Georgia Tech College of Management 2008-2010 Finance Group Report

THE BUSINESS SCHOOL AT GEORGIA TECH

Georgia Tech College of Management

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Finance Group Annual Report

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Message from the Dean

Georgia Tech College of Management is committed to becoming the world's preeminent business school for management and technology within the next decade. Because finance is fundamental to success in all aspects of business, we're dedicated to taking the school's finance area to the highest levels of excellence and prestige.

In recent years, we've made significant strides in growing the size of our impressive finance faculty. Recruiting world-renowned scholar Vikram Nanda to fill our new Russell and Nancy McDonough Chair was a major achievement for the College in 2008. Known for his pioneering research on corporate finance, Vikram previously held academic positions at Arizona State University, the University of Michigan, and the University of Southern California.

In 2008, we've also been privileged to have one of our most successful alumni, Gary Jones (IM 1971), join us as Professor of the Practice. Retired as managing director of Credit Suisse First Boston, Gary has more than 30 years of experience on Wall Street. In addition to the great knowledge and experience he imparts in his own lectures, he brings into his classes a series of star practitioners from the financial services industry that is paralleled at no other business school in the world.

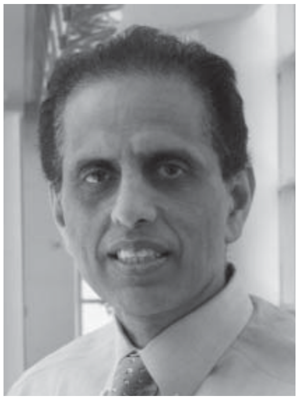
Now including nine tenured or tenure-track members, our finance faculty is doing an exceptional job at preparing a new generation of business leaders for success in finance and other careers. The faculty's efforts have been aided by invaluable educational tools like our new Ferris-Goldsmith Trading Floor.

Opened in 2007, the Trading Floor is opening new doors for our students in investment banking and financial services. Local high school students are benefiting from this facility, too. For the first time in summer 2008, Georgia Tech offered Wall Street on West Peachtree, a summer enrichment program enabling local teenagers to learn the fundamentals of finance, investments, and financial management.

We're very excited about what the future holds for our finance area and the entire College. With the right people and programs in the right place, we're creating a new standard in business education.

Steve Salbu, Dean
Stephen P. Zelnak Jr. Chair

Message from the Area Coordinator



Welcome to the annual report of the finance group at Georgia Tech College of Management. We want to bring you up-to-date on the group's teaching and research activities.

The first section of the report provides biographical information about the finance faculty. Pages 8 through 11 summarize the 43 publications in finance and economics by our faculty since 2002. Pages 12 through 15 provide the listing of our current working papers. And page 16 briefly describes the College's new finance camp for local high school students

In 2008, we were successful in recruiting Dr. Vikram Nanda to fill the newly created Russell and Nancy McDonough Chair. We were also delighted to recruit Gary Jones, a retired successful investment banker, as a Professor of the Practice of Finance.

We hosted 11 annual international finance conferences from 1995 through 2005. These conferences were organized by Professor Cheol Eun, who is also Thomas R. Williams Chairholder. Five of the keynote speakers in those conferences were Nobel Laureates (Merton Miller, Myron Scholes, James Tobin, Robert Mundell, and Daniel Kahneman).

We hope you enjoy reading this information. If you have any questions, please feel free to contact me or visit our web site at http://mgt.gatech.edu/finance.

Narayanan Jayaraman
Area Coordinator, Finance
Evelyn T. and Mallory C. Jones Jr. Professor

Spotlight on New Faculty

Gary T. Jones
Professor of the Practice of Finance

Gary Jones, who was inducted into Georgia Tech College of Management's Alumni Hall of Fame in 2004, is a retired managing director of Credit Suisse First Boston. He received his BS degree in industrial management from Georgia Tech and his MBA from the Darden School at the University of Virginia.

Jones spent more than 30 years at the investment banking firm of Donaldson, Lufkin, & Jenrette where he was in charge of global sales for the Fixed Income Division. In 2000, DLJ merged with Credit Suisse First Boston, a subsidiary of Credit Suisse Group, which has almost 150 years of experience and operates in more than 50 countries with over 60,000 employees.

Through the years, Jones has served as a guest lecturer at some of the world's top business schools, including Darden, Columbia University, and The Wharton School at the University of Pennsylvania.

In fall 2007, Jones began teaching the *Management of Financial Institutions* course for Georgia Tech undergraduate and MBA students. In the course, Jones provides an extremely rich, interactive classroom experience with a heavy emphasis on current financial/market news. Each semester, he brings into his class a series of star practitioners from the financial services industry who offer an opportunity to delve into all aspects of the capital markets. Students receive a "learn at the knee of the master" understanding of how these markets operate.

Vikram K. Nanda
Russell and Nancy McDonough Chair and Professor of Finance

Vikram K. Nanda received his PhD from the University of Chicago in 1990. His previous degrees include an MBA from Yale University and a B-Tech degree from IIT-Kanpur. Before joining Georgia Tech in 2008, he held academic positions at Arizona State University, the University of Michigan, and University of Southern California.

Nanda has a broad range of research interests in a variety of areas including corporate finance, market microstructure, financial intermediation, and emerging economies. He has published scholarly articles in journals such as the *Journal of Finance, Review of Financial Studies*, and *Journal of Financial Economics*. His work on multi-market trading received the best paper award at the market microstructure symposium sponsored by WFA-RFS-NYSE (1991). His articles at the *Journal of Finance* have been nominated twice for the Smith Breeden prize (1993, 1995) and he received a research reward from the Q-Group for his work on mutual fund families.

