

**Behavioural Finance Working Group Conference**

**16 – 17 December 2013**

**Programme**

**Venue**

**School of Business and Management, Queen Mary University of London**

**Mile End Road London, E1 4NS**

**Keynote Speakers:**

**Professor Eldar Shafir, Princeton University**

**Professor Meir Statman Santa Clara University**

**Practitioner's Round Table**

**Chaired by Gregg Davies Barclay's Bank**

**Special Issue**

**European Journal of Finance**

**Best Paper Awards**

**Best Quantitative Paper Award: European Journal of Finance**

**Best Qualitative Paper Award: Qualitative Research In Financial Markets**

**PhD Sponsorships**

**ICAEW**

**Organisers**

**Gulnur Muradoglu Queen Mary University of London**

**Peter Ayton City University**

## **Day 1 - Monday 16th December 2013**

08.30 – 9.30 Registration (3<sup>rd</sup> floor foyer)

09.30 – 11.15 Parallel Sessions A1 and A2

### **SESSION A1 - Room FB3.28**

#### **Knowing What Not to Do: Financial Literacy and Consumer Credit Choices**

Presenting Author: Lena M. Jaroszek , Centre for European Economic Research (ZEW) Co-author: Christian Dick, Centre for European Economic Research (ZEW) Mannheim

#### **Microfinance, Client-Centricity and Financial Performance: Evidence From India**

Presenting Author: Richard Fairchild , School of Management, University of Bath  
Co-authors: Ian Crawford and Philip Brown , School of Management, University of Bath

#### **Long-Range Planning Attitude in a Declining Welfare: When Individual Behaviours Increase the Poverty risk**

Presenting Author: Caterina Lucarelli, University Politecnica Marche  
Co-author: Barbara Alemanni, University of Genova & SDA Bocconi School of Management

#### **Sovereign Bond Yield Spreads and Market Sentiment. Empirical Evidence From Euro Countries**

Presenting Author: Duccio Martelli, University of Perugia  
Co-author: David Aristei, University of Perugia

**Chair: Richard Fairchild**

### **SESSION A2 - Room FB3.26**

#### **Individual Investors Repurchasing Behaviour: Preference on Stocks Previously Owned**

Presenting Author: Cristiana Cerqueira Lea, University of Minho  
Co-authors: Manuel J. Rocha Armada and Gilberto Loureiro, University of Minho

#### **The Reference Point Effect on Executive Compensation - A Behavioural Approach**

Presenting Author: Ya Gao, Surrey Business School, University of Surrey  
Co-authors: Jean J. Chen, Surrey Business School, University of Surrey; Weian Li, Nankai University of China; Youchao Tan, Dongbei University of Finance and Economics

#### **Entrepreneurial Under-Diversification: Over Optimism and Overconfidence**

Presenting Author: Enrico Maria Cervellati, University of Bologna  
Co-authors: Pierpaolo Pattitoni, University of Bologna , Marco Savioli, The Rimini Centre for Economic Analysis (RCEA) and Rassoul Yazdipour, Academy of Behavioural Finance & Economics

#### **News Media, Framing Effects and Investor Behaviour**

Presenting Author: Emory University Elizaveta Mirgorodskaya, VU University Amsterdam  
Co-author: Roman Kraussl , Luxembourg School of Finance and the Center for Alternative Investments at Goizueta Business School

**Chair: Jean Chen**

11.15– 11.45 Refreshments (3rd floor foyer)

**11.45 – 12.45 Keynote speech: Eldar Shafir, Princeton University :  
The Psychology of Decisions under Scarcity**

12.45– 13.45 Lunch

13.45 – 15.30 Parallel Sessions B1 and B2

**SESSION B1 – Room FB3.28**

**Getting government debt down: lessons from the anthropology of economic management in British postwar governments**

Presenting Author: Perri 6, SBM, Queen Mary, University of London

**Finnish and American household financial behaviour during the 2008 financial crisis**

Presenting Author: Raija Järvinen, National Consumer Research Centre

Co-author: Jukka Laitamäki, New York University

**Aspirations for Income: Status, Competitiveness and Risk Attitudes**

Presenting Author: Rachel Pownall, Department of Finance, Maastricht University

Co-authors: Kees G. Koedijk, Department of Finance, Tilburg University, Meir Statman, Santa Clara University and Tilburg University

