

The Exchange

NEWS FROM THE FINANCIAL ECONOMICS INSTITUTE AT CLAREMONT MCKENNA COLLEGE

VOLUME 16, SPRING 2013

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Director's Report

by Lisa Meulbroek



Lisa Meulbroek

See Director's Report on page 2

In This Issue:

PG 2: Director's Report Continued;
FEI Summer RAs & 2013-2014
BGI/Larson Fellows

PG 3: 2013 NYC Networking Trip

PG 4: CFA Institute Research Challenge

PG 5: Spring 2013 Student Research
Analysts

PG 6: Where Will FEI Students Be
Working?; 2013 NYC Networking Trip
Continued

PG 7: FEI Affiliated Faculty Publications

PG 8: Recognizing FEI Seniors and
Upcoming Events



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

Congratulations to the FEI Summer 2013 Research Analysts:

MICHAEL CORNELL '15,

Philosophy & Economics major

DANIELLE KNOTT '15

Economics-Accounting major

XINZHU (NANCY) LI '15

Economics/International Relations major

IRIS LIU '16

Economics & Psychology major

SEAN SAKAGUCHI '16

PPE/Economics-Accounting major

ISAAC THOMAS '15

Economics-Accounting/Government major

SOYEON (NIKKI) YEA '15

Economics/Mathematics major

Congratulations to the 2013-2014 BGI/Larson Asset Management Fellows:

ANDREW BERGMAN '14

Economics-Accounting/Psychology major

WILLIAM LOCKE BROWN '14

Economics and Mathematics major

JULIAN BUCKNER '14

Economics-Accounting major

ANDREW RUNDE '14

Mathematics and Economics major

CAMERON WHITING '15

Economics/Mathematics major

CARTER WILKINSON '14

Economics-Accounting major

2013 New York City Networking Trip

By Viken Douzdzjian '13 and Rachel Kitzmiller '13, FEI Research Analysts and Trip Coordinators

THIS JANUARY, THE FINANCIAL Economics Institute sponsored the 10th annual New York City Networking Trip. During the last week of winter break, ten juniors, two sophomores, and two senior trip coordinators travelled to New York City to learn about the world of finance and connect with CMC alumni of all ages.

The 2013 trip marked the fourth year that students took the lead in organizing the experience. Viken Douzdzjian '13 and Rachel Kitzmiller '13, both participants last year, were the student coordinators and were responsible for all aspects of the trip, ranging from organizing firm visits to conducting mock interviews for the students in preparation for their networking.

The week began on Monday, January 14th, with a cocktail reception hosted in absentia by John Shrewsberry '87, Executive Vice President and Group Head of Wells Fargo Securities, at Wells Fargo's New York office. Students interacted with CMC alumni working in the field of finance, including members of the Financial Economics Institute Board of Advisors and Associate members. Following the reception, the group enjoyed dinner at Sarabeth's restaurant.

Tuesday morning kicked off a series of firm visits beginning 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 role at RBC. The panel included recent graduates David Ulrich '12, who works in the investment banking division, and Kevin Potterton '12, who works in equity research (Mr. Potterton helped coordinate the 2012 NYC trip in his senior year).

Following the visit at RBC, the group made their way to Goldman Sachs to meet with alumni in various divisions of the bank. David Alviljar '01 spoke to the students about his career path from CMC and his experiences on various trading desks at Goldman. Fellow alumni Christine Huk Mann '87 and Andrew Cosentino '11 provided insight on the wealth management industry, structured products, and how certain divisions of Goldman Sachs

collaborate to meet the needs of the bank's clients. Peter Michelsen '99, Holly Poole M'11, and Saumya Lohia '12 spoke about their roles in the investment banking division of Goldman Sachs. The students also had the privilege of hearing from Andrew Kaiser P'13, member of RDS Board of Advisors and COO of Goldman Sachs Bank.