Nanda is an associate editor of the *Journal of Financial Research* and *Financial Letters*. He has regularly served on the program committees for meetings of the Western Finance Association, the European Finance Association, and the Financial Intermediation Research Society.

He is the co-author of a book on financial strategy, *Finance for Strategic Decision-making* (John Wiley & Sons). He has also contributed articles to non-academic publications such as *Barron's*.

Finance Faculty Profiles

Jonathan Clarke

Associate Professor of Finance and Mills B. Lane Term Professor

Dr. Jonathan Clarke received his PhD from the University of Pittsburgh. His research and teaching interests are in the areas of market microstructure and corporate finance. Clarke's research has been presented at a number of professional conferences including the Econometric Society Winter Meetings, the Utah Winter Finance Conference, the Western Finance Association Conference, the Securities and Exchange Commission, and the Federal Reserve Board of Governors.

His work has been published in the *Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Journal of Business,* and the *Journal of Corporate Finance*. His paper titled "Long-run performance and insider trading in completed and canceled seasoned equity offerings" won the 2001 William F. Sharpe award for best published paper in the *Journal of Financial and Quantitative Analysis*. He also co-authored a chapter for the book *Expert Financial Planning: Advice from Industry Leaders* (Wiley and Sons).

Andrew J. Cooper III

Associate Professor Emeritus of Finance

Dr. Andrew J. Cooper was awarded the PhD degree in economics in 1961 from Princeton University. Prior to that, he received the MA in economics, also from Princeton, and BS and MS degrees in industrial management from Georgia Tech. He has taught finance courses since joining the Georgia Tech faculty in 1961, most recently the introductory investments course. He recently retired as a full-time faculty member at Georgia Tech and continues to teach part-time. His current research interest is stock market volatility (trends and causes).

Nishant Dass

Assistant Professor of Finance

Dr. Nishant Dass received his PhD degree from INSEAD in Fontainebleau, France in 2007. Before pursuing his doctoral studies, he earned graduate degrees from the University of Illinois at Urbana-Champaign, and University of Michigan, Ann Arbor. His bachelor's degree is from Regional Engineering College, Jaipur (India). His teaching interests are in corporate finance, and his research interests are in empirical corporate finance, banking, and international finance. His papers have been presented in conferences at the AFA, WFA, NY Fed, and the World Bank. His work has been accepted for publication in the *Review of Financial Studies* and has also been cited in *The New York Times*.

Cheol S. Eun

Professor of Finance and Thomas R. Williams Chair

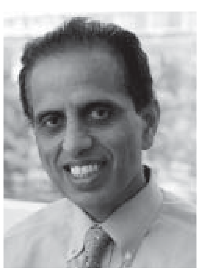
Dr. Cheol S. Eun earned his PhD from New York University in1981. Before joining Georgia Tech in 1994, he taught at the University of Minnesota and the University of Maryland. He also taught at the Wharton School of the University of Pennsylvania, Korea Advanced Institute of Science and Technology, and Esslingen University of Technology in Germany as a visiting professor. He held the Distinguished Visiting Professorship at Singapore Management University in 2005.

Eun has published extensively on international finance and investment issues. In particular, he has done pioneering works on international financial linkages, cross-border listings and trading of securities, international asset pricing under market imperfections, and global asset allocation.

Five of his published papers were chosen for inclusion in the *International Library of Critical Writings in Financial Economics*, which compiles the most influential finance papers published in the last 40 years. Reflecting the broadening impact of his research, his publications have collectively received more than 1,500 citations in the literature. Eun also co-authored a best-selling textbook, *International Financial Management* (McGraw-Hill) that has been adopted by many leading universities around the world.

Winner of the Krowe Teaching Excellence Award at the University of Maryland in 1988, Eun also has served as a consultant to various public and private organizations, including the World Bank, the Korea Development Institute, and Apex Capital Research. He is the founding Program Chair of the International Finance Conference, sponsored by Fortis, that was held annually during 1995-2005.

Eun has been a frequent speaker at academic and professional meetings held throughout the world. In December 2006, he delivered a keynote address, "Global Financial Convergence: Causes and Consequences," at the inaugural International Conference on Asian-Pacific Financial Markets held in Seoul.



Narayanan Jayaraman

Evelyn T. and Mallory C. Jones Jr. Professor and Area Coordinator of Finance

Dr. Narayanan Jayaraman received his PhD from the Katz Graduate School of Business of the University of Pittsburgh. His previous degrees include an MBA from the Indian Institute of Management - Calcutta, and a bachelor of technology in mechanical engineering from the Indian Institute of Technology - Madras. Prior to attending the PhD program, he was employed as a planning manager for five years at Premier Automobiles Ltd., a large automobile organization in Mumbai, India. Jayaraman also holds the chartered financial analyst (CFA) designation that is conferred by the Association of Investment Management and Research. He has a courtesy faculty appointment at the School of Industrial and Systems Engineering.

Jayaraman's research interests are in the areas of corporate finance, options markets, Japanese capital markets, corporate bankruptcy, and entrepreneurship. He served as a director on the board of the Eastern Financial Association. He is a member of the Program Committee for the Financial Management Association Annual Meetings as well as an ad-hoc referee for several professional journals. He has made over 70 presentations at national and international conferences including the American Finance Association, the Western Finance Association, the Financial Management Association, the European Financial Management Association, and the Pacific-Basin Finance Association.

