

DR. KUO-CHIANG WEI



Chair Professor//Director of MSc(FA)/(IM) Programs

Director of Hainan Center, 2007-present

Associate Director of Value Partners Center for Investing

Email: johnwei@ust.hk

Personal homepage:

PhD, University of Illinois at Urbana-Champaign, Finance, 1984

MBA, National Chengchi University, Taiwan, Finance, 1979

Beng, National Taiwan Institute of Technology, Industrial Management, 1976

ACADEMIC AND PROFESSIONAL EXPERIENCE

Professor (1998-2005), Acting Head (January 2000-August 2002 and February-June 2003), Director of the Center for Asian Financial Markets (1995-2007), and Associate Professor (1992-1998), Department of Finance, Hong Kong University of Science and Technology
Associate Professor of Finance, Indiana University at Bloomington/Indianapolis, 1989-1992
Assistant Professor of Finance, University of Miami, 1988-1989
Assistant Professor of Finance, University of Mississippi, 1984-1988
Honorary Shanghai Commercial Bank Chair Professor of Finance, National Central University, Taiwan, September 2006-September 2008
Honorary Chair Professor of Finance, National Chengchi University, Taiwan, September 2007-present
Visiting Professor of Finance, Peking University, September – December 2003
AIM fellow and visiting scholar, University of Texas at Austin, September-December 2002
Director of PhD Program of School of Business and Management (1993-1996), Hong Kong University of Science and Technology
Board of directors: China Finance Association, 2004 – present
Board of directors: Global Chinese Real Estate Congress, 2008 – present.

PUBLICATIONS (Articles)

- Titman, Sheridan, K.C. John Wei, and Feixue Xie, 2012, "Market development and the asset growth effect: International evidence," *Journal of Financial and Quantitative Analysis*, conditional acceptance.
- Chen, Zhihong, Yan Huang, and K.C. John Wei, 2012, "Executive pay disparity and the cost of equity capital," *Journal of Financial and Quantitative Analysis*, forthcoming.
- Cen, Ling, Gilles Hilary, and K.C. John Wei, 2012, "The role of anchoring bias in the equity market: Evidence from analysts' earnings forecasts and stock returns," *Journal of Financial and Quantitative Analysis*, forthcoming.
- Liang, Samuel Xin and K.C. John Wei, 2012, "Liquidity Risk and Stock Returns around the World," *Journal of Banking and Finance*, forthcoming.
- Lam, Eric F.Y.C., and K.C. John Wei, 2011, "Limits-to-arbitrage, investment frictions, and the asset growth anomaly," *Journal of Financial Economics* 102, 127-149.
- Chen, Kevin C.W., Zhihong Chen, and K.C. John Wei, 2011, "Agency costs of free cash flows and the effect of shareholder rights on the implied cost of capital," *Journal of Financial and Quantitative Analysis* 46, 171-207.

- Kusnadi, Yuanto and K.C. John Wei, 2011, "The determinants of corporate cash management policies: Evidence from around the world," *Journal of Corporate Finance* 17, 725-740.
- Fan, Joseph, P.H., K.C. John Wei, and Xinzhong Xu, 2011, "Corporate finance and governance in emerging markets: A selective review and an agenda for future research," *Journal of Corporate Finance* 17, 207-214.
- Peng, Winnie, K.C. John Wei, and Zhishu Yang, 2011, "Tunneling or propping: Evidence from connected transactions in China," *Journal of Corporate Finance* 17, 306-325.
- He, Yan, Junbo Wang, and K.C. John Wei, 2011, "Do bond rating changes affect information risk of stock trading?" *Journal of Empirical Finance* 18, 103-116.
- Chui, Andy C.W., Sheridan Titman, and K.C. John Wei, 2010, "Individualism and momentum around the world," *Journal of Finance* 65, 361-392.
- Chen, Kevin C.W., Zhihong Chen, and K.C. John Wei, 2009, "Legal protection of investors, corporate governance, and the cost of equity capital," *Journal of Corporate Finance* 15, 273-289 (lead article).
- Titman, Sheridan, K.C. John Wei, and Feixue Xie, 2009, "Capital investments and stock returns in Japan," *International Review of Finance* 9, 111-131.
- Wei, K.C. John, and Feixue Xie, 2008, "Accruals, capital investments, and stock returns," *Financial Analysts Journal* 64 (Number 5), 34-44.
- Wei, K.C. John, and Yi Zhang, 2008, "Ownership structure, cash flow, and corporate investment: Evidence from East Asian economies before the financial crisis," *Journal of Corporate Finance* 14, 118-132.
- Chou, Pin-Huang, K.C. John Wei, and Huimin Chung, 2007, "Sources of contrarian profits in the Japanese market," *Journal of Empirical Finance* 14, 261-286 (lead article).
- Bae, Kee-Hong, Chanwoo Lim, and K.C. John Wei, 2006, "Corporate governance and conditional skewness in the world's stock markets," *Journal of Business* 79, 2999-3028.
- Cheung, W.K. Adrian, and K.C. John Wei, 2006, "Insider ownership and corporate performance: Evidence from the adjustment cost approach," *Journal of Corporate Finance* 12, 906-925.
- Wang, Junbo, K.C. John Wei, and Stephen Pruitt, 2006, "An analysis of the share price and accounting performance of rights offerings in China," *Pacific-Basin Finance Journal* 14, 49-72.
- Titman, Sheridan, K.C. John Wei, and Feixue Xie, 2004, "Capital investments and stock returns," *Journal of Financial and Quantitative Analysis* 39, 677-700 (list as an example of JFQA style requirements; #1 cited paper published at JFQA).
- Chan, Kalok, Junbo Wang, and K.C. John Wei, 2004, "Under-pricing and long-term performance of IPOs in China," *Journal of Corporate Finance* 10, 409-430.
- Wei, K.C. John, and Raymond Chiang, 2004, "A GMM approach for estimation of volatility and regression models when daily prices are subject to price limits," *Pacific-Basin Finance Journal* 12, 445-461.
- Chui, Andy C.W., Sheridan Titman, and K.C. John Wei, 2003, "The cross-section of expected REIT returns," *Real Estate Economics* 31, 451-479.
- Chui, Andy C.W., Sheridan Titman, and K.C. John Wei, 2003, "Intra-industry momentum: The case of REITs," *Journal of Financial Markets* 6, 363-387.
- Daniel, Kent, Sheridan Titman, and K.C. John Wei, 2001, "Explaining the cross-section of stock returns in Japan: factors or characteristics?" *Journal of Finance* 56, 743-766.
- Chan, Yue-cheong, and K.C. John Wei, 2001, "Price and volume effects associated with derivative warrant issuance on the Stock Exchange of Hong Kong," *Journal of Banking and Finance* 25, 1401-1426 (lead article).

