



# 8<sup>th</sup> International Paris Finance Meeting

**December 16, 2010**

Novotel Paris les Halles Hotel  
Place Marguerite de Navarre  
75001 PARIS

[www.eurofidai.org/december2010.html](http://www.eurofidai.org/december2010.html)



INSTITUT CDC  
POUR LA RECHERCHE

# Meeting's organization



Association Française de Finance  
French Finance Association

The **French Finance Association** gathers since 1979 **researchers, teachers and practitioners interested in financial management.**

Its goals are developing communication and exchanges between members in order to **contribute to the best progress in the financial management discipline.**

On the field, the French Finance Association sets up meetings, publishes a specialized review (revue Finance), supports financial researches (AFFI-NYSE Euronext price, AFFI-FNEGE price...)

**More information:**  
[www.affi.asso.fr](http://www.affi.asso.fr)



**Eurofidai** (European Financial Data Institute) is a service unit supported by the French National Center for Scientific Research (CNRS), the University of Grenoble 2 and HEC Paris.

Its mission is to **develop European stock exchange databases that are useful to finance researchers : the data is verified, controlled, homogeneous and over long periods.**

Through its website, Eurofidai provides access to the stock exchange databases for all European countries : stock daily data, intraday data, mutual funds...

**More information:**  
[www.eurofidai.org](http://www.eurofidai.org)

## Numbers

290 papers were submitted for presentation at the meeting. Of this number, only 49 were accepted indicating rigorous selection criteria.

In 2010, submissions were received from France (76), Germany (58), the United States (28), Canada (14), the United Kingdom (13), Australia (13), Italy (9), Belgium (8), Switzerland (8), Tunisia (7), other European countries (24) and 32 from the rest of the world.

Based on presenter's affiliation, the 49 accepted articles for presentation at the 8th International Paris Finance Meeting came from France (14), the USA (10), Italy (3), Canada (2), Australia (2), the Netherlands (3), Germany (3), the United Kingdom (3), Belgium (2), Austria (1), Portugal (1), Denmark (1), Finland (1), Luxembourg (1), Tunisia (1) and Singapore (1).

Compared with the previous editions of the meeting, there is an increasingly large and strong body of quality work coming from all parts of the world.

# Program chair

*Patrice Fontaine* (EUROFIDAI, CNRS & University of Grenoble 2)

in collaboration with

*Sonia Jimenez-Garcès* (Eurofidai and University of Lyon 2)

## 2010 Scientific Committee

*The people named below organized the sessions*

*Yacine Aït-Sahalia* (Princeton University & NBER)

*What Aktas* (EM Lyon)

*Henri Alexandre* (Paris Dauphine University)

*Radu Burlacu* (Eurofidai and University of Nancy 2)

*Eric Debott* (University of Lugano)

*François Degeorge* (University of Lugano)

*François Derrien* (HEC Paris)

*Bernard Dumas* (INSEAD)

*Patrice Fontaine* (Eurofidai and University of Grenoble 2)

*Andras Fulop* (ESSEC Business School & CREST)

*Jean-François Gajewski* (University of Savoie)

*Edith Ginglinger* (Paris Dauphine University)

*Ulrich Hege* (HEC Paris)

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*Laurence Lescouret* (Essec)

*Sophie Moinas* (Toulouse School of Economics)

*Franck Moraux* (University of Rennes 1)

*Lorenzo Naranjo* (ESSEC Business School)

*Christophe Pérignon* (HEC Paris)

*Catherine Refait-Alexandre* (University of Franche-Comté)

*Laurent Villanova* (University of Lyon 2)

# Program

## 08h00 Registrations

08h30 *Microstructure*

09h00 *International Valuation*

09h00 *Mergers & Acquisitions*

09h00 *Risk & Returns*

14h00 *Risk Management*

14h00 *Banking Risk*

14h00 *Hedge Funds*

14h00 *Corporate Finance*

10h30 *Coffee Break*

15h30 *Coffee Break*

11h00 *Microstructure*

11h00 *International Valuation*

11h00 *Mergers & Acquisitions*

11h00 *Risk & Returns*

16h00 *Corporate Financing*

16h00 *Corporate Governance*

16h00 *Asset Pricing & Derivatives*

16h00 *Portfolio Management*

12h30 *Lunch*

18h00 *Cocktail*

*Award of the best paper published in French academic journal «Finance»*

08h30

## Microstructure

Chairman: L. Lescourret

Roberta Fredella (Bocconi University); **Pietro Perotti** (University of Graz); Barbara Rindi (Bocconi University)