He has published over 30 scholarly articles in various journals including the *Journal of Finance, Journal of Financial and Quantitative Analysis, Journal of Banking and Finance, Journal of Corporate Finance, Journal of Financial Markets, Strategic Management Journal, Journal of Business Venturing,* and ***J**ournal of International Business Studies.* His research has been cited in major media outlets including *The Wall Street Journal*, *Atlanta Journal-Constitution*, *Chicago Tribune*, *Money Magazine*, and *The Street.com*. His paper on the post-listing puzzle won the best paper award at the fourth annual Pacific-Basin conference in Hong Kong.

He has won several teaching awards including the Institute Junior Faculty Teaching Excellence Award, Roe Stamps IV Excellence-in-Teaching Award, Lilly Teaching Fellowship award, and the Core Professor of the Year award in the MSM (now MBA) program. He has also been recognized for outstanding teaching in the *BusinessWeek Guide to Best Business Schools*. He has taught in several executive education programs and served as a consultant for several organizations.

Ajay Khorana
Wachovia Professor of Finance

Dr. Ajay Khorana holds the Wachovia Professorship. He has also taught at the U.S. Business School in Prague as well as the University of Virginia's Darden School of Business and School of Law.

His research and teaching interests are in the areas of investments, corporate finance, fixed income securities, and risk management, with a special focus on mutual funds and analyst behavior. He has published his research in leading academic journals including the *Journal of Finance, Journal of Financial Economics, Review of Financial Studies, Journal of Financial and Quantitative Analysis, Journal of Banking and Finance, Journal of Corporate Finance, Journal of Portfolio Management,* and the *Financial Analysts Journal.*

His research has been presented at various academic and practitioner conferences, including events held by the Securities and Exchange Commission and the Investment Company Institute, and cited in major media including *The Wall Street Journal*, *Financial Times, Chicago Tribune*, and *SmartMoney*.

He has received many awards for both his research and teaching, including recognition in the *BusinessWeek Guide to Best Business Schools*. He teaches in several executive programs at Georgia Tech. He has also served as a consultant to a number of corporations and has worked closely with economic consulting firms. Khorana also holds the chartered financial analyst (CFA) designation.

Suzanne Lee
Assistant Professor of Finance

Dr. Suzanne Lee received her PhD and MBA from the University of Chicago's Graduate School of Business. She also holds an MS in statistics from the University of Chicago, and a bachelor's degree in statistics with honors from Ewha Women's University in Seoul, South Korea.

Lee's teaching and research interests are in the areas of investment, financial econometrics, asset pricing, derivative markets, and market microstructure. She is a recipient of various research and teaching fellowships. Her research work has been accepted for publication in the *Review of Financial Studies*. She has presented her research at many academic conferences and seminars and served as a session chair and a discussant for various conferences.

Minqiang Li
Assistant Professor of Finance

Dr. Minqiang Li received his PhD in finance in 2005 from the University of Illinois at Urbana-Champaign. He graduated from the University of Science and Technology of China in 1997 with a BS degree in physics. He also has master's degrees in physics, mathematics, and finance. He has been named to the List of Teachers Rated as Excellent.

Li is a member of the American Financial Association. His research areas include asset pricing, financial modeling and term structures of interest rates. His research works have been accepted by the *Journal of Financial Economics*, *European Journal of Operational Research*, *Journal of Derivatives*, and *Journal of Futures Markets*. He has presented his research works at many conferences, including the American Financial Association Annual Meetings, and many universities. He has also served as session chair, discussant and program committee member of various conferences.

Qinghai Wang
Associate Professor of Finance

Dr. Qinghai Wang received his PhD from the Fisher College of Business at Ohio State University. His areas of teaching and research are theories and empirical methods of investment decision making and asset pricing. He focuses his research on the investment decisions and portfolio choices of institutional and individual investors and the impact of their behaviors on asset prices and market efficiency.

Wang's works have been published in the *Journal of Finance*, *Journal of Financial Economics*, *Journal of Business*, and *Journal of Financial and Quantitative Analysis*. He also has presented his research at various academic conferences, and his work has been cited in news publications such as *The New York Times* and the *CFO* magazine.

Refereed Publications Since 2002

2002:

1. **Rajesh Chakrabarti** and Richard Roll, "East Asia and Europe during the 1997 Asian Collapse: A Clinical Study of a Financial Crisis," *Journal of Financial Markets*, 5(1), January 2002, pp. 1-30.

2. **Rajesh Chakrabarti** and Barry Scholnick, "International Expansion of E-Retailers: Where the Amazon Flows," *Thunderbird International Business Review*, 44(1), January-February 2002, pp. 85-104.

3. **Rajesh Chakrabarti** and Barry Scholnick, "Exchange Rate Expectations and FDI Flows," *Weltwirtschaftliches Archiv – Review of World Economics*, 138(1).

4. **Cheol Eun** and Sanjiv Sabherwal, "Forecasting Exchange Rates: Do Banks Know Better?," *Global Finance Journal*, 13, 2002, 195-215.

5. **Cheol Eun**, S. Janakiramanan, and Lemma Senbet, "The Pricing of Emerging Market Country Funds," *Journal of International Money and Finance*, 21, 2002, 833-855.

6. **Narayanan Jayaraman, Ajay Khorana**, and Ed Nelling, and "The Determinants of Mutual Fund Mergers and Their Impact on Fund Shareholders," *Journal of Finance*, Vol. LVII (3), 2002, 1521-1551

7. **Ajay Khorana**, Wahal, and M. Zenner, "Agency Conflicts in Closed-End Funds: The Case of Rights Offerings," *Journal of Financial and Quantitative Analysis*, Vol. 37 (2), 2002, 177-200.

2003:

8. **Rajesh Chakrabarti**, "Frictions in International E-commerce," *Management International Review*, Special Issue, 2003(1), 31-49.