Fred Alger welcomed the group for their final visit of the day. Kevin Collins gave a presentation on Fred Alger's "dynamic growth" investment strategy. This visit was of special interest to the many trip participants who are also members of CMC's Student Investment Fund. Following the presentation, the group was given a tour of Fred Alger's vast art collection. This was the first time students on the New York Networking Trip had the opportunity to visit Fred Alger and it served as valuable exposure to the investment management industry.

Wednesday morning began with a visit to Deloitte Consulting. Chase Gray '12 and India Mullady '11 (Scripps) arranged for Kevin Rose, a partner who focuses on financial services strategy, to speak with the students about his experiences at Deloitte and what differentiates the firms from their competitors. Mr. Grey and Ms. Mullady organized a panel of five analysts to speak to the group about working in the consulting industry. Deloitte was the only consulting firm on the itinerary. Mr. Gray and Ms. Mullady gave a unique perspective on an industry that many CMC graduates pursue.

After taking a quick photo with the Wall Street Bull, the group made their way to Deutsche Bank where the group was hosted by Alan Delsman '68, a Managing Director in Credit Risk Management. He was joined by Chief Risk Officer 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 provided 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 Esther Kim '09.

For their final Wednesday visit, Doug Petersen '80, President of S&P, arranged for

the group to visit S&P Ratings. Although Mr. Petersen was unable to attend the visit, Dimitri Sedov, Head of Global Digital Marketing, was on hand to speak about sovereign ratings issues. He also fielded questions regarding the turbulence S&P faced during the financial crisis and the regulatory pressures they face in present day. The students also spoke with a recruiter who explained the various employment opportunities at S&P.

After three informative firm visits during the day, the students spent Wednesday night connecting with young alumni from all over the greater New York area at the Cornell Club. The event drew alumni of all ages and provided the students an opportunity to network in a social setting.

The group started off Thursday, their last day of activities, with a visit to KKR hosted by Henry Kravis '67. The group gathered in a boardroom overlooking Central Park and listened to Mr. Kravis' view on the global economy and private equity industry. After some final advice on how to successfully navigate life after CMC, the group took a photo with one of CMC's most notable graduates.

Following the group's visit to KKR, the next host firm was Atalaya Capital Management, arranged by Ivan Zinn '96. Although Mr. Zinn was unable to join the group during the visit, Josh Ufberg gave the students a primer on the world of hedge funds and private equity, providing insights into the distressed debt investments that have become Atalaya's specialty. The panel also fielded questions regarding their career paths and the unique challenges of Atalaya.

Next, the group visited BlackRock, hosted by founder Rob Kapito. Mr. Kapito spent his time with the students discussing the founding of BlackRock, the origins of their collegiate culture, and broad career advice for the students. Following Mr. Kapito's discussion, one of BlackRock's campus recruiters, Ahmadu Gidado, organized a networking reception with various BlackRock investment professionals. During the networking reception, the students mingled with analysts and learned about the various career paths at BlackRock.

CMC is Top Performer in CFA Institute's Research Challenge

By Andrew Bergman '14, FEI Research Analyst, and Team Leader – CFA Research Challenge

FIVE STUDENTS REPRESENTED

Claremont McKenna College, the Financial Economics Institute, and the Student Investment Fund at the 2012-2013 Global Investment Research Challenge hosted by the Chartered Financial Analyst (CFA) Institute. The team was ranked 1st in Southern California and placed competitively at the Americas competition.

The CFA Institute is a global organization that seeks to lead the investment profession by promoting the highest standards of ethics, education, and professional excellence. The Chartered Financial Analyst designation is widely considered to be the most respected and recognized investment credential in the world.

Hosted each year by the CFA Institute, the Research Challenge teaches participants best practices in equity research through hands-on company analysis. The competition challenges teams of three to five undergraduate and graduate students to prepare a written equity research report and presentation about a local subject company. Students are guided by industry mentors and academic advisors, and are evaluated by panels of high-profile experts from top financial institutions. Top performing teams advance through Local, Regional, and Global competitions. Last year, over 3000 students from 55 countries competed in the Research Challenge.

