



<http://www.K-AFA.org>

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No.1

President's Message



Dear Kafa Members, Friends, and Supporters:

The unusually brutal winter has finally yielded to a warm spring breeze. I am honored to serve the Kafa this year. I would like to thank Professors Soku Byoun (outgoing President), Ha-Chin Yi (outgoing Treasurer) and Jin-Mo Kim (outgoing Secretary General) for their outstanding service and leadership for the Kafa. Professor Byoun initiated new committees so that many members can share their expertise in shaping the future of the Kafa. We should keep strengthening each committee's role.

I welcome Kafa's new Executive Office members: President-Elect Professor Sahn-Wook Huh of University at Buffalo; Secretary General Professor Jung Chul Park of University of South Florida; Treasurer Professor Hyungkee Young Baek of Nova Southeastern University); Vice President (Kafa Korea) Professor Joonghyuk Kim of Korea University; and Secretary General (Kafa Korea) Professor Noolee Kim of Hanyang University. We also embark on a new task of improving the Kafa's web management, for which Professor Kiseo Chung of Texas Tech University willingly accepted his role as Web Master. Moreover, Kafa elected new executive board members including Professors Ji-woong Chung (Korea University), Jongsub Lee (University of Florida) and Hyuna Park (Brooklyn College – CUNY).

During last year's Annual Business Meeting in Boston, Kafa presented several awards to recognize Kafa members' outstanding scholarly achievements. These awards include the Financial News (FN)-Kafa Eminent Scholar Award, Shinhan Bank (SHB)-Kafa Young Scholar Award, SHB-Kafa Best Paper Award, FN-Kafa Top Journal Paper Award, FN- Kafa Doctoral Student Dissertation Award, and Dr. Bong-Soo Lee scholarship. In addition, Kafa provided SHB-Kafa doctoral student research support to five doctoral students. On behalf of Kafa, I congratulate all award recipients and greatly appreciate Financial News, Shinhan Bank,

and Chris and Paul Lee (Dr. Bong-Soo Lee Scholarship) for their generous financial support for Kafa awards. I would also like to thank Professor Bong-Chan Koh (Seoul National University, President of KSA) for sponsoring a Kafa executive meeting.

As in previous years, Kafa successfully offered two Kafa-FMA sessions at the FMA meetings in Boston last October. In the first Korean market session, moderated by Professor Soku Byoun, Professors Dong-Soon Kim (Chung-Ang University), Joon H. Hwang (Korea University), and Min Jung Kang (University of Michigan-Flint) presented their papers. In the second Asian market session, moderated by myself, Professors Ajai Singh (University of Central Florida), Jimmy Hilliard (Auburn University), and Woojin Kim (Seoul National University) contributed to presentations. Both sessions were very informative and well attended. I personally would like to thank all participants and especially Professor Joonghyuk Kim of Korea University for his sincere effort to organize the Korean market session.

We also had a joint seminar with Korea Capital Market Institute (KCMI) in Seoul, Korea on December 11, 2017. I want to thank Professors Hoje Jo (Santa Clara University), Kee-Hong Bae (York University) and Seungjoon Oh (Peking University) for their participating in the seminar presentations. I also send my special thanks to Drs. Dong-Hyun Ahn (President of KCMI) and Inhyung Lee (Vice President of KCMI) for organizing and supporting another impressive joint seminar.

Finally, Kafa solicited papers for the two conferences with our Korean partners, the Kafa-Allied Korean Finance Association conference and the Kafa-KIF joint symposium. You will find details on the joint conferences in this newsletter. Partial travel support will be provided to the presenters of selected papers at these conferences. Particularly, the Kafa-Allied Korean Finance Association plans a special 25th anniversary event this summer. Therefore, I encourage many of you to attend and celebrate the joint event.

As I mentioned at the last FMA meeting, it is time for every Kafa member to take charge as an owner-member in building Kafa by actively participating in various Kafa activities and committees. Together, I know we can make Kafa a great community that helps to promote and accomplish our members' professional goals. I look forward to seeing you all in the upcoming conferences in Korea and in San Diego.

Best Regards,



Yoon K Choi
2018 Kafa President
University of Central Florida

I. Recent KAFA Activities

1. Two KAFA-FMA special sessions at the 2017 FMA Annual Meeting in Boston, MA.

We appreciate Professors Yoon K. Choi and Joong Hyuk Kim who organized two special sessions in the 2017 FMA Annual Meeting.