9. **Jonathan Clarke**, E. Fee, and S. Thomas, "Corporate diversification and asymmetric information: Evidence from stock market trading characteristics," *Journal of Corporate Finance*, 10, 2003, 105-129

10. **Cheol Eun**, and S. Sabherwal, "Cross-Listings and Price Discovery," *Journal of Investment Management*, 2003, 26-46.5.

11. **Cheol Eun**, C. Dunbar, and K. Kahle, "The long-run performance of secondary equity issues: A test of the windows of opportunity hypothesis," *Journal of Business*, 77 (2004), 575-604.

12. Chris Anderson, Terry Campbell, **Narayanan Jayaraman**, and Gershon Mandelker, "Bank Monitoring, Firm Performance, and Top Management Turnover in Japan," *Advances in Financial Economics*, Vol. 8, 2003, 1-27.

2004:

13. **Jonathan Clarke**, C. Dunbar, and K. Kahle, "The long-run performance of secondary equity issues: A test of the windows of opportunity hypothesis," *Journal of Business*, 77, 2004, 575-604.

14. **Minqiang Li,** Neil D. Pearson, and Allen Poteshman, "Conditional Estimation of Diffusion Processes," *Journal of Financial Economics*, 74, 2004, 31-66.

2005:

15. **Rajesh Chakrabarti** and Barry Scholnick, "Nominal Rigidities without Literal Menu Costs: Evidence from E-Commerce," *Economics Letters*, Vol. 86 (2), February 2005, 187-191.

16. **Rajesh Chakrabarti**, **Narayanan Jayaraman**, Wei Huang, and Jinsoo Lee, "Price and Volume Effects of Changes in MSCI Indices – Nature and Causes," *Journal of Banking and Finance*, Vol. 29, 2005, 1237-1264.

17. Lucy Ackert, **Bryan Church**, and **Narayanan Jayaraman**, "Circuit Breakers with Uncertainty about the Presence of Informed Agents: I Know What You Know…..I Think," *Financial Markets, Institutions & Instruments*, Vol. 14 (3), 2005, 135-167.

18. M. Cooper, **Ajay Khorana**, I. Osobov, A. Patel, and P. R. Rau, "Managerial Actions in Response to a Market Downturn: Valuation Effects of Name Changes in the dot.com Decline," *Journal of Corporate Finance*, Vol. 11, March 2005, 319-335.

19. **Ajay Khorana**, Henri Servaes, and P. Tufano, "Explaining the Size of the Mutual Fund Industry Around the World," *Journal of Financial Economics*, Vol. 78 (1), 2005, 145-185.

2006:

20. **Jonathan Clarke** and A. Subramanian, "Dynamic forecasting behavior of analysts: Theory and evidence," *Journal of Financial Economics*, 80, 2006, 81-113.

21. **Jonathan Clarke**, S. Ferris, J. Lee, and **Narayanan Jayaraman**, "Are analyst recommendations biased: Evidence from corporate bankruptcies," *Journal of Financial and Quantitative Analysis*, 41, 2006, 169-196.

22. **David Herold**, **Narayanan Jayaraman**, and C. R. Narayanaswamy, "What is the Relationship between Organizational Slack and Innovation?," *Journal of Managerial Issues*, Vol. XVIII (3), 2006, 372-392.

23. **Minqiang Li**, "Closed-form Approximate Inversion of the Black-Scholes Formula," *Proceedings of Third IASTED Financial Engineering and Applications Conference*, 2006, 110-112.

2007:

24. **Rajesh Chakrabarti** and Barry Scholnick, “The Mechanics of Price Adjustment: New Evidence on the (Un)importance of Menu Costs,” *Managerial and Decision Economics*, Vol. 28, 2007, 657-668.

25. **Jonathan Clarke**, **Ajay Khorana**, A. Patel, and R. Rau, “The impact of all-star analyst job changes on their coverage choices and investment banking deal flow,” *Journal of Financial Economics*, 84, 2007, 713-737.

26. **Cheol Eun**, Sandy Lai, and C. Chua, “Corporate Valuation around the World: The Effects of Governance, Growth, and Openness,” *Journal of Banking and Finance*, 2007, 35-56.

27. **Cheol Eun** and Victor Huang, “Asset Pricing in Chinese Domestic Stock Markets: Is There a Logic?,” *Pacific-Basin Finance Journal*, 15, 2007, 452-480.

28. Steve Ferris, **Narayanan Jayaraman**, and Sanjiv Sabherwal, “Characteristics and Behavior of Newly Listed Firms: Evidence from the Asia Pacific Region,” *Journal of International Financial Markets, Institutions & Money*, 17, 2007, 420-436.

29. **Ajay Khorana**, P. Tufano, and L. Wedge, “Board Structure, Mergers and Shareholder Wealth: A Study of the Mutual Fund Industry,” *Journal of Financial Economics*, 85, 2007, 571-598.

30. **Ajay Khorana**, Henri Servaes, and Lei Wedge, “Portfolio Manager Ownership and Fund Performance,” *Journal of Financial Economics*, 85, 2007, 179-204.

31. **Marie Thursby**, **Jerry Thursby**, and **Swasti Gupta-Mukherjee**, “Are There Real Effects of Licensing on Academic Research? A Life Cycle View,” *Journal of Economic Behavior and Organization*, 63, 2007, 577-598. NBER WP #11497.

2008:

32. **Rajesh Chakrabarti**, Bill Megginson, and Pradeep Yadav, “Corporate Governance in India,” *Journal of Applied Corporate Finance*, Vol. 20, 2008, 59-72.