The Research Challenge bridges the gap between the CFA Institute and students. Throughout the competition, participants are exposed to industry ethical standards, the CFA certification process, and are given the opportunity to network with current CFA charter holders.

A team of five students represented Claremont McKenna College in the 2012-2013 Research Challenge. The team was led by Andrew Bergman '14, and included Felipe Fagundes '14, Phil Liao '14, Andrew Runde '14, and Larry Zhong '14. Individual members of the team are actively involved in the Financial Economics Institute, Robert Day School, and Student Investment Fund. This summer, participants will be working in the fields of Investment Management, Equity

Research, Management Consulting, and Technology.

CMC Professor Eric Hughson advised the team throughout the Research Challenge. As the faculty advisor to the Student Investment Fund and Associate Director of the Financial Economics Institute, Professor Hughson lent a theoretical perspective to the team's analysis. Robert Thomas '99, FEI Associate Board member and CIO of the George Kaiser Family Foundation, also advised the team. Mr. Thomas provided insight into generally accepted industry practices.

The team was tasked with evaluating Edwards Lifesciences (EW), a mid-cap manufacturer of medical devices. Edwards is a market leader in heart valve replacement (60% of FY2012 sales) and critical care (40%) technologies.

In November 2012, selected members of the team received a presentation from management at Edward's headquarters in Irvine, California. The team also had the opportunity to privately ask questions of management.

Between November 2012 and February 2013, the team researched Edwards and the medical devices industry, including reviewing numerous reports about clinical trials, medical device approvals, practitioner preferences, and the current regulatory environment. Using this information, the team constructed pro-forma financial statements through 2016, a fully integrated discounted cash flow model, and conducted public trading and precedent transaction multiples analyses.

On February 1, 2013, the team submitted a written report that recommended selling shares of EW with a twelve-month price target of \$85.50. The team's thesis was driven largely by pessimism surrounding (a) uptake of Edward's transcatheter aortic valve replacement product as it reaches maturity in U.S. and European markets, (b) execution of products currently in the company's development pipeline, and (c) a tightening regulatory environment.

In late February, the team presented their analysis to a panel of judges at the Orange County/Inland Empire Local Competition. CMC placed first among a group of five undergraduate and graduate institutions who also researched Edwards Lifesciences. The competing teams were UC Irvine, Cal Poly Pomona, Cal State Long Beach, and Cal State Fullerton.

The team from CMC advanced to the Regional Competition, which was hosted in Toronto, Canada on March 20th and 21st. The team placed competitively against 46 other teams from North and South America. University of Nevada Las Vegas went on to win the Regional Competition with its analysis of Kona Grill, a Vegas-headquartered restaurant chain. Winners from each Regional Competition gathered one last time in London during early April, where the team representing Wroclaw University of Economics was crowned global champion.

The Research Challenge provided students with a unique opportunity to conduct professional-standard investment research, learn about the medical devices industry, and network with finance luminaries. Phil Liao '14 recaps his experience, "The Challenge provided me an opportunity to apply academic material in a competitive and professional setting. I believe each of us developed greatly as a simple consequence of our involvement."

Success within the CFA Research Challenge is reflective of both student and institutional achievement. David Hirsch '13, Chief Executive Officer of the Student Investment Fund says, "The fact that our team placed first in our local district and represented California in the Regional Final, in just our second year, is a testament to the unparalleled learning experience provided by CMC, FEI, and the Fund."

