:

**ALEXANDRA ABRAMOVITZ**, Economics-Accounting  
Citigroup (New York, NY)

**LAUREN BUCHANAN**, Economics-Literature  
Cambridge Associates (Menlo Park, CA)

**CALEB DAVIS**, Economics-Government  
Pacific Investment Management Company (Newport Beach, CA)

**AUSTIN HALLETT**, Economics-Legal Studies  
Navigant Consulting (Los Angeles, CA)

**AVERY HOLLAND**, Economics  
Greenhill and Company (New York, NY)

**SAUMYA LOHIA**, Mathematics-Economics  
Goldman Sachs (New York, NY)

**ROSABELLA MAGAT**, Economics  
Imperial College Business School – Master's in Finance  
(London, England)

**JEFFREY MCNERNEY**, Economics and PPE  
Lazard Investment Banking (Los Angeles, CA)

**CLINTON PAULUS**, Economics  
Addepar (Mountain View, CA)

**KEVIN POTTERTON**, Economics-Mathematics  
Royal Bank of Canada (New York, NY)

**SARA REED**, Economics  
Morgan Stanley Investment Management (New York, NY)

**JASON REHHAUT**, Economics-Accounting  
Deloitte Touche (Los Angeles, CA)

**JUSTIN SPITZER**, Economics  
Citibank (Location to be determined)

**DANA STALEY**, Economics  
JMP Securities (San Francisco, CA)

### Financial Economics Sequence Juniors – Summer Positions:

**CONNOR BARCLAY**, Economics-Accounting  
Ernst & Young (Los Angeles, CA)

**BRIAN BARTLETT**, Economics  
Moss Adams LLP (Los Angeles, CA)

**JESSICA BARTLETT**, Economics-Literature  
PricewaterhouseCoopers (Los Angeles, CA)

**VIKEN DOUZDJIAN**, Economics-Mathematics  
Wells Fargo Investment Bank (San Francisco, CA)

**MATTHEW ELLIS**, Economics-Accounting  
Ernst & Young (Los Angeles, CA)

**AUSTIN GOMEZ**, Psychology-Mathematics  
NASA Jet Propulsion Lab/Caltech (La Canada, CA)

**ISABEL HARBAUGH**, International Relations and Economics  
Mercer Consulting (Chicago, IL)

**STACIE HETRICK**, Economics-Accounting - International Relations  
Guggenheim Partners (Santa Monica, CA)

**DAVID HIRSCH**, Economics-Accounting  
J.P. Morgan (Chicago, IL)

**ALEX JOHNSON**, Economics-Accounting - Psychology  
Lazard (Los Angeles, CA)

**PETER KIMMEY**, Economics-Accounting  
Harris Williams & Co. (Richmond, VA) in May and  
Relational Investors LLC (San Diego, CA) in June/July

