

Journal of Finance 2021 Issue Discussion

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Research Themes I

- Asset Pricing
- Role of **Intermediaries** and Their Impacts towards Markets & Economy
 - E.g. HADDAD and MUIR (2021); CENEDESE, DELLA CORTE, and WANG (2021); DONALDSON, PIACENTINO, and THAKOR (2021)
- Behavioral Finance
 - E.g. MOSKOWITZ (2021); BARBERIS, JIN, and WANG (2021); GAO and MARTIN (2021); SHUE and TOWNSEND (2021); Y. CHEN, HAN, and PAN (2021); DE LA O and MYERS (2021); DANIEL, GARLAPPI, and XIAO (2021)
- Explain **Term Structure**
 - E.g. GONÇALVES (2021); GORMSEN (2021)
- Include the process of **Learning**
 - E.g. HU and VARAS (2021); GIACOLETTI, LAURSEN, and SINGLETON (2021); BEN-REPHAEL et al. (2021)

Research Themes II

- Corporate Finance
- Impact of Sociology in Finance
 - E.g. KEMPF and TSOUTSOURA (2021); PÁSTOR and VERONESI (2021)
- **Labor, Innovation and Economy**
 - E.g. BAGHAI et al. (2021); TUZEL and ZHANG (2021); DEMIROGLU et al. (2021); KAPLAN and SORENSEN (2021)
- **Household Finance**
 - E.g. A. BERNSTEIN (2021); S. BERNSTEIN, MCQUADE, and TOWNSEND (2021); KE (2021)
- **Incentives of Advisers/Fund Managers**
 - E.g. DIMMOCK, GERKEN, and VAN ALFEN (2021); CLIFFORD and GERKEN (2021); H. CHEN, COHEN, and GURUN (2021); CAO, FARNSWORTH, and ZHANG (2021); LINNAINMAA, MELZER, and PREVITERO (2021)
- Banking (DRECHSLER, SAVOV, and SCHNABL 2021)

Methodology

- RDD - FALATO et al. (2021)
 - Funds flow around Morningstar 5-start assignment
- Event Study - SHUE and TOWNSEND (2021) (stock splits)
 - 2-for-1 and 3-for-2 stock splits and reverse splits
- Instrumental Variable - BROWN, GUSTAFSON, and IVANOV (2021)
 - Short-term extreme weather as the IV
- Diff-in-Diff - AKEY and APPEL (2021)
 - Treatment: the *Bestfoods* decision by the Supreme Court;
 - Treated and Control: weaker limited liability protection vs negligible material change.

Good Research I

- Interesting topics!
 - Sentiment Trading (Y. CHEN, HAN, and PAN 2021)
 - Arbitrage vs Bubble-riding in Hedge Fund
 - Banks' Maturity Mismatch (DRECHSLER, SAVOV, and SCHNABL 2021)
 - Does maturity mismatch really exposes banks towards interest rate risk?
 - Signaling Board Independence and Executive Pay Transparency (RUIZ-VERDÚ and SINGH 2021)
 - What are the costs of having independent directors in the board?

Reputation Concerns → Independent Director → Transparency
→ { Reduction in Disclosed Pays → Suboptimal Managerial Incentive
Increase in Hidden Pays → Deadweight Loss
 - Limited Liability Protection and Risk-shifting Behavior (AKEY and APPEL 2021)

Good Research II

- Issues created by limited liability in sustainable finance
- Novel Datasets!
 - Individual-level patent data and career record (S. BERNSTEIN, MCQUADE, and TOWNSEND 2021)
 - Survey data for cash flow and return expectations (DE LA O and MYERS 2021)
 - Detailed characteristic records for CXO candidates and also their career record (KAPLAN and SORENSEN 2021)
- Use Empirical Findings to contribute to the Theory!
 - The supply-side of the interaction between household wealth and labor productivity and economy (S. BERNSTEIN, MCQUADE, and TOWNSEND 2021)

Favorite Paper(s)

- Subjective cash flow and discount rate expectations (DE LA O and MYERS 2021)
- Maturity transformation without interest rate risk (DRECHSLER, SAVOV, and SCHNABL 2021)
 - Tackle the fundamental question of why deposit-taking and long-term lending happen in the same institution → Synergy
- A theory of zombie lending (HU and VARAS 2021)
- Potentially to be Influential
 - time variation of the equity term structure (GORMSEN 2021)
 - Its implication on the equity return predictability.
 - subjective cash flow and return expectation (DE LA O and MYERS 2021)
 - Does analysts' forecast share the same empirical findings?
Cross-sectional setting?
 - CEO differences (KAPLAN and SORENSEN 2021)
 - Especially, how does the market learn this information when evaluating the top management of a company?

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