The Student Investment Fund and Financial Economics Institute plan to assemble a team to compete in the 2013-2014 CFA Research Challenge. ▲

Financial Economics Institute Spring 2013 Student Research Analysts

During the Spring 2013 semester, seventeen student Research Analysts were assisting faculty members with research projects and one student served as the Stata tutor for students who needed assistance with Stata problems. The following is a list of the students, the topics they were researching, and their faculty advisors:

- ▶ **ANDREW BERGMAN '14**, *The Market Impact of Privacy Breaches and Disqualification of Federal Judges* with Professor Eric Helland
- ▶ **GREYSON BLUE '13**, Stata tutor for students
- ▶ **JASMINE DILUCCI '14**, *The Impact of SEC Enforcement Actions on Corporate Accounting Rules Violations* with Professor Joshua Rosett
- ▶ **ANDREW DODDS '15**, *The Evolution of Corporate Governance* with Professor Henrik Cronqvist
- ▶ **VIKEN DOUZDJIAN '13**, *How Does Coinsurance Affect Acquirer Returns in Mergers* with Professor Eric Hughson, and Viken was also the Bloomberg tutor for students
- ▶ **MERIEL FOSTER '14**, *Quartile Regression and the Prediction of Financial Statement Errors* with Professor Ananda Ganguly and Professor Jungmo Yoon
- ▶ **STACIE HETRICK '13**, *Congressional Insider Trading: Should We Be Concerned?* with Professor Eric Hughson
- ▶ **DAVID HIRSCH '13**, *Quartile Regression and the Prediction of Financial Statement Errors* with Professor Ananda Ganguly and Professor Jungmo Yoon
- ▶ **ARJUN KAPUR '14**, *Quartile Regression and the Prediction of Financial Statement Errors* with Professor Ananda Ganguly
- ▶ **RACHEL KITZMILLER '13**, *Tobin's q Does Not Measure Firm Performance: Theory, Empirics, and Alternative Measures* with Professor Mitch Warachka
- ▶ **EDWARD LEATHERS '15**, *Congressional Insider Trading: Should We Be Concerned?* with Professor Eric Hughson
- ▶ **XINZHU (NANCY) LI '15**, *Interest Rate Liberation in China: An Event Study* with Professor Richard Burdekin
- ▶ **PHILIP LIAO '14**, *Are Happy Employees Productive Employees? Financial Performance Through the Lens of Neuroeconomics* with Professor Paul Zak (CGU)
- ▶ **BEN PYLE '13**, *College and University Endowments* with Professor Lisa Meulbroeck, Professor Janet Smith, and Professor Henrik Cronqvist
- ▶ **YIJING (ARTEMIS) SHEN '13**, *Exchange-Rate Expectations and Balance-of-Payments Adjustment in Economies with Internationally Integrated Financial Markets* with Professor Sven Arndt and *Interest Rate Liberation in China: An Event Study* with Professor Richard Burdekin
- ▶ **NICHOLAS WEISS '15**, *Disqualification of Federal Judges* with Professor Eric Helland
- ▶ **SAMUEL WONG '13**, *Congressional Insider Trading: Should We Be Concerned?* with Professor Eric Hughson
- ▶ **LAWRENCE ZHONG '14**, *The Evolution of Corporate Governance* with Professor Henrik Cronqvist



Back row, from left: Lawrence Zhong '14, Ben Pyle '13, Andrew Dodds '15, Nicholas Weiss '15, Ed Leathers '15, and Viken Douzjian '13. Middle row, from left: Stacie Hetrick '13, Philip Liao '14, Arjun Kapur '14, and Meriel Foster '14. First row, from left: Xinzhu (Nancy) Li '15, Andrew Bergman '14, Greyson Blue '13, David Hirsch '13, and Yijing (Artemis) Shen '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. This list identifies the students' major(s) and their place of employment.