**YANCAN (LYDIA) LI**, Government-Economics  
Macquarie Capital (Los Angeles, CA)

**AKBAR MIRZA**, Economics-Accounting  
Gleacher & Co. (New York, NY)

**BENJAMIN PYLE**, PPE-Mathematics  
Deutsche Bank (New York, NY)

**JACOB ROTH**, Economics  
Morgan Stanley (San Francisco, CA)

**AVANTIKA SAISEKAR**, Economics  
Northern Trust (Chicago, IL)

**DANIYAL SHAHID**, Economics  
Merrill Lynch (Los Angeles, CA)

**YIJING (ARTEMIS) SHEN**, Mathematics and Economics  
Relational Investors (San Diego, CA)

**JEFFREY VIGNOS**, Economics-Accounting  
PricewaterhouseCoopers (San Francisco, CA)

**SAMUEL WONG**, Mathematics-Economics  
Transamerica (Los Angeles, CA)

## FEI Affiliated Faculty Research

### Selected 2011-2012 publications by faculty members affiliated with the FEI:

- ▶ “Free Trade and Its Alternatives,” **Sven Arndt**, in M.E. Kreinin and M.G. Plummer (eds.), *Handbook on International Commercial Policy*, Oxford University Press, forthcoming, 2012
- ▶ “Stabilization Policy in an Economy with Two Exchange-Rate Regimes,” **Sven Arndt**, *Global Economy Journal*, forthcoming 2012
- ▶ “Adjustment in an Open Economy with Two Exchange-Rate Regimes,” **Sven Arndt**, *Journal of Economic Asymmetries*, 8, No. 2, December 2011
- ▶ “The Direct Relevance of Accounting Information for Credit Default Swap Pricing,” **George Batta**, *Journal of Business Finance & Accounting*, 38: 1096-1122, 2011
- ▶ “Irving Fisher and Price-Level Targeting in Austria: Was Silver the Answer?” **Richard Burdekin**, with Kris James Mitchener and **Marc D. Weidenmier**, *Journal of Money, Credit, and Banking*, forthcoming
- ▶ “Cross-Market Trading in China’s Large State-Owned Commercial Banks, 2006-2011,” **Richard Burdekin** with Yang Yang, *Contemporary Economic Policy*, forthcoming
- ▶ “Enter the Dragon: Interactions between Chinese, US and Asia-Pacific Equity Markets, 1995-2010,” **Richard Burdekin** with Pierre L. Siklos, *Pacific-Basin Finance Journal*, forthcoming
- ▶ “Futures Trading and Price Discovery: Some Golden Chinese Evidence,” **Richard Burdekin** with Qingyang Li and James Zhang, *Empirical Economics Letters*, forthcoming
- ▶ “Demand for Attendance-Price Measurement,” **Richard Burdekin**, in Stephen Shmanske and Leo H. Kahane (eds.), *Oxford Handbook of Sports Economics*, New York: Oxford University Press, 2012
- ▶ “Genetics, homeownership, and home location choices,” **Henrik Cronqvist** with Florian Münkler and Stephan Siegel, *Journal of Real Estate Finance and Economics*, forthcoming, 2012
- ▶ “Behavioral consistency in corporate finance: CEO personal leverage and corporate leverage,” **Henrik Cronqvist** with Anil K. Makhija and Scott E. Yonker, *Journal of Financial Economics*, 103, pp. 20-40, 2012
- ▶ “Estimating the effects of large shareholders using a geographic instrument,” **Henrik Cronqvist** with Bo Becker and Rüdiger Fahlenbrach, *Journal of Financial and Quantitative Analysis*, 46, pp. 907-942, 2011
- ▶ “A Markov-Perfect Equilibrium Model of the Impacts of Price Controls on the Performance of the Pharmaceutical Industry,” **Darren Filson**, *RAND Journal of Economics*, 43:1, pp. 110-138, Spring 2012
- ▶ “Is neuroaccounting waiting in the wings? An Essay,” **Ananda Ganguly** with Jacob G. Birnberg, *Accounting, Organizations and Society*, Vol. 37, Issue 1, pp. 1-13, January 2012
- ▶ “Inference Problems in Events Studies: Applications to Securities Litigation,” **Eric Helland** with Jonah Gelbach and Jonathan Klick, *American Law and Economics Review*, forthcoming
- ▶ “How Much Should Judges Be Paid? An Empirical Study on the Effect of Judicial Pay on the State Appellate Bench,” **Eric Helland** with James Anderson, *Stanford Law Review*, forthcoming
- ▶ *Essential Statistics, Regression, and Econometrics*, **Gary Smith**, Academic Press, 2011.
- ▶ “The Two-Child Paradox Reborn?” **Gary Smith** with Stephen Marks, *Chance*, 24 (1), pp. 211-216, 2011
- ▶ “Like Mother, Like Daughter?: An Economic Comparison of Immigrant Mothers and Their Daughters,” **Gary Smith** with Margaret Hwang Smith, *International Migration*, forthcoming
- ▶ “Global Contagion and the Decoupling Debate,” **Thomas Willett** with Priscilla Liang and Nan Zhang, in Yin Wong Cheung, Vikas Kakkar, and Guonan Ma (eds.), *The Evolving Role of Asia in Global Finance*, Emerald Group Publishing, 2011
- ▶ “Market Discipline for Financial Institutions and Markets for Information,” **Thomas Willett** with Apanard Angkinand and Clas Wihlborg, in James Barth et al., (eds.), *Research Handbook on International Banking and Governance*, Edward Elgar, forthcoming
- ▶ “Currency Wars,” **Thomas Willett** with Graham Bird, *World Economics*, Vol. 12, No. 4, pp. 121-136, 2011
- ▶ “The Role of Defective Mental Models in Generating the Global Financial Crisis,” **Thomas Willett**, *Journal of Financial Economic Policy*, Vol. 4, No. 1, January 2012
- ▶ “Measures of Financial Openness and Interdependence,” **Thomas Willett** with William Clark, Mark Hallerberg and Manfred Keil, *Journal of Financial Economic Policy*, Vol. 4, No. 1, January 2012
- ▶ “Measuring Macroeconomic and Financial Market Interdependence: A Critical Survey,” **Thomas Willett** with Linyue Li and Nan Zhang, *Journal of Financial Economic Policy*, Vol. 4, No. 2, March 2012.
- ▶ “The Discipline Effects of Fixed Exchange Rates: The Distinction Between Hard and Soft Pegs,” **Thomas Willett** with Sirathorn BJ Dechsakulthorn, Eric MP Chiu, Stefanie Walter, and Joshua Walton, *Global Economic Review*, forthcoming
- ▶ “Endogenous Liquidity in Credit Derivatives,” **Fan Yu** with Jiaping Qiu, *Journal of Financial Economics*, 103 (3), pp. 611-631, 2012
- ▶ “The Determinants of Operational Risk in U.S. Financial Institutions,” **Fan Yu** with Anna Chernobai and Philippe Jorion, *Journal of Financial Quantitative Analysis*, 46 (6), pp. 1683-1725, 2011
- ▶ “Pricing Credit Default Swaps with Option-Implied Volatility,” **Fan Yu** with Charles Cao and Zhaodong Zhong, *Financial Analysts Journal*, 67 (4), pp. 67-76, 2011
- ▶ “The Neuroeconomics of Virtue and Vice,” Paul Zak, in Olivier Oullier, Alan P. Kirman, and J.S. Kelso (eds.), *The State of Mind in Economics*, Cambridge University Press, forthcoming