Issues in Korean Financial Markets

Friday, October 13, 8:30 - 10:00 am (St Botolph)

Moderator:

- **Soku Byoun**, Professor, Baylor University

Panelists:

- **Joon H. Hwang**, Professor, Korea University
- **Dongsoon Kim**, Professor, Choong-Ang University
- **Minjung Kim**, Professor, University of Michigan at Flint

Corporate Financial Decisions in Asia

Friday, October 13 10:15 - 11:45 am (St Botolph)

Moderator:

- **Yoon K. Choi**, Professor, University of Central Florida

Panelists:

- **Jimmy Hilliard**, Professor, Auburn University
- **Woojin Kim**, Professor, Seoul National University
- **Ajai Singh**, Professor, University of Central University

2. Joint Seminar with Korea Capital Market Institute (KCMI) in Seoul, Korea on December 11, 2017

- **Kee-Hong Bae**, York University, “Does the Stock Market Benefit the Economy?”
- **Hoje Jo**, Santa Clara University, “Employee- Friendly Practices, R&D Investments, and Firm Value.”
- **Seungjoon Oh**, Peking University, “Patent Litigation and Innovation Competition.”

3. The Recipients of the 2017 KAFA Awards



- **The Financial News–KAFA Eminent Scholar Award**
Kee H. Chung, University (SUNY) at Buffalo
- **The SHB–KAFA Young Scholar Award**
Hugh Hoikwang Kim, University of South Carolina
- **The 11th Financial News & KAFA Top-Journal Paper Award**
Jun-Koo Kang, Nanyang Technological University
Hyun Seung Na, Korea University
- **The 11th Financial News & KAFA Doctoral Student Dissertation Award**
Jaeyoon Lee, University of Chicago
- **The 11th Shinhan Bank & KAFA Best Paper Award**
Jaewon Choi, University of Illinois at Urbana-Champaign

- **The Shinhan Bank and KAFKA Scholarship for Ph.D. students**

Giho Jeong, KAIST
Sanwon Lee, University of Houston
Suin Lee, University at South Florida
Bo Kyung Park, Seoul National University
Hojong Shin, Michigan State University

- **The Dr. Bong-Soo Lee Memorial Scholarship for Ph.D. students**

Hwanki Brian Kim, University of Illinois at Urbana-Champaign

II. Call for Papers for Year 2018

1. Joint Conference with Allied Korea Finance Associations (KFAs)

As in previous years, we expect to be part of the 2018 joint conference with Korean counterparts (KFAs).

- Topics: Any finance areas
- When: May 25-26, 2018
- Where: Cheonan, Korea
- Submission deadline: **March 1, 2018**
- Notification of the accepted papers: April 1, 2018
- Submit papers to Professor Sahn-Wook Huh, President-Elect, swhuh@buffalo.edu by March 1, 2018 at 11:59 pm, EST. Please indicate the conference, “KAFKA joint conference with KFAs,” in the title and include 3 files: (1) A cover page that includes authors’ names and affiliations, (2) A main manuscript that includes the paper title and abstract but omits any information about the authors, and (3) The whole paper including both the cover page and the main manuscript.
- Review process: All submitted papers will be reviewed and selected by the Review Committee members (Professors Nicole Choi, Sahn-Wook Huh, Jongsub Lee, and Hyuna Park). We expect 5-6 papers to be included in the program.
- Travel supports: KFAs will provide ₩ 1,000,000 for each selected paper for presentation. A lifetime membership is required when the travel supports are provided.
- All presenters will be assigned to discuss other papers.
- KAFKA members receiving the travel supports are recommended to attend the other joint conference with KIF.

2. Joint Conference with Korea Institute of Finance (KIF)

The annual joint conference with KIF will be held as a one-day conference in Seoul (May 30, 2018).

