

## **Behavioural Finance Working Group Conference Programme**

**Date: 23-24 June 2014**

### **Venue:**

School of Business and Management, Queen Mary University of London  
Mile End Road London, E1 4NS

### **Keynote Speakers:**

Alok Kumar, University of Miami, USA  
Russell Craig, Victoria University, Australia

### **Practitioner's Round Table**

Sponsored by CFA-UK

### **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**

Sponsored by ICAEW

#### **Organisers**

Gulnur Muradoglu, Queen Mary University of London  
Richard Taffler, University of Warwick

## **Monday 23<sup>rd</sup> June**

Opening of conference 9 – 9.30 am

Session 1 9.30am – 11.00am

### **SESSION 1A: EMOTIONAL FINANCE 1**

Chair: Tommy Gärling

#### **Emotional Intelligence and risk taking in investment decision-making**

Enrico Rubaltelli, University of Padova / CERD – University of Modena and Reggio Emilia, Italy

Sergio Agnoli, University of Bologna, Italy

Michela Rancan, European University Institute, Italy

Tiziana Pozzoli, University of Padova, Italy

**Discussant:** Paweł Niszczoła

#### **Neuroticism, uncertainty, and foreign investment**

Paweł Niszczoła, Department of International Finance, Poznań University of Economics, Poland

**Discussant:** Tommy Gärling

#### **A Review and Conceptual Analysis of Emotions in Financial Markets**

Tommy Gärling, Center for Finance, School of Business, Economics, and Law, University of Gothenburg

Amelie Gamble, Department of Psychology and Center for Finance, School of Business, Economics, and Law, University of Gothenburg, Sweden

Darren Duxbury, Newcastle University Business School, Newcastle University

**Discussant:** Enrico Rubaltelli

### **SESSION 1B - INVESTMENT THEORY**

Chair: Stefanie Schraeder

#### **Between Fear and Hope: Optimal Portfolio Choice in a model combining Expected Utility and Safety First Preferences**

Richard Fairchild, School of Management, University of Bath, UK

Gulnur Muradoglu, School of Business and Management, Queen Mary University of London, UK

Xiaohua Chen, School of Management, University of Bath, UK

**Discussant:** Kim Kaivanto

#### **Information Processing and Non-Bayesian Learning in Financial Markets**

Stefanie Schraeder, Universite de Lausanne and Swiss Finance Institute, Switzerland

**Discussant:** Richard Fairchild

#### **Visceral Emotions and Within-Community Communication in a Behavioral Model of Financial Decision Making**

Kim Kaivanto, Department of Economics, Lancaster University, UK

**Discussant:** Stefanie Schraeder

Coffee Break

11.00 – 11.30am

SESSION 2A - INDIVIDUAL INVESTOR

Chair: Benjamin Loos

**Retail Investor Attention and IPO Valuation**

Hugh M. J. Colaco, Aston Business School, UK  
Amedeo De Cesari, Aston Business School, UK  
Shantaram P. Hegde, University of Connecticut, USA  
**Discussant:** Mor Haziza

**Which Investment Behaviors Really Matter for Individual Investors**

Benjamin Loos, Goethe University, Frankfurt am Main, Germany  
Joachim Weber, Goethe University, Frankfurt am Main, Germany  
Steffen Meyer, Goethe University, Frankfurt am Main, Germany  
**Discussant:** Hugh M. J. Colaco

**Soft Dollar Arrangements and Investor Sophistication**

Mor Haziza, Faculty of Management, Tel Aviv University, Israel  
Avner Kalay, Faculty of Management, Tel Aviv University, Israel  
**Discussant:** Benjamin Loos

SESSION 2B - EXPLOITATIVE BEHAVIOUR IN FINANCE

Chair: April Klein

**Do Hedge Funds Trade on Private Information? Evidence from Upcoming Changes in Analysts' Stock Recommendations**

April Klein, Stern School of Business, New York University & Warwick Business School, USA / UK  
Anthony Saunders, Stern School of Business, New York University, USA  
Yu Ting Forester Wong, Columbia Business School, Columbia University, USA  
**Discussant:** Asad Kausar

**Overconfidence and Aggressive Corporate Tax Policy**

Asad Kausar, Nanyang Technological University, Singapore  
James Chyz, University of Tennessee, USA  
Fabio Gaertner, University of Wisconsin Maddison, USA  
Luke Watson, University of Florida, USA  
**Discussant:** April Klein