33. **Rajesh Chakrabarti**, **Narayanan Jayaraman**, and **Swastika Mukherjee**, “Mars-Venus Marriages: Culture and Cross-border M&A,” *Journal of International Business Studies*, 2008, forthcoming.

34. **Hyung-Suk Choi** and **Narayanan Jayaraman**, “Is Reversal of Large Stock-Price Declines Caused by Overreaction or Information Asymmetry: Evidence from Stock and Option Markets,” *Journal of Futures Markets*, 2008, forthcoming.

35. **Nishant Dass**, Massimo Massa, and Rajdeep Patgiri, “Mutual Funds and Bubbles: The Surprising Role of Contractual Incentives,” *Review of Financial Studies*, Vol. 21, 2008, 51-100.

36. **Cheol Eun**, Sandy Lai, and Victor Huang, "International Diversification with Large- and Small-cap Stocks," *Journal of Financial and Quantitative Analysis,* 43, 2008, 489-524.

37. Bharat Jain, **Narayanan Jayaraman**, and Omesh Kini, "The Path-to-Profitability of Internet IPO Firms," *Journal of Business Venturing*, 23, 2008, 165-194.

38. **Ajay Khorana**, Henri Servaes, and Peter Tufano, "Mutual Fund Fees Around the World," *Review of Financial Studies*, 2008, forthcoming.

39. **Suzanne Lee** and Per A. Mykland, "Jumps in Financial Markets: A New Nonparametric Test and Jump Dynamics," *Review of Financial Studies*, 2008, forthcoming.

40. **Minqiang Li**, "Approximate Inversion of the Black-Scholes Formula Using Rational Functions," *European Journal of Operational Research*, 185, 2008, 743-759.

41. **Minqiang Li,** "The Impact of Return Nonnormality on Exchange Options," *Journal of Futures Markets*, forthcoming.

42. **Minqiang Li**, Shijie Deng, and Jieyun Zhou, "Closed-form approximations for spread option prices and greeks," *Journal of Derivatives*, 15(3), 2008, 58-80.

43. Jim Hsieh and **Qinghai Wang**, "Insiders' Tax Preferences and Firm's Choice between Dividends and Share Repurchases," *Journal of Financial and Quantitative Analysis*, Vol. 43, 2008, 213–244.

Current Working Papers

WP – 1 Franklin Allen, **Rajesh Chakrabarti**, Sankar De, Jun Qian, Meijun Qian, and Barry Scholnick, "Firm Financing in India."

WP – 2 **Rajesh Chakrabarti** and Ajay Subramanian, "Power, Compensation, and Corruption: Theory and Evidence."

WP – 3 **Rasha Ashraf**, **Rajesh Chakrabarti**, **Richard Fu**, and **Narayanan Jayaraman**, "Takeover Immunity, Takeovers and the Market for Non-Executive Directors."

WP – 4 **Rajesh Chakrabarti**, Shubhashis Gangopadhyay, and Shagun Krishnan, "Incumbency Effects in Indian Elections – A Preliminary Exploration."

WP – 5 Daniel Bradley, **Hyung-Suk Choi**, and **Jonathan Clarke**, "Working for the enemy: Investment banker turnover and market share."

WP – 6 **Hyung-Suk Choi**, **Jonathan Clarke**, Stephen Ferris, and **Narayanan Jayaraman**, "Equity Brokerage: An analysis of market structure and trading levels."

WP – 7 **Jonathan Clarke** and Ajay Subramanian, "Reputation Concerns and Effort Choices of Security Analysts: Theory and Evidence."

WP – 8 Dan Bradley, **Jonathan Clarke**, and Jack Cooney, "Do analysts curry favor with issuing firms?"

WP – 9 **Jonathan Clarke**, Eugene Comiskey, and Charles Mulford, "Is negative goodwill valued?"

WP – 10 **Jonathan Clarke**, **Ajay Khorana**, Raghu Rau, and Ajay Patel, "The good, the bad, and the ugly? Differences in analyst behavior at investment banks, brokerages, and independent research firms."

WP – 11 **Jonathan Clarke**, Craig Dunbar, and Kathleen Kahle, "All-star analyst turnover, market share, and the pricing and performance of initial public offerings."

WP – 12 **Jonathan Clarke** and Kuldeep Shastri, "On information asymmetry metrics."

WP – 13 **Jonathan Clarke** and Kuldeep Shastri, "Adverse selection costs and closed-end funds."

WP – 14 **Jonathan Clarke** and Kuldeep Shastri, "Information asymmetry and ADRs."

WP – 15 **Nishant Dass**, "Why are firms value or growth?"

WP – 16 **Nishant Dass** and M. Massa, "The Bank-Firm Relationship: A trade-off between better governance and greater information asymmetry."

WP – 17 **Nishant Dass**, M. Massa, and R. Peyer, "Why Do CEOs Increase Their Equity-Based Compensation? Because they have to."

WP – 18 **Cheol Eun** and Jinsoo Lee, "Mean-Variance Convergence around the World."

WP – 19 **Nishant Dass**, **Cheol Eun**, and Jinsoo Lee, "Evolution of Earnings-to-Price Ratios: International Evidence".

WP – 20 **Cheol Eun**, Sandy Lai, and Joe Zhang, "Local Factors and the Gains from International Diversification."

WP – 21 **Hyung-Suk Choi**, **Cheol Eun**, and **Suzanne Lee**, "International Factor Linkages."

WP – 22 **Cheol Eun** and **Swasti Mukherjee**, "What Drives Home Bias in Corporate Investments? Evidence from U.S. domestic M&A."

WP – 23 **Cheol Eun** and Sandy Lai, "Currency Co-movement."