**Chair: Perri 6**

**SESSION B2 – Room FB3.26**

**Revealing Animal Spirits of the Euro Area Debt Crisis?**

Presenting Author: Emmanuel Mamatzakis, University of Sussex

**Do Managers Properly Assess Risk? Evidence From US firm Proximity to Hurricane Strikes**

Author: Adrien Matray, PhD Candidate, HEC Business School (Paris)

Co-author: Olivier Dussaint , HEC Paris

**Do Fluent Tickers Appeal to Investor Sentiment?**

Author: Mukunthan Santhanakrishnan, Cox School of Business, Southern Methodist University

Co-author: Greg Durham , College of Business, Montana State University

**Cross-Country Analysis of Herd behaviour in Europe: Evidence from continental, Nordic and the PIIGS countries**

Author: Asma Mobarek , Stockholm University

Co-author: Sabur Mollah, Stockholm University

**Chair: Emmanuel Mamatzakis**

15.30 – 16.00 Refreshments (3rd floor foyer)

16.00 – 17.45 Parallel Sessions C1 and C2

## **SESSION C1 - Room FB3.28**

### **The disposition effect – preferences or emotions**

Author: Sina Erdal, Essex Business School

Co-authors: Christian Bakketeig / Andrew Wood, University of Essex

### **Affect Account of the Disposition Effect and Consequences for Stock Prices**

Author: Tommy Gärling, University of Gothenburg

Co-authors: Mary Blomman, University of Gothenburg and Tim Carle, University of Luxembourg

### **The Power of Cognitive Reappraisal to Reduce the Disposition Effect in Private Traders**

Author: Paul Grayson, The Open University Business School

Co-authors: Prof Mark Fenton-O’Creevy and Dr Ben Hardy

### **House Money Effects in Experimental Asset Markets**

Presenting Author: Debapriya Jojo Paul, Australian School of Business

Co-authors: Julia Paul, Bond University and Sian Owen, Australian School of Business House

**Chair: Tommy Gorling**

## **SESSION C2 – Room FB3.26**

### **Quantifying the Effects of Online Bullishness on International Financial Markets**

Presenting Author: Huina Mao, School of Informatics and Computing, Indiana University

Co-authors: Scott Counts, School of Informatics and Computing, Indiana University and Johan Bollen, Microsoft Research, Redmond, Washington

### **Is There an Incentive for Active Retail Mutual Funds to Closet Index in Down Markets? Fund Performance and Subsequent Annual Fund Flows Between 1997 and 2011**

Presenting Author: Matthew Morey, Pace University, New York, NY

Co-authors: Aron Gottesman, Pace University, New York, NY and Menahem Rosenberg, Touro College, Brooklyn, NY

### **Insider Trading and The Likelihood of Corporate Insolvency: Evidence From UK Firms**

Presenting Author: Agnieszka Trzeciakiewicz, Business School, University of Hull

Co-authors: Jannine Poletti-Hughes, Management School, University of Liverpool and Aydin Ozkan, Business School, University of Hull

**Chair: Agnieszka Trzeciakiewicz**

**18.00 - Dinner at Mucci’s**

**Day 2 - Tuesday 17th December 2013**

**08.30 – 9.30 Practitioners Round Table, Chair: Gregg Davies Barclay's Bank**

09.30 – 11.15 Parallel Sessions D1 and D2

**SESSION D1 – Room FB3.28**

**Heterogeneous Time Preferences Within The Household**

Author: Andrew Hertzberg, Finance and Economics Division, Columbia University

**An Analysis and Risk Modelling On the Mortgage Loan Defaults**

Author: Belma Öztürkkal, Kadir Has University, Department of International Trade and Finance, Istanbul, Turkey

Co-author: Omer L. Gebizlioglu, Kadir Has University, Department of International Trade and Finance, Istanbul, Turkey

**Chair: Belma Öztürkkal**

**SESSION D2 – Room FB3.26**

**Credit Rating, Post-Earnings-Announcement-Drift, and Arbitrage From Transient Institutions**

Presenting Author: HE Guanming, University of Warwick

**Capital Structure Inertia, Product Market Competition and Business Conditions**

Presenting Author: André Gyax, Department of Finance | Faculty of Business and Economics, University of Melbourne