**Minimum trade unit regulation and market quality**

Discussant: Suk-Joong Kim

Stefan Frey (Leibniz University Hannover); **Patrick Herbst** (Stirling University)

**The Influence of Buy-side Analysts on Mutual Fund Trading**

Discussant: Jeremie Lefebvre

**Jeremie Lefebvre** (IESEG School of Management)

**Block trades and market liquidity on Euronext Paris**

Discussant: Pietro Perotti

Peter Andersen (University of New South Wales); **Suk-Joong Kim** (University of Sydney)

**Microstructural issues of the intraday intervention timing of the Reserve Bank of Australia** - Discussant: Patrick Herbst

09h00

## Mergers & Acquisitions

Chairman: E. de Boddt

Jarrad Harford (University of Washington); Mark Humphery (The University of New South Wales); **Ronan Powell** (The University of New South Wales)

**The Sources of Value Destruction in Acquisitions by Entrenched Managers**

Discussant: David Offenberg

**François Belot** (Paris Dauphine University)

**Excess control rights and corporate acquisitions**

Discussant: Ronan Powell

**David Offenberg** (Loyola Marymount University); Miroslava Straska (Ohio University); Gregory Waller (Ohio University)

**Who Gains From Buying Bad Bidders?**

Discussant: François Belot

09h00

## International Valuation

Chairman: B. Dumas

Francesca Carrieri (Mc Gill University); **Ines Chaieb** (University of Amsterdam); Vihang Errunza (Mc Gill University)

**Do Implicit Barriers Matter for Globalization?**

Discussant: Elvira Sojli

Mohamed Azzim Gulamhussen (Lisbon University Institute); **Carlos**

**Pinheiro** (Caixa Geral de Depósitos); **Alberto Franco Pozzolo** (Università degli Studi del Molise, MoFIR and Centro Luca D'Agliano)

**Do multinational banks create or destroy economic value?**

Discussant: Ines Chaieb

**Elvira Sojli** (Rotterdam School of Management, Erasmus University); **Wing**

**Wah Tham** (Erasmus School of Economics, Erasmus University)

**The Impact of Foreign Government Investment: Sovereign Wealth Fund Investments in the U.S.**

Discussant: Carlos Pinheiro

09h00

## Risk & Returns

Chairman: P. Sentis

Georges Hübner (HEC Management School, University of Liege);

**Marie Lambert** (School of Business & Economics, Maastricht University and Solvay Brussels School of Economics & Management, Free University of Brussels)

**Comoment Risk and Stock Returns** - Discussant: Erik Kole

**Christophe Boucher** (ABN AMRO Advisors-QCG, Variances & University of Paris 1); **Bertrand Maillet** (AAAdvisors-QCG, Variances & University of Paris 1)

**Expected Returns across time Scales**

Discussant: Marie Lambert

**Erik Kole** (Econometric Institute, Erasmus University Rotterdam); **Dick Van**

**Dijk** (Econometric Institute, Erasmus University Rotterdam)

**How to Identify and Predict Bull and Bear Markets?**

Discussant: Christophe Boucher

11h00

## Stock Markets

Chairman: R. Gillet

**Amir Rubin** (Simon Fraser University); Alexander Vedrashko (Simon Fraser University)

### Market Timing and Managerial Talent

Discussant: David Le Bris

**David Cicero** (University of Delaware); Swaminathan Kalpathy (Southern Methodist University); Johan Sulaeman (Southern Methodist University)