- Topic: Any finance areas
- When: May 30, 2018
- Where: Seoul, Korea
- Submission deadline: **March 1, 2018**
- Notification of the accepted papers: April 1, 2018
- Submit papers to Professor Sahn-Wook Huh, President-Elect, sw huh@buffalo.edu by March 1, 2018 at 11:59 pm, EST. Please indicate the conference, “KAF A joint conference with KIF,” in the title and include 3 files: (1) A cover page that includes authors’ names and affiliations, (2) A main manuscript that includes the paper title and abstract but omits any information about the authors, and (3) The whole paper including both the cover page and the main manuscript.
- Review process: In the first round, all submitted papers will be reviewed and four papers will be selected by the Review Committee members (Professors Nicole Choi, Sahn-Wook Huh, Jongsub Lee, and Hyuna Park). In the second round, KIF will finally choose 2 papers for presentation.
- Travel Supports: KIF will provide ₩ 1,000,000 for each selected paper for presentation. A lifetime membership is required when the travel supports are provided.
- KAF A members receiving the travel supports are recommended to attend the other joint conference with KFAs.

III. KAF A Awards

The 2018 Eminent Scholar Award and the 2018 Young Scholar Award will be nominated and selected by the KAF A Award Nomination Committee. Also, we will continue on the Financial News and Shinhan Bank Best Paper Awards. The detailed information for each award and necessary documentations are as follows.

1. The Financial News–KAF A Eminent Scholar Award

Selection Criteria

The FN-KAF A Eminent Scholar Award is given to a KAF A member who has achieved outstanding scholarly accomplishment and research contribution in leading journals in finance and related fields.

Nomination Procedure

Nominations of award candidates are made by the “KAF A Award Nomination Committee” (Nomination Committee hereafter) that consists of three KAF A members (i.e., president, president-elect, and immediate former president). Nomination Committee can nominate up to three

candidates from KAFKA life-time members. The nominated candidates are required to submit their review materials such as curriculum vitae and relevant publications to the Nomination Committee before a specified date announced in the KAFKA Newsletter.

Selection Procedure

The “KAFKA Award Nomination Committee” will forward the names of nominated candidates and their supporting materials to the “KAFKA Award Selection Committee” (Selection Committee hereafter) for the selection of the final award recipient. Selection Committee that consists of three KAFKA members (including former KAFKA presidents and past FN-KAFKA Eminent Scholar Awardees)* will review nominees’ research credentials and select a single award recipient on the basis of the nominee’s scholarly accomplishment and research contribution to the field. Selection Committee may request nominees to provide additional information. The recipient of this honor is required to receive the award in person at the KAFKA annual meeting and expected to organize a KAFKA’s FMA panel sessions together with KAFKA president-elect in the following year.

Monetary Award

There will be a prize of **\$5,000** along with an award plaque.

* Two former KAFKA presidents and no more than two past awardees will serve as members of the Committee.

2. The SHB–KAFKA Young Scholar Award

Selection Criteria

The SHB-KAFKA Young Scholar Award is given to a KAFKA member who has demonstrated exemplary scholarly performance through publications in leading journals in finance and related fields. Those KAFKA members who earned his or her Ph.D. degree within seven years prior to the award date would be considered for the award.

Nomination Procedure

Nominations of award candidates are made by the “KAFKA Award Nomination Committee” (Nomination Committee hereafter) that consists of three KAFKA members (i.e., president, president-elect, and immediate former president). Nomination Committee can nominate up to three candidates from KAFKA life-time members. The nominated candidates are required to submit their review materials such as curriculum vitae and relevant publications to the Nomination Committee before a specified date announced in the KAFKA Newsletter.

Selection Procedure

The “KAFKA Award Nomination Committee” will forward the names of nominated candidates and their supporting materials to the “KAFKA Award Selection Committee” (Selection Committee hereafter) for the selection of the final award recipient. Selection Committee that consists of three

KAFA members (including former KAFA presidents and past FN-KAFA Eminent Scholar Awardees)* will review nominees' research credentials and select a single award recipient on the basis of the nominee's scholarly achievements and research contribution to the literature based on their published and forthcoming papers in internationally recognized journals prior to the award date. Selection Committee may request nominees to provide additional information. The recipient of this honor is required to receive the award in person at the KAFA annual meeting.

Monetary Award

There will be a prize of **\$2,500** along with an award plaque.

* Two former KAFA presidents and no more than two past awardees will serve as members of the Committee.