WP – 24 **Cheol Eun** and Linling Wang, "International Sourcing and Capital Structure."

WP – 25 **Rasha Ashraf** and **Narayanan Jayaraman**, "Determinants and Consequences of Proxy Voting by Mutual Funds on Shareholder Proposals."

WP – 26 **Rasha Ashraf** and **Narayanan Jayaraman**, "Institutional Investors' Trading Behavior in Mergers and Acquisitions."

WP – 27 Steve Ferris, **Narayanan Jayaraman**, and Sanjiv Sabherwal, "International Differences in Dividend Policy: Catering, Legal, and Cultural Effects."

WP – 28 **Narayanan Jayaraman** and Jinsoo Lee, "Co-movement: Evidence from the FTSE 100 Index."

WP – 29 **Narayanan Jayaraman**, **Charles Mulford**, and Lei Wedge, "Management Turnover in Anticipation of SEC Enforcement Actions for Accounting Fraud."

WP – 30 **Ajay Khorana**, Simona Mola, and P. Raghavendra Rau, "Is there life after loss of analyst coverage."

WP – 31 **Tuugi Chuluun**, "Reaching out to Your Peers: Performance Consequences of Investment Bank Networks."

WP – 32 **Tuugi Chuluun** and **Cheol Eun**, "What Explains the Random Walk Component in Exchange Rates?"

WP – 33 **Tuugi Chuluun** and **Ajay Khorana**, "SEO Underwriting Syndicates: Structure and Function."

WP – 34 **Kyuseok Lee** and Kyuwan Choi, "Cross-Redundancy and Sensitivity in DEA Models."

WP – 35 **Suzanne Lee**, “Jumps and Information Flow.”

WP – 36 **Suzanne Lee**, “Test for Jumps in the Presence of Market Microstructure Noise.”

WP – 37 **Suzanne Lee** and Per Mykland, “Jumps in Equilibrium Prices and Market Microstructure Noise.”

WP – 38 **Minqiang Li** and Neil D. Pearson, “Price Deviations from the Black-Scholes Formula Obey a Simple Law.”

WP – 39 **Minqiang Li** and Neil D. Pearson, “A Horse-racing among Competing Option Pricing Models.”

WP – 40 **Minqiang Li**, “A Damped Diffusion Framework for Financial Modeling and Closed-form Maximum Likelihood Estimation.”

WP – 41 **Minqiang Li** and **Kyuseok Lee**, “An Adaptive Successive Over-relaxation Method for Computing the Implied Volatility.”

WP – 42 Shijie Deng, **Minqiang Li**, and Jieyun Zhou, “Multi-asset Spread Option Pricing and Hedging.”

WP – 43 **Swasti Gupta-Mukherjee**, “Informal Information Networks: The Impact on Performance of Mutual Fund Portfolios.”

WP – 44 **Swasti Gupta-Mukherjee**, “Information Networks and the Psychology of Success: The Case of Venture Capital Funds.”

WP – 45 Radha Gopalan, **Vikram Nanda**, and Vijay Yerramilli, “How do Defaults Affect Lead Arranger Reputation and Activity in the Loan Syndication Market?”

WP – 46 Sumon Mazumdar, **Vikram Nanda**, and Rahul Surana, “Using Auctions to Price Employee Stock Options: The Case of Zions Bancorporation ESOARS.”

WP – 47 **Vikram Nanda** and Jay Wang, “Why Do Aggressive Payout Policies Reduce Fund Discounts: Is It Performance or Investor Naiveté?”

WP – 48 **Vikram Nanda**, Jay Wang, and Lu Zheng, “The ABCs of Mutual Funds: On the Introduction of Multiple Share Classes Distribution.”

WP – 49 Julian Attanasov, **Vikram Nanda**, and Amit Seru, “Finance and Innovation: The Case of Publicly Traded Firms.”

WP – 50 Adair Morse, **Vikram Nanda**, and Amit Seru, “Are Incentive Contracts Rigged By Powerful CEOs?”

WP – 51 Radha Gopalan, **Vikram Nanda**, and Amit Seru, “Do Business Groups Use Dividends to Fund Investments?”

WP – 52 Sugato Bhattacharyya and **Vikram Nanda**, “Portfolio Pumping, Trading Activity and Fund Performance.”

WP – 53 Tim Burch, **Vikram Nanda**, and M.P. Narayanan, “Industry Structure and the Conglomerate Discount: Theory and Evidence.”

WP – 54 Tim Burch, **Vikram Nanda**, and Jay Wang, “A Re-examination of First-Mover Advantages in Financial Innovations.”

WP – 55 **Vikram Nanda** and Rajdeep Singh, “Mutual fund structures and the pricing of liquidity.”

WP – 56 Bin Han and **Qinghai Wang**, “Institutional Investment Constraints and Stock Prices.”

WP – 57 Jim Hsieh, Lilian Ng, and **Qinghai Wang**, “How Informative Are Analyst Recommendations and Insider Trades?”

WP – 58 Valentin Dimitrov, Christo Pirinsky, and **Qinghai Wang**, “Why Has the Market Reaction to Corporate Earnings Announcements Increased over Time?”

WP – 59 Dongmin Ke, Lilian Ng, and **Qinghai Wang**, “Home Bias in Foreign Investment Decisions.”

WP – 60 Jennifer Bethel, Gang Hu, and **Qinghai Wang**, “The Market for Shareholder Voting Rights around Mergers and Acquisitions.”

WP – 61 Wenlian Gao, Lilian Ng, and **Qinghai Wang**, “Geographic Dispersion and Firm Valuation.”