## SESSION 2C - FINANCIAL BEHAVIOUR

Chair: Paul Ryan

### **How Biases Affect the Investment Banking Industry: The Barclays-LIBOR Case**

Enrico Maria Cervellati, University of Bologna, Luiss Guido Carli

Matteo Scialanga, Luiss Guido Carli, Italy

**Discussant:** Bin Xu

### **Time-varying Managerial Overconfidence and Asymmetric Pecking Order Behaviour**

Bin Xu, Loughborough University, UK

Ali Ataullah, Loughborough University, UK

Andrew Vivian - Loughborough University, UK

**Discussant:** Paul Ryan

### **Winners Curse Price Anchors and Bidder Characteristics**

Paul Ryan, University College Dublin

Claire Branigan, University College Dublin

**Discussant:** Enrico Maria Cervellati

Lunch 1.00 – 2.00 pm

Session 3 2.00 – 3.30 pm

## SESSION 3A - CORPORATE BEHAVIOURAL FINANCE

Chair: Jerry Coakley

### **Acquiring the Acquirer: The Role of Target's Acquisition Experience in M&A**

Indrajeet Mohite, Henley Business School, University of Reading, UK

**Discussant:** Keith Glaister

### **Perceptions of firm performance in M&A contexts**

Keith Glaister, Warwick Business School, UK

Marian Rizov, Middlesex University Business School, UK

Geoff Wood, Warwick Business School, UK

Richard Croucher, Middlesex University Business School, UK

**Discussant:** Jerry Coakley

### **The Impact of Market Valuation on UK M&As**

Jerry Coakley, University of Essex, Essex Business School, UK

Heba Gazzaz, University of Essex, Essex Business School, UK

Hardy Thomas, University of Essex, Essex Business School, UK

**Discussant:** Keith Glaister

## SESSION 3B - INVESTOR SENTIMENT

Chair: David-Jan Jansen

### **Is there an Olympic Gold Medal Rush in the Stock Market?**

Jessica Y. Wang, Norwich Business School, University of East Anglia, UK

Raphael N. Markellos, Norwich Business School, University of East Anglia, UK

**Discussant:** Shiyang Huang

### **It Hurts (Stock Prices) When Your Team is About to Lose a Soccer Match**

David-Jan Jansen, De Nederlandsche Bank, Economics and Research Division, The Netherlands

Michael Ehrmann, Bank of Canada, Ottawa, Canada

**Discussant:** Jessica Y. Wang

### **Does Word of Mouth Communication Affect Trading?**

Shiyang Huang, London School of Economics, UK

**Discussant:** David-Jan Jansen

Tea Break 3.30 – 4.00 pm

Keynote Speaker 4.00 – 5.00 pm

Session 4 5.00 – 6.30 pm

## SESSION 4A - EMOTIONAL FINANCE 2

Chair: Richard Fairchild

### **Narcissism**

Yi Zhou, College of Business, Florida State University, USA

**Discussant:** Ronald Bosman

### **From Behavioural to Emotional Corporate Finance: A New Research**

Richard Fairchild, School of Management, University of Bath, UK

**Discussant:** Yi Zhou

### **Emotions-at-Risk: An Experimental Investigation into Emotions, Option Prices and Risk Perception**

Ronald Bosman, VU University Amsterdam, The Netherlands

Roman Kräussl, Luxembourg School of Finance, Luxembourg

Thomas van Galen, Luxembourg School of Finance, Luxembourg

**Discussant:** Richard Fairchild

SESSION 4B - INVESTMENT MANAGEMENT

Chair: Lisa Kramer

**Past Returns, Trading Strategies and Portfolio Compositions**

Darren Duxbury, Newcastle University Business School, Newcastle University, UK

Songyao Yao, Centre for Advanced Studies in Finance, Leeds University Business School, The University of Leeds, UK

**Discussant:** Lisa Kramer

**Seasonal Asset Allocation: Evidence from Mutual Fund Flows**

Lisa Kramer, University of Toronto, Canada

Mark J. Kamstra, York University, UK

Maurice D. Levi, University of British Columbia, Canada

Russ Wermers, University of Maryland, USA

**Discussant:** Darren Duxbury

Conference Dinner      7.00 – 9.00 pm

## **Tuesday 24<sup>th</sup> June**

CFA UK Round Table 9.00 – 10.30 am

Coffee Break 10.30 – 11.00 am

Session 5 11.00 am – 12.30pm

### **SESSION 5A - EMOTIONAL FINANCE 3**

Chair: Crawford Spence

#### **The fall from grace: Narcissistic leadership and emotional finance**

Mark Stein, University of Leicester, UK

**Discussant:** Crawford Spence

#### **Emotional Economic Man Understanding the real work of the Fund Manager**

Crawford Spence, Warwick Business School, UK

Arman Eshraghi, University of Edinburgh Business School, UK

Richard Taffler, Warwick Business School, UK

**Discussant:** Mark Stein

### **SESSION 5B - CORPORATE BEHAVIOURAL FINANCE**

Chair: William Forbes

#### **Measuring the impact pay of inequality and board size upon corporate performance**

William Forbes, School of Business and Economics, Loughborough University, UK

Michael Pogue - School of Business & Economics, Loughborough University, UK

**Discussant:** Tim R. Adam

#### **Managerial Optimism and Debt Contract Design**

Tim R. Adam, Institute of Corporate Finance at Humboldt University Berlin, Germany

Valentin Burg, Institute of Corporate Finance at Humboldt University Berlin, Germany

Tobias Scheinert, Institute of Corporate Finance at Humboldt University Berlin, Germany

Daniel Streitz, Institute of Corporate Finance at Humboldt University Berlin, Germany