3. Call for the 12th Financial News & KAFA Top-Journal Paper Award

If you have papers published or accepted for the top three journals; *Journal of Finance*, *Journal of Financial Economics*, or *Review of Financial Studies*, during the period of September 2017 through August 2018, please provide us with the following information for the consideration of this award. The author of the selected paper will be awarded a cash grant of \$2,500 along with a plaque by the representative of Financial News at the annual KAFA banquet during the 2018 FMA Meeting.

4. Call for the 12th Financial News & KAFA Doctoral Student Dissertation Award

If you are currently doctoral student (ABD status), please submit your dissertation for the consideration of this award. One or two dissertations will be selected for the awards. Each author will be awarded a cash grant of \$1,500 along with a plaque by the representative of Financial News at the annual KAFA banquet during the 2018 FMA Meeting.

5. Call for the 12th Shinhan Bank & KAFA Best Paper Award

The KAFA and Shinhan Bank jointly announce that they will select the best research paper/proposal in the all areas of finance written by KAFA members. The author(s) of selected paper/proposal will be awarded a cash grant of \$2,500 along with a plaque by the representative of Shinhan Bank at the annual KAFA banquet during the 2018 FMA Meeting.

6. The Shinhan Bank and KAFA Scholarship for Ph.D. students

Ph.D. students, who present a paper at the annual 2018 FMA meeting, will be awarded a scholarship of \$500 for research support. Please submit your information including name, affiliation, and accepted paper to the secretary general by August 15, 2018 (jpark5@usf.edu).

7. The Dr. Bong-Soo Lee Memorial Scholarship for Ph.D. students

In 2016, KAFa has established a scholarship fund in memory of the late Dr. Bong-Soo Lee, a longtime KAFa member and past President. His surviving children, Chris and Paul Lee, and Microsoft Corporation have contributed to the scholarship, which will make a \$2,500 award annually. If you are eligible, please submit (1) your curriculum vitae and (2) a research paper for the consideration of this award. A recipient will be awarded a cash grant of \$2,500 along with a plaque by the president of KAFa at the annual KAFa banquet during the 2018 FMA Meeting.

Eligibility: To be considered for the Scholarship, you must meet these minimum requirements:

- 1) Be currently a Ph.D. student; and
- 2) Be currently an active KAFa member or will pay a lifetime membership fee (\$300) upon the award announcement

Selection criteria include but are not limited to the following:

- 1) Research potentials of the applicant reflected in vitae and the submitted research paper; and
- 2) Leadership roles of the applicant in promoting research activities among new and junior members such as assisting KAFa officers in regards to KAFa research activities.

**** Required information for the Awards:**

- 1) Title of the Paper, Author(s) (names, affiliations, phones, e-mails), Name of the Journal Issue Date, Volume, and Page Numbers (if published), Copy of the Acceptance Letter (if accepted but not yet published), and Electronic Copy of the Paper
- 2) Submission Deadline: August 15, 2018
- 3) Submit materials to: Yoon K. Choi, President, ychoi@ucf.edu
- 4) All award winners should attend the annual meeting to receive monetary awards.

IV. Member News

1. Publications

Following is a list of recent publications by KAFa members. Only those provided to the KAFa office by the authors and the paper published or accepted in years 2017 to 2018 are listed here.

- **Sahn-Wook Huh**, “High-Frequency Measures of Informed Trading and Corporate Announcements,” (co-authored with Michael Brennan and Avanidhar Subrahmanyam), 2018, *Review of Financial Studies*, forthcoming.
- **Woojin Kim**, “When and Why Do Takeovers Lead to Fraud?” (co-authored with Hee Sub Byun, Eun Jung Lee, and Kyung Suh Park), 2018, *Financial Management*, forthcoming.
- **Kuan-Hui Lee**, “Maxing out globally: Individualism, Investor Attention, and the Cross-Section of Expected Stock Returns,” (co-authored with Cheon, Yong-Ho), 2018, *Management Science*, forthcoming.