WP – 62 Lilian Ng, **Qinghai Wang**, and Nataliya Zaiats, “Do Mutual Funds Vote Responsibly?”

WP – 63 Jim Hsieh and **Qinghai Wang**, “Disappearing Dividends and Increasing Payouts.”

WP – 64 Bing Han, Christo Pirinsky, and **Qinghai Wang**, “Institutional Investors and Comovement of Equity Prices.”

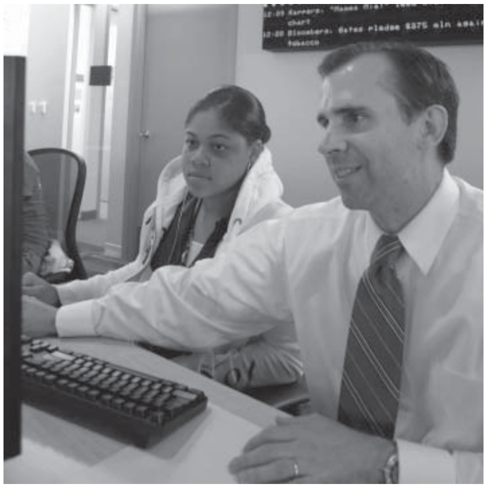
WP – 65 Gang Hu, David McLean, and **Qinghai Wang**, “Tape Painting: Evidence from Daily Trades by Institutional Investors.”

WP – 66 Wen-Hsiu Chou, Lilian Ng, and **Qinghai Wang**, “Do Governance Mechanisms Matter for Mutual Funds.”

WP – 67 **Qinghai Wang**, “A Model of Portfolio Trading.”

WP – 68 Dongmin Ke, Lilian Ng, and **Qinghai Wang**, “Smart Money? Evidence from the Performance of Mutual Fund Investors.”

Georgia Tech Offers Finance Camp for Local High School Students



Thanks to a new summer enrichment program of Georgia Tech College of Management, 40 local high school students were able to learn the fundamentals of finance, investments, and financial management.

Called *Wall Street on West Peachtree*, this day-camp program ran July 21-25, 2008 for students rising to grades 10 through 12.

Taught in the College's new 2,000-square-foot Ferris-Goldsmith Trading Floor, the finance camp's all-day classes taught students ways to save money, how money grows over time, and differences between types of savings and investment accounts.

Students picked actual stocks and tracked their performance using simulation software.

Jonathan Clarke, an associate professor of finance who developed the program's curriculum, taught participating students.

The program costs $230 per student. Contributions from College of Management alumni and friends at Merrill Lynch enabled the College to offer need-based scholarships to approximately 14 students.

"This type of support is essential to our ability to serve our community, recruit talented students, and foster intellectual achievement," says College of Management Dean Steve Salbu.

"This program will provide students with knowledge to help them consider careers within the financial services industry."

Academic Programs Taught by Finance Faculty

Full-time MBA
Evening MBA
Global Executive MBA
Executive MBA in Management of Technology
MS - Quantitative and Computational Finance
BS - Management

Courses Taught by Finance Faculty

Corporate Finance	Graduate and Undergraduate
Corporate Restructuring	Graduate and Undergraduate
Derivatives	Graduate and Undergraduate
Entrepreneurial Finance and Private Equity	Graduate
Ethics and Professional Standards for Finance Professionals	Graduate
Financial Institutions	Graduate and Undergraduate
Financial Markets: Trading and Structure	Undergraduate
Fixed Income	Graduate
International Finance	Graduate and Undergraduate
Investments	Graduate and Undergraduate
Multinational Financial Management	Graduate and Undergraduate
Real Estate Finance	Graduate and Undergraduate
Security Valuation	Undergraduate

Finance Faculty Teaching Awards

MBA Core Professor of the Year	Narayanan Jayaraman, 1992
CETL/Amoco Junior Faculty Teaching Excellence Award	Narayanan Jayaraman, 1993
E. Roe Stamps IV Excellence-in-Teaching Award	Narayanan Jayaraman, 1996
MBA Outstanding Professor of the Year	Ajay Khorana, 1996

Doctoral Program

Recent Student Dissertation Topics

- Three Essays on Institutional Investors and Corporate Governance
- Three Essays on the Role of Information Networks in Financial Markets
- Convergence in Global Markets
- Governance in the Mutual Fund Industry
- Financing and Debt Maturity Choices by the Undiversified Owner-Managers: Theory and Evidence
- Monitoring Versus Incentives
- Essays on Financial Economics
- Essays on International Asset Pricing
- Price Discovery for Dually Traded Securities: Evidence from the U.S.-listed Canadian Stocks

Recent Student Placements

Georgia State University, Loyola University – Chicago, San Jose State University, Bank of Korea, University of South Florida, University of Connecticut, Singapore Management University, University of Hawaii, University of Central Florida, and University of Rhode Island

Select Media Coverage

Wall Street Journal Radio, July 15, 2008
GM's Financial Crisis

CNN Radio, July 15, 2008
GM's Financial Crisis

Financial Times, June 16, 2008
Virtual Trading Floors Useful in Real Life

Dow Jones MarketWatch, March 19, 2008
U.S. Stocks End Sharply Down in Tracking Commodities

CNN Money.com, March 19, 2008
U.S. Stocks End Sharply Down in Tracking Commodities