### Does Lending Affect Equity Research? Recommendation Bias and Forecast Accuracy of Lender-Affiliated Analysts

Discussant: Alexander Vedrashko

**David Le Bris** (LEO, University of Orleans)

### What is a Market Crash?

Discussant: David Cicero

11h00

## TSR & Default Risk

Chairman: F. Moraux

**Olesya Grishchenko** (Penn State University); Joel Vanden (Penn State University); Jianing Zhang (Penn State University)

### The Information Content of the Embedded Deflation Option

Discussant: Ako Doffou

**Alain Monfort** (CREST, Banque de France, University of Maastricht);

**Jean-Paul Renne** (Banque de France)

### Default, liquidity and crises: an econometric framework

Discussant: Olesya Grishchenko

**Ako Doffou** (New England College of Finance)

### New Methodologies in the Valuation of Interest Rate Options

Discussant: Jean-Paul Renne

11h00

## Ownership

Chairman: F. Derrien

**Ettore Croci** (University of Milan, Bicocca); Halit Gonenc (University of Groningen); Neslihan Ozkan (University of Bristol)

### CEO Compensation, Family Control and Institutional Investors in Continental Europe

Discussant: Laurent Bach

**Anders Ekholm** (Hanken School of Economics); **Benjamin Maury** (Hanken School of Economics)

### External Shareholders: Incentives and Returns

Discussant: Ettore Croci

**Laurent Bach** (Stockholm School of Economics)

### Why are Family Firms so Small ?

Discussant: Benjamin Maury

11h00

## Governance & Bank Performance

Chairman: H. Alexandre

**Salima Djedidi** (Paris Dauphine University)

### Distances and Small Business Credit Constraints: the French case

Discussant: Alon Raviv

**Bernadette Minton** (Ohio State University, Fisher College of Business);

**Jérôme Taillard** (Boston College, Carroll School of Management); Rohan

**Williamson** (Georgetown University, McDonough School of Business)

### Do Independence and Financial Expertise of the Board Matter for Risk Taking and Performance? - Discussant: Salima Djedidi

**Yoram Landskroner** (Or Yehuda Center for Academic Studies); **Alon**

**Raviv** (Brandeis International Business school)

### The 2007-2009 Financial Crisis and Executive Compensation: an Analysis and a Proposal for a Novel Structure

Discussant: Jérôme Taillard

14h00

## Risk Management

Chairman: C. Pérignon

**Doh-Shin Jeon** (TSE, CEPR); **Stefano Lovo** (HEC Paris)  
Natural Barrier to Entry in the Credit Rating Industry  
Discussant: Giulio Girardi

**Patricio Valenzuela** (European University Institute)  
Rollover Risk and Corporate Bond Spreads  
Discussant: Stefano Lovo

**Giulio Girardi** (Suffolk University); **A. Tolga Ergun** (Suffolk University)  
How to account for interdependence of risk in financial markets?  
A GARCH approach to Conditional Value at Risk estimation  
Discussant: Patricio Valenzuela

14h00

## Hedge Funds

Chairman: A. Doffou

**Jérôme Detemple** (Boston University); **René Garcia** (EDHEC); **Marcel Rindisbacher** (Boston University)  
Optimal Portfolio Allocations with Hedge Funds  
Discussant: Piet Sercu

**François Desmoulin-Lebeault** (Grenoble École de Management)  
Hedge Funds Returns and Deviation from Normality during Crises  
Discussant: Jérôme Detemple

**Van Thi Tuong Nguyen** (Catholic University of Leuven); **Piet Sercu** (Catholic University of Leuven)  
Tactical Asset Allocation with Commodity Futures: Implications of Business Cycle and Monetary Policy  
Discussant: François Desmoulin-Lebeault

14h00

## Banking Risk

Chairman: C. Refait-Alexandre

**Dilek Bulbul** (Goethe University Frankfurt); **Claudia Lambert** (Goethe University Frankfurt)  
Credit Portfolio Modelling and its Effect on Capital Requirements: Empirical Evidence from German Banks  
Discussant: Enrico Onali

**Clovis Rugemintwari** (University of Limoges)  
Persistence and cross-section of capital structure: are banks different from non financial firms?  
Discussant: Claudia Lambert