## Congratulations Class of 2012!

THE FINANCIAL ECONOMICS INSTITUTE WOULD LIKE TO CONGRATULATE THE GRADUATING FINANCIAL Economics Sequence seniors of 2012. The following is a list of seniors who completed the Financial Economics Sequence and the titles of their theses.

**ALEXANDRA ABRAMOVITZ**, *Are Women Impact Players? The Effect of Female Executives on Firm Performance and Capital Structure*

**LAUREN BUCHANAN**, *The Success of Long-Short Equity Strategies versus Traditional Equity Strategies & Market Returns*

**CALEB DAVIS**, *U.S. Monetary Policy and Emerging Market Interest Rate Spreads: Explaining the Risk*

**AUSTIN HALLETT**, *Finding Profitability of Technical Trading Rules in Emerging Market Exchange Traded Funds*

**AVERY HOLLAND**, *Are Olympic Sponsorships Worth It? The Case of the Vancouver 2010 Winter Olympic Games*

**SAUMYA LOHIA**, *Performance of the Indian Banking Industry over the Last Ten Years*

**ROSABELLA MAGAT**, *Effects of Early Round Venture Capital Syndication on IPO Exits in Europe and the United States*

**JEFFREY MCNERNEY**, *Searching for Value in Political Spending During the Announcement of Earnings Misstatements*

**CLINTON PAULUS**, *The Drivers of Monthly IPO Volume*

**KEVIN POTTERTON**, *Bid-Ask Spreads in a Heterogeneously Informed Market*

**SARA REED**, *The Effect of the Introduction of a Clearinghouse on Trading Costs: The New York Stock Exchange in the 1890s*

**JASON REHHAUT**, *Past Financial Reporting Credibility: Does It Influence Market Perceptions of Fair Value Assets?*

**PETER SCHOCK**, *The Effects of the Media on the Discrepancy Between GAAP and Pro Forma Earnings*

**JUSTIN SPITZER**, *The Persistence of Pricing Differentials in Dual-Listed Companies in Hong Kong and China*

**DANA STALEY**, *Does the REIT Tale Wag the Dog? The Relationship between Tenant Ownership and the Volatility of Retail REIT Stock Returns*

**MATTHEW VARGHESE**, *The Effects of Oil Supply Shocks on U.S. Stock Market Returns*

**ANDREW YANDELL**, *The Potential Application of Weather Derivatives to Hedge Harvest Value Risk in the Champagne Region of France*

## Upcoming Events

### New York City Networking Trip

**JANUARY 14–18, 2013**

Selected CMC students will visit prestigious firms in NYC to gain exposure to various job opportunities in the financial markets and to establish relationships with CMC alumni working at these companies.

Applications for the trip will be available in Bauer Center 321 in October, 2012.



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