**Discussant:** William Forbes

## SESSION 5C - FINANCIAL BEHAVIOUR

Chair: Garo Garabediana

### **Hard to Let Go! The Proccyclical Effect of Memory on Financial Cycles**

Garo Garabediana, Ghent University, Belgium

**Discussant:** Joao Paulo Vieito

### **The Neural Behavior of Finance Investors**

Joao Paulo Vieito, School of Business Studies, and Polytechnic Institute of Viana do Castelo, Portugal

Rachel A. J. Pownall, Maastricht University, The Netherlands

Armando F. Rocha, Research on Artificial and Natural Intelligence (RANI) / Medical School of Sao Paulo, Brazil

Fabio T. Rocha, IPTI and Research on Artificial and Natural Intelligence (RANI), Brazil

Eduardo Massad, Medical School, Sao Paulo University, Brazil

**Discussant:** Robert P. Merrin

### **Triggers and Targets: Risk-Based Affect in a Double-Hurdle Model of Retail Common Stock Trading Decisions**

Robert P. Merrin, Universidad de Cantabria

Nikos Kalogeras, Maastricht University, The Netherlands

Guillermo Maraver Tarifa, Universidad de Granada

**Discussant:** Garo Garabediana

Lunch 12.30 – 1.30 pm

Keynote Speaker 2 1.30 – 2.30 pm

Session 6 2.30 – 4.00 pm

## SESSION 6A - INDIVIDUAL INVESTOR

Chair: Philippe Gregoire

### **Peer Pressure: Does Social Interaction Explain the Disposition Effect?**

Rawley Z. Heimer, Federal Reserve Bank of Cleveland, USA

**Discussant:** Philippe Gregoire

### **Negativity Bias in Attention Allocation: Retail Investors' Reaction to Stock Returns**

Tomas Reyes, Pontificia Universidad Católica de Chile, Chile

Isaac Hacamo, Kelley School of Business, Indiana University, USA

**Discussant:** Rawley Z. Heimer

### **Risk tolerance and the love of money**

Philippe Gregoire, Faculte des sciences de l'administration, Universite Laval, Canada

Martin Matte-Thibault, Infrastructure Quebec, Quebec, Canada

Christian Jacques, Ecole de psychologie, Universite Laval, Canada

**Discussant:** Tomas Reyes



## SESSION 6B - FINANCIAL NARRATIVES

Chair: Arman Eshraghi

### **Text-based emotion processing: identifying the dimensions of negative affect expressed in the financial media allegations and the impact on abnormal stock returns**

Andy Moniz, Rotterdam School of Management, Rotterdam, The Netherlands

Francisca De Jong - Erasmus Studio, Erasmus University, Rotterdam, The Netherlands

**Discussant:** Michael Liebmann

### **The Golden Touch of Federal Reserve Chairmen: Evidence from Public Statements and Testimonies**

Arman Eshraghi, University of Edinburgh Business School, UK

Kristjan Thorarinsson - University of Edinburgh Business School, UK

Jens Hagendorff - University of Edinburgh Business School, UK

**Discussant:** Andy Moniz

### **The Tone of Financial News and the Perceptions of Stock and CDS Traders**

Michael Liebmann, Bain & Company, Germany

Alexei G. Orlov, Radford University, USA

Dirk Neumann, University of Freiburg, Germany

**Discussant:** Arman Eshraghi

Tea Break                      4.00 – 4.30 pm

Session 7                      4.30 – 6.00 pm

## SESSION 7A - EMOTIONAL FINANCE 4

Chair: Paul Greyson

### **Emotion regulation as a de-biasing strategy**

Paul Greyson, Open University

Prof Mark Fenton-O’Creevy

Dr Ben Hardy

**Discussant:** James Byder

### **Financial Services and Individual Welfare**

Fernando Lopez, Olin Business School, Washington University in St. Louis, USA

**Discussant:** Paul Greyson

### **A History of Violence: The impact of early violence exposure on financial risk preferences**

James Byder, Department of Finance, Universidad EAFIT, Medellin, Colombia

Diego Agudelo, Department of Finance, Universidad EAFIT, Colombia

Mateo Uribe-Castro, Department of Finance, Universidad EAFIT, Colombia

**Discussant:** Fernando Lopez

SESSION 7B - EXPERIMENTAL FINANCE

Chair: Fergus Bolger

**Effects of additional information: Experimental evidence**

Ulrich Hommel, EBS Business School, Germany

Tobias Prokesch, EBS Business School, Germany

**Discussant:** Nigel Harvey

**Confidence-Enhanced Performance: Does it Exist and if so How Does it Work?**

Fergus Bolger, Durham University Business School, UK

Kevin Hasker, Dept. of Economics, Bilkent University, Ankara, Turkey

Zahra Murad, Dept. of Economics, Nottingham University, UK

**Discussant:** Daphne Sobolev

**Financial decision making: Effects of news valence, price trend, culture and personality**

Daphne Sobolev, University College London, UK

Bryan Chan, University College London, UK

Nigel Harvey, University College London, UK

**Discussant:** Fergus Bolger

Closing of conference 6.00 – 6.30 pm