Forbes.com, Feb. 1, 2008
Commentary: Proposed Microsoft/Yahoo Merger

Reuters, Feb. 1, 2008
Microsoft Would Use Up Cash Hoard on Yahoo; May Pay Off

Index Universe.com, Aug. 8, 2007
Seeking Guidance for the Dow? Try GDP

Financial World, Aug. 6, 2007
Tao of Dow

CFO.com, Aug. 1, 2007
As the Economy Grows, S Grows the Dow

BizEd, July/August 2007
The Path to Profitability for IPO Firms

Toronto Star, May 19, 2007
Industry's in Denial About High Fund Fees

Financial Times, May 11, 2007
The Short View: Analyst Coverage

The Globe and Mail (Canada), May 8, 2007
The Mutual Fund Sucker Factor: Either Way, We're No. 1 in Fees Paid

National Post (Canada), May 8, 2007
Canada Trails Pack on Fund Fees

Toronto Star, May 8, 2007
New Draft Says Fund Sector Still World's Most Expensive

Morningstar (Canada), May 7, 2007
Canada's Mutual Fund Fees World's Highest, Global Study Reaffirms

National Post (Canada), Nov. 9, 2006
Mutual Funds Feel the Squeeze: Caught in the Middle Between ETFs, Hedge Funds

Board IQ, Nov. 7, 2006
Study: Investor Protections = Lower Fees?

Wall Street Journal, Nov. 3, 2006
Put Your Money Where Your Mouth Is: SEC Finds ETF Managers Often Don't

SmartMoney, Oct. 25, 2006
Managers With Skin in the Game

Wall Street Journal, Oct. 24, 2006
Your Fund Manager's Secrets – Many New Facts Are Available on the People Who Pick Stocks; Making the Best Use of It All

Investment Executive (Canada), Oct. 2006
Cost of Investing Does Matter: Study Finds Canada Has the Highest Mutual Fund Fees in the World

The Gazette (Canada), Sept. 25, 2006
Mutual Funds: How They're Ripping Us Off

Toronto Star (Canada), Aug. 31, 2006
Mutual Fund Firms Promise Fee Answers

Ignites, Aug. 29, 2006
Canadian Fund Fees Higher than U.S.: Study

Investment News (Canada), Aug. 28, 2006
Canadians Are Overcharged by Mutual Funds

Wall Street Journal, Aug. 28, 2006
Are Deal Makers on Wall Street Leaking Secrets

National Post (Canada), Aug. 16, 2006
Survey Shows We Pay Twice U.S. Rates

Wall Street Journal, July 26, 2006
Another Way to Assess a Mutual Fund

Wall Street Journal, March 9, 2006
Mutual Fund Mergers Jump Sharply

Atlanta Journal-Constitution, Nov. 14, 2005
$21 Billion Surprise – Deal Will Put Georgia-Pacific in New Hands

National Public Radio, Nov. 14, 2005
Georgia-Pacific Deal

New York Times, Sept.25, 2005
The Analysts vs. The Insiders

New York Times, Sept. 11, 2005
If All Politics Is Local, So Is Much Investment

Atlanta Business Chronicle, April 8, 2005-April 14, 2005
Georgia Tech Professors Conclude No Analyst Bias

Wall Street Journal, Dec. 18, 2002
For Dot-Coms, New Names Are Good for a Pop --- Study of Stock Prices Confirms It's as Smart to Dump the Web as It Once Was To Embrace It

Wall Street Journal, Nov. 22, 2002
Some Closed-End Funds Open Doors to Rights Offerings, Raising Concern

Atlanta Journal-Constitution, June 5, 2002
Stock Market Just Spins Its Wheels

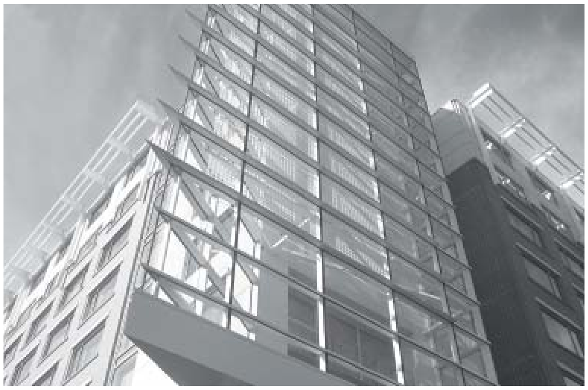
The Tax Lawyer, Spring 2002
2001 Tannenwald Writing Competition: the Accelerated and Uneconomic Bearing of Tax Burdens by Mutual Fund Shareholders

St. Louis Post-Dispatch, July 15, 1999
Money News to Use

Chicago Tribune, July 12, 1999
No Strong Reasons for Merging with Weak Sisters

The Independent (London), March 4, 1998
Finance: Warning: That Acquisition May Not Mean the Pay Rise You're Expecting; Why Do Executives Pursue Mergers, Even When Financial Reasons Don't Make a Convincing Case? They Might Be After a Salary Increase

About Georgia Tech College of Management



The intersection of business and technology has always been at the heart of Georgia Tech College of Management. Our nationally ranked business school teaches students how to take advantage of the many business opportunities made possible by emerging technologies as well as succeed in an increasingly global economy.

Thanks to the College's location in Technology Square – the center of Atlanta's high-tech business community – opportunities abound for our students and faculty to explore synergies between management and technology. This state-of-the-art setting ensures that students have access to all the latest learning tools and enables them to attend classes just around the corner from companies where they find fulfilling and challenging internships, co-op jobs, and careers.

Much more important than this high-tech environment are, of course, the College of Management's people, its great resource. Our professors enjoy a world-class reputation for their research and teaching, and our top-notch students go on to be entrepreneurs and corporate leaders successful at bridging the worlds of business and technology.

Georgia Tech College of Management's goal is to become the world's preeminent business school for management and technology within the next decade.

Georgia Tech College of Management
800 West Peachtree Street NW
Atlanta, GA 30308
http://mgt.gatech.edu/finance