**Enrico Onali** (Bangor Business School)  
Dividends and Risk in Banks  
Discussant: Clovis Rugemintwari

14h00

## Corporate Finance

Chairman: U. Hege

**Redouane Elkamhi** (University of Iowa); **Min Jiang** (University of Iowa)  
Debt, Equity and Asset Values with Chapter 11, Chapter 7 and Business Cycles: A Structural Equilibrium Approach  
Discussant: Tom Aabo

**Art Durnev** (Mc Gill University)  
The Real Effects of Political Uncertainty: Elections and Investment Sensitivity to Stock Prices - Discussant: Min Jiang

**Tom Aabo** (Aarhus School of Business, Aarhus University); **Chritos Panzalis** (University of South Florida); **Maja Stoholm Sorensen** (Novo Nordisk A/S)  
Game hoarding in Europe: Stock-price consequences of local bias?  
Discussant: Art Durnev

16h00

## Corporate Financing

Chairman: L. Yilanova

**Simona Mateut** (University of Nottingham); **Paul Mizen** (University of Nottingham); **Ydriss Ziane** (Sorbonne Graduate Business School)  
**Trade credit extension, inventories or credit sales?**  
Discussant: Stefano Bonini

**Philip Valta** (Swiss Finance Institute & Ecole Polytechnique Fédérale de Lausanne)  
**Competition and the Cost of Debt**  
Discussant: Ydriss Ziane

**Stefano Bonini** (Bocconi University & New York University); **Diana Boraschi-Diaz** (Bocconi University)  
**Fraudulent Financing**  
Discussant: Philip Valta

16h00

## Asset Pricing & Derivatives

Chairman: O. Le Courtois

**Carole Bernard** (University of Waterloo); **Phelim Boyle** (Wilfrid Laurier University)  
**Explicit Representation of Cost-Efficient Strategies**  
Discussant: Florian Ielpo

**Laura Ballotta** (Faculty of Finance, Cass Business School); **Efrem Bonfiglioli** (Ernst & Young)  
**Multivariate asset models using Levy processes and applications**  
Discussant: Carole Bernard

**Christophe Chorro** (Centre d'Économie de la Sorbonne); **Dominique Guégan** (Centre d'Économie de la Sorbonne); **Florian Ielpo** (Centre d'Économie de la Sorbonne)  
**Option Pricing for GARCH-type Models with Generalized Hyperbolic Innovations - Discussant: Laura Ballotta**

16h00

## Corporate Governance

Chairman: E. Ginglinger

**Dang Bang Nguyen** (Judge School of Business, Cambridge University); **Kasper Nielsen** (Hong Kong University of Science and Technology)  
**What Death Can Tell: Are Executives Paid for Their Contributions to Firm Value?** Discussant: Frédéric Palomino

**Xin Deng** (Nanyang Technological University); **Huasheng Gao** (Nanyang Technological University)  
**Does Nonmonetary Benefit Matter for Corporate Executives? Evidence from the Pay Premium for Quality of Life**  
Discussant: Dang Bang Nguyen

**Frédéric Palomino** (EDHEC Business School); **Eloïc Peyrache** (HEC Paris)  
**On CEO appointment and compensation**  
Discussant: Xin Deng

16h00

## Portfolio Management

Chairman: R. Burlacu

**Yang Chunyu** (McCombs School of Business, UT-Austin); **Hervé Roche** (California Polytechnic State University); **Tompaidis Stathi** (McCombs School of Business, UT-Austin)  
**Asset Selection and Under-Diversification with Financial Constraints and Income: Implications for Household Portfolio Studies**  
Discussant: Radu Burlacu

**Wolfgang Bessler** (Justus-Liebig-University Giessen); **David Blake** (Cass Business School); **Peter Lückoff** (Justus-Liebig-University Giessen); **Ian Tonks** (University of Bath)  
**Why does Mutual Fund Performance not Persist? The Impact and Interaction of Fund Flows and Manager Changes**  
Discussant: Hervé Roche

**Taher Hamza** (University of Sousse & LOG, University of Orleans)  
**A leverage-augmented tree factor model and default risk pricing: Evidence from France - Discussant: Wolfgang Bessler**