Co-authors: Gabrielle Wanzenried, Institute for Financial Services and Xia Wu, University of Melbourne

**The Chinese Stockmarket Bubble**

Presenting Author: Richard Taffler, Warwick Business School, University of Warwick

Co-authors: Angel (Xijuan) Bellotti and Lin Tian

**Chair: Richard Taffler**

11.15 – 11.45 Refreshments

**11.45 – 12.45 Keynote Speech: Meir Statman, Santa Clara University:**

**What investors really want: Behavioural finance in culture wars and safety nets**

12.45 – 13.45 Lunch

13.45 – 15.30 Parallel Sessions E1 and E2

**SESSION E1 – Room FB3.28**

**Flu Epidemic, Limited Attention and Analyst Forecast Behaviour**

Presenting Author: Nathan Dong, Columbia University

Co-author: Yuna Heo, Rutgers University

**Analyst Earnings Forecasts, Individual Investors' Expectations and Trading Volume: An Experimental Approach**

Presenting Author: Jean-Francois Gajewski, IREG, University of Savoie

Co-authors: Thanh Huong Dinh, IRG, University of Paris and Duc Khuong Nguyen, IPAG Lab, IPAG Business School

**Playing Fast and Frugal with Stock Market Forecasts**

Presenting Author: Zwetelina Iliewa, Centre for European Economic Research, Germany

Co-author: Markus Glaser, Institute for Capital Markets and Corporate Finance, Ludwig-Maximilians-Universität at Munich

**Testing a New Hedging Theory of Confidence Interval Formation**

Presenting Author: Qingwei Wang, Bangor Business School

Co-author: John Goddard, Bangor Business School

**Chair: Qingwei Wang**

**SESSION E2 – Room FB3.26**

**Do Firms Manage Investors' Attention? Evidence From the Preparation of Earnings Announcement Events**

Presenting Author: Olivier Dessaint, HEC Paris

**Preservation of Market Behaviour: The Underlying Psychological Mechanism**

Presenting Author: Daphne Sobolev

Co-author: Nigel Harvey

**Academic Performance and Risk Perception: an Experimental Study**

Presenting Author: Dan Zhu, Bangor Business School, Bangor University

Co-authors: Lynn Hodgkinson and Qingwei Wang, Bangor Business School, Bangor University

**Chair: Olivier Dessaint**

15.30 -16.00 Refreshments

16.00 17.45 - Parallel Sessions F1 and F2

**SESSION F1 – Room FB3.28**

**Feedback, Framing, Personality and Risk Attitude. Experiments on Factors Affecting Financial Optimism**

Presenting Author: Jiayi Balasuriya, Westminster Business School

Co-authors: Gulnur Muradoglu, School of Business and Management, QMUL and Peter Ayton, City University

**Risk and Responsibility**

Presenting Author: Darren Duxbury, Newcastle University Business School

Co-author: Barbara Summers, Leeds University Business School

**Disappointment Aversion Preferences and the Credit Spread Puzzle**

Presenting Author: Stefanos Delikouras, University of Miami

**Do Actions Speak Louder Than Words? Optimistic Disclosure Tone, Insider Trading and Capital Structure**

Presenting Author: Bin Xu, School of Business and Economics, Loughborough University

Co-author: Ali Ataullah and Andrew Vivian, School of Business and Economics, Loughborough University

*Chair: Darren Duxbury*

**SESSION F2 – Room FB3.26**

**Factor Co-Variations Predict Factor Returns**

Presenting Author: Nigel J. Barradale, Copenhagen Business School

Co-author: Soeren Hvidkjaer, Copenhagen Business School

**Glamour, Value and the Changing P/E**

Presenting Author: Keith Anderson, The York Management School, University of York

**Time-Varying Momentum Payoffs and Illiquidity**

Presenting Author: Allaudeen Hameed, National University of Singapore

Co-authors: Si Cheng, National University of Singapore and Doron Avramov, The Hebrew University of Jerusalem

**Time-Varying Noise Trader Risk and Asset Prices**

Presenting Author: Qingwei Wang, Bangor Business School

Co-author: Dylan Thomas, School of Business, Swansea University

*Chair: Werner DeBondt*

**18.00 Dinner at Mucci's**