- **Jung Chul Park**, “Does Corporate Diversification Reduce Value in High Technology Firms?” (co-authored with Nilakshi Borah, Liu Pan, and Nan Shao), 2018, *Review of Quantitative Finance and Accounting*, forthcoming.
- **Jung Chul Park**, “Corporate Derivatives Use Policy and Information Environment” (co-authored with J. Barry Lin and Christos Pantzalis), 2017, *Review of Quantitative Finance and Accounting* 49, 159-194.
- **Jung Chul Park**, “The Role of Corporate Political Strategies in M&As” (co-authored with Croci Ettore, Christos Pantzalis, and Dimitris Petmezas), 2017, *Journal of Corporate Finance* 43, 260-287.
- **Jung Chul Park**, “Idiosyncratic Volatility: An Indicator of Noise Trading?” (co-authored with Tom Aabo and Christos Pantzalis), 2017, *Journal of Banking and Finance* 75, 136-151.
- **S. Ghon Rhee**, “Venture capital backed Commitments Test Entity Initial Public Offerings on the ASX” (co-authored with Zoltan Murgulov, Alastair Marsden, and Madhu Veeraraghavan), 2018, *Accounting & Finance*, forthcoming.
- **S. Ghon Rhee**, “CEO Inside Debt and Convertible Bonds,” (co-authored with Carl Shen and Wei-Hsien Li), 2018, *Journal of Business Finance & Accounting*, forthcoming.
- **S. Ghon Rhee**, “Residual Momentum and Investor Underreaction in Japan” (co-authored with Rosita P. Chang, Shinji Nakano, and Kuan-Cheng Ko), 2018, *Journal of Empirical Finance* 45, 28-299.
- **S. Ghon Rhee**, “Trade-Based Manipulation in IPOs: Beyond the Prosecuted Cases,” (co-authored with Suman Neupane and Madhu Veeraraghavan), 2017, *Journal of Corporate Finance* 42, 115-130.
- **S. Ghon Rhee**, “Do Progressive Social Norms Affect Economic Outcomes? Evidence from Corporate Takeovers” (co-authored with Yangyang Chen, Edward J. Podolski, and Madhu Veeraraghavan), 2017, *Journal of Empirical Finance* 41, 76-95.

2. New Positions / Promotions / Awards

Promotions

- In March 2018, Professor **Woojin Kim** was promoted to Professor with tenure at Seoul National University.
- In March 2018, Professor **Kuan-Hui Lee** was promoted to Professor with tenure at Seoul National University.

3. Professor E. Han Kim's Gift to University (SUNY) at Buffalo

Professor **E. Han Kim** has made a \$1 million donation to the School of Management at the State University of New York (SUNY) at Buffalo. The donation creates an endowment fund that will provide financial support to Ph.D. students and tenure-track junior faculty in the Department of Finance through The E. Han Kim Doctoral Fellowship and The E. Han Kim Assistant Professorship. For details, check out the following link.

<http://mgt.buffalo.edu/about/news.host.html/content/shared/mgt/news/phd-alumnus-makes-million-gift-school-management.detail.html>



V. Other Announcement

1. KAFA website (www.k-afa.org) will be updated including KAFA news, membership, and members' activities. Please be patient with the update as we are in transition. Also, please give your suggestions or comments to the Secretary General (jpark5@usf.edu).
2. We need more active participation of currently inactive finance professors and/or Ph.D. students for KAFA involvement. We strongly encourage you to introduce KAFA to your colleagues for their new membership.
 - Please pay your annual membership dues, or preferably, be a life-time member by paying one time due of just \$300, mailed to: Young Baek, Nova Southeastern University (hybaek@nova.edu).



KAFA Officers and Executive Board 2018

<input type="checkbox"/> President	Yoon K. Choi, University of Central Florida
<input type="checkbox"/> President-Elect	Sahn-Wook Huh, University (SUNY) at Buffalo
<input type="checkbox"/> Vice President	Joong Hyuk Kim, Korea University
<input type="checkbox"/> Secretary General	Jung Chul Park, University of South Florida
<input type="checkbox"/> Secretary General KAFA Korea	Noolee Kim, Hanyang University
<input type="checkbox"/> Treasurer	Young Baek, Nova Southeastern University
<input type="checkbox"/> Executive Board	
	Sam Y. Chung (2019), Long Island University
	Young Sang Kim (2019), Northern Kentucky University
	Won Yong Kim (2019), Dickinson College
	Ji-woong Chung (2020), Korea University
	Jongsub Lee (2020), University of Florida
	Hyuna Park (2020), Brooklyn College - CUNY
Advisory Board	All previous presidents