Graduating Financial Economics Sequence Seniors:

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

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

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

MATTHEW ELLIS, Economics-Accounting
FTI Consulting, Corporate Finance/Restructuring Group
(Los Angeles, CA)

DAVID HIRSCH, Economics
JP Morgan Investment Bank (Chicago, IL)

PETER KIMMEY, Economics
Harris Williams & Co. (San Francisco, CA)

YANCAN (LYDIA) LI, Economics & Government
TEMT-Global Gaming Group (Los Angeles, CA)

BLAKE MORELL, Economics
Intrepid Investment Bankers (Los Angeles, CA)

JAMES WEYERHAEUSER, Economics
Cohen Financial – Real Estate Investment (Chicago, IL)

JACOB ROTH, Economics-Mathematics
Morgan Stanley – Real Estate (San Francisco, CA)

SAMUEL WONG, Mathematics-Economics
Pacific Life Insurance, Risk Management Department
(Newport Beach, CA)

Financial Economics Sequence Juniors – Summer Positions:

ANDREW BERGMAN, Economics-Accounting/Psychology with a
Master's in Finance
Bain & Company (Los Angeles, CA)

WILLIAM LOCKE BROWN, Economics & Mathematics
Cascade Investment (Kirkland, WA)

JULIAN BUCKNER, Economics-Accounting
Morgan Stanley – Investment Banking Division (New York, NY)

MERRIEL FOSTER, Mathematics & Economics-Accounting
JP Morgan (San Francisco, CA)

ZOE GALL, Economics
Bank of Montreal – Focused Investments Department (Toronto,
Ontario, Canada)

VEDANT JAITHA, Psychology/Economics
Capgemini Financial Services (Chicago, IL)

ARJUN KAPUR, Economics & International Relations
Bank of America Merrill Lynch (New York, NY)

DYLAN MARCOOT, (Graduating Fall 2013) Economics-Accounting
IDS Real Estate (Los Angeles, CA)

JESSICA PENCE, Economics
Amgen – Finance Department (Thousand Oaks, CA)

ANDREW RUNDE, Mathematics & Economics
Cascade Investment (Kirkland, WA)

ALEXANDRA SLOVES, Economics-Accounting & Mathematics
Wells Fargo (Century City, CA)

ANKIT SUD, Economics with a Master's in Finance
Bank of America Merrill Lynch (Los Angeles, CA)

JUSTIN SYKES, Economics-Accounting/Philosophy
Ernst & Young (Los Angeles, CA)

CARTER WILKINSON, Economics-Accounting
Addepar (Mountain View, CA)

NYC Networking Trip from page 3

For their final visit of the trip, the students headed back to midtown to visit Morgan Stanley in the heart of Times Square. Scott Ashby '95, Managing Director, hosted the group on the capital markets trading floor. Alongside Mr. Ashby sat a group of young alumni from all divisions of

the firm. They 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.

The 2013 New York City Networking trip was a resounding success. It was not easy

to fit ten 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 knowledge the students gained and the connections they made will no doubt be invaluable as they work to establish their careers in the financial services industry. ▲

FEI Affiliated Faculty Research

Selected 2012-2013 publications by faculty members affiliated with the FEI:

- ▶ “The ‘Great Moderation’ in a Dual Exchange Rate Regime,” **Sven Arndt**, Presidential Address IT&FA, *Global Economy Journal*, forthcoming
- ▶ “Policy Challenges in a Dual Exchange Rate Regime,” **Sven Arndt**, *Korea and the World Economy*, 13, 2 (August) 2012
- ▶ “Chinese Real Estate Market Performance: Stock Market Linkages, Liquidity Pressures, and Inflationary Effects,” **Richard Burdekin** with Ran Tao, *The Chinese Economy*, forthcoming
- ▶ “Cross-Market Trading in China’s Large State-Owned Commercial Banks, 2006-2011,” **Richard Burdekin** with Yang Yang, *Contemporary Economic Policy*, Vol. 31, No. 2 (April 2013), pp. 366-377
- ▶ “Liquidity Preference and Interest-Bearing Money: The Ottoman Empire, 1840-1851,” **Richard Burdekin** with Meric Keskinel, *Financial History Review*, Vol. 20, No. 1 (April 2013), pp. 91-102
- ▶ “Cross-Strait Linkages: Historical Perspective and Empirical Evidence,” **Richard Burdekin** with Yijing Shen and Hsin-hui I.H. Whited, in Peter Chow (ed.), *Economic Integration across the Taiwan Strait in Global Perspective*, Northampton, MA: Edward Elgar, 2013, pp. 1-29
- ▶ “Gold Resumption and the Deflation of the 1870s,” **Richard Burdekin** with Pierre L. Siklos, in Randall E. Parker and Robert Whaples (eds.), *Routledge Handbook of Major Events in Economics History*, New York: Routledge, 2013, pp. 24-31
- ▶ “Demand for Attendance: Price Measurement,” **Richard Burdekin** in Stephen Shmanske and Leo H. Kahane (eds.), *The Oxford Handbook of Sports Economics: Volume 2; Economics Through Sports*, New York: Oxford University Press, 2012, pp 201-224
- ▶ “Inference Problems in Events Studies: Applications to Securities Litigation,” **Eric Helland** with Jonah Gelbach and Jonathan Klick, *American Law and Economics Review*, forthcoming
- ▶ “Product Liability and Moral Hazard: Evidence from General Aviation,” **Eric Helland** with Alex Tabarrok, *Journal of Law and Economics*, 54 (August):1-38, 2012
- ▶ “Who Gets Stopped at the Gate: An Empirical Examination of the Effect of Daubert on Expert Witnesses,” **Eric Helland** with Jonathan Klick, *Supreme Court Economic 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*, 64(5): 1277-1339, 2012
- ▶ “Decision Usefulness and Accelerated Filing Deadlines,” **Matthew Magilke** with J. Doyle, *Journal of Accounting Research*, forthcoming
- ▶ “Do People Whose Names begin with ‘D’ Really Die Young?,” **Gary Smith**, *Death Studies*, 36, 2012, 182-189
- ▶ “Like Mother, Like Daughter?: An Economic Comparison of Immigrant Mothers and Their Daughters,” **Gary Smith** with Margaret Hwang Smith, *International Migration*, 51, 2013, 181-190
- ▶ “Tax-Loss Selling and the Year-End Behavior of Dow Jones Stocks,” **Gary Smith** with Jeff Levere and Max Gold, *Accounting and Finance Research*, 2 (1), 2013, 40-46
- ▶ “Loss Aversion and Managerial Decisions: Evidence from Major League Baseball,” **Janet Kiholm Smith** with R. Pedace, *Economic Inquiry*, 51 (2013), Issue 2: 1475-1488
- ▶ “The Early Decision Option in College Admission and its Impact on Student Diversity,” **Janet Kiholm Smith** with H. Antecol, *Journal of Law and Economics*, 55 (2012): 217-249.
- ▶ “Corporate Philanthropy,” **Janet Kiholm Smith** in H.K. Baker and J. Nofsinger, (eds.), *Socially Responsible Finance and Investing*, New York: John Wiley & Sons, Inc., 2012
- ▶ “The Effects of the Global Financial Crisis on China’s Financial Market and Macroeconomy,” **Thomas Willett** with Nan Zhang and Linyue Li, *Economic Research International*, 2012
- ▶ “The Importance of faulty mental models in the creation of the euro and its crisis,” **Thomas Willett** with Eric Chiu, *Review of Global Politics*, 2012, 37, pp. 1-6
- ▶ “Measuring Exchange Rate Flexibility: a Two Parameter Exchange Market Pressure Approach,” **Thomas Willett** with Yongbok Kim and Isriya Nitihanprapas Bunyasiri, *Global Journal of Economics*, 2012, Vol. 1
- ▶ “Measuring Power and the Rise of East Asia,” **Thomas Willett** with Eric Chiu, in Benjamin J. Cohen and Eric Chiu (eds.), *Power in a Changing World Economy: Lessons from East Asia*, Routledge, forthcoming
- ▶ “Power Relationships and the Political Economy of Global Imbalances,” **Thomas Willett**, *Global Economic Review*, 2013, forthcoming
- ▶ “Oxytocin increases the influence of public service advertisements,” **Paul Zak** with P-Y Lin, N. S. Morin, and C. Johnson, *Public Library of Science ONE*, 8(2), 2013
- ▶ “Oxytocin and the reduction of aggression,” **Paul Zak** in Diane DiEuliis and Hrair Cabayan, (eds.), *Topics in the Neurobiology of Aggression: Implications to Deterrence*, U.S. Department of Defense
- ▶ “Oxytocin and the biological basis for interpersonal and political trust,” **Paul Zak** with J.L. Merolla, K. Pyle, G. Burnett, J. Barraza, and S. Ahmadi, *Political Behavior*, 2013, 34(4)
- ▶ “Effects of a 10-day oxytocin infusion in older adults on health and well-being,” **Paul Zak** with J. Barraza, N.S. Grewal, S. Ropacki, P. Perez, and A. Gonzalez, *Experimental and Clinical Psychopharmacology*, forthcoming

Congratulations Class of 2013!

THE FINANCIAL ECONOMICS INSTITUTE WOULD LIKE TO CONGRATULATE THE GRADUATING FINANCIAL ECONOMICS SEQUENCE SENIORS OF 2013. The following is a list of seniors who completed the Financial Economics Sequence and the titles of their theses. We would also like to announce that *Viken Douzajian* wrote the Best Thesis in Financial Economics for 2012-2013! *Congratulations!!*

VEDIKA AGARWAL, *The Impact of the Security Transaction Taxes on Stock Prices and Stock Liquidity: Evidence From the NYSE*

BRIAN BARTLETT, *The Impact of Corporate Sustainability Reporting on Firm Valuation*

JESSICA BARTLETT, *A Compensation Comparison: Determinants of Compensation for Chief Executive Officers and University Presidents*

DREW BECKERMAN, *Short-Term Stock Market Response to "Say on Pay" Failed Votes*

MAX BRENNAN, *The Use of Real Options in Biotechnology Capital Budgeting: Theory and Practice*

MICHAEL CAHILL, *The Role of U.S. Infrastructure Investment in Strategic Asset Allocation*

VIKEN DOUZJIAN, *How Does Coinsurance Affect Acquirer Returns in Mergers?*

MATTHEW ELLIS, *An Examination of the Breadth of the Coinsurance Effect: The Effect of Labor Leverage on Acquirer Returns in Mergers*

DAVID HIRSCH, *The Impact of Prior Performance on Leadership Appointment in a Merger of Equals*

PETER KIMMEY, *How Do Shareholders Use Their Say-On-Pay Votes in the United States? Evidence From 2011 and 2012*

YANCAN (LYDIA) LI, *The Effects of Ownership on Bank Performance: A Study of Commercial Banks in China*

BLAKE MORELL, *Leveraged Buyouts and Value Creation: Examining the Performance of Reverse Leveraged Buyouts*

ALEXANDER PERKINS, *Accounting Conservatism and the Prediction of Corporate Bankruptcy*

JACOB ROTH, *The Explicit Finite Difference Method: Option Pricing Under Stochastic Volatility*

DANIYAL SHAHID, *The Drivers of Corporate Headquarter Relocations and the Effects of the Announcements on Stock Market Returns*

JAMES WEYERHAEUSER, *A Study in Market Micromanagement: The Asymmetrical Effects of the 2008 Short Sale Ban on Stocks With and Without Traded Options*

SAMUEL WONG, *The Effect of the Establishment of the Day Clearing Branch on Trading Costs: A Look at the NYSE in 1920*

Upcoming Events

New York City Networking Trip

JANUARY 13-17, 2014

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 September, 2013.



FINANCIAL ECONOMICS
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