- Chui, Andy C.W., Sheridan Titman, and K.C. John Wei, 2001, "Corporate groups, financial liberalization and growth: The case of Indonesia," In: Asli Demirgüç-Kunt and Ross Levine (Eds.), *Financial Structure and Economic Growth: A cross-country comparison of banks, markets, and development*. The MIT Press, Cambridge, MA, pp. 377-410.
- Liu, Yu-Jane, K.C. John Wei, and Gwohorng Liaw, 2001, "On the demand elasticity of initial public offerings: An analysis of discriminatory auctions," *International Review of Finance* 2, 151-178.
- Titman, Sheridan, and K. C. John Wei, 1999, "Understanding stock market volatility: The case of Korea and Taiwan," *Pacific-Basin Finance Journal* 7, 41- 66.
- Wei, K.C. John, Cheng F. Lee, and Alice Lee, 1999, "Linear conditional expectation, return distributions and capital asset pricing theories," *Journal of Financial Research* 22, 471-487.
- Chui, Andy, C.W., and K.C. John Wei, 1998, "Book-to-market, firm size, and the turn-of-the-year effect: Evidence from Pacific-Basin emerging markets," *Pacific-Basin Finance Journal* 6, 275-293.
- Wu, Changqi, and K.C. John Wei, 1998, "Cooperative R&D and the value of the firm," *Review of Industrial Organization* 13, 425-446.
- Cai, Jun, and K.C. John Wei, 1997, "The investment and operating IPO performance of Japanese IPO firms," *Pacific-Basin Finance Journal* 5, 389-417.
- Wu, Chunchi, Wu, Qiang Li, and K.C. John Wei, 1996, "Incomplete-information capital market equilibrium with heterogeneous expectations and short sale restrictions," *Review of Quantitative Finance and Accounting* 7, 119-136.
- Chan, Yue-cheong, and K.C. John Wei, 1996, "Political risk and stock price volatility: The case of Hong Kong," *Pacific-Basin Finance Journal* 4, 259-275.
- Wei, K.C. John, Yu-Jane Liu, Chan-Chen Yang and Guey-Shiang Chaung, 1995, "Volatility and price change spillover effects across the developed and emerging markets," *Pacific-Basin Finance Journal* 3, 113-136.
- Chen, Kevin C.W., and K.C. John Wei, 1993, "Creditor's decision to waive the violations of accounting-based debt covenants," *The Accounting Review* 68, 218-232.
- Carroll, Carolyn, Paul D. Thistle, and K.C. John Wei, 1992, "The robustness of risk-return nonlinearities to the normality assumption," *Journal of Financial and Quantitative Analysis* 27, 419-435.
- Pruitt, Stephen W., and K.C. John Wei, 1992, "Currency futures market responses to U.S. and Japanese bilateral merchandise balance of trade announcements: 1976 to 1991," *Economics Letters* 39, 455-660.
- Wei, K.C. John, and K.F. Wong, 1992, "Tests of inflation and industry portfolio stock returns," *Journal of Economics and Business* 44, 77-94.
- Lee, Jack, Cheng F. Lee, and K.C. John Wei, 1991, "Binomial option pricing model with stochastic parameters: a beta distribution approach," *Review of Quantitative Finance and Accounting* 1, 435-448.
- Wei, K.C. John, and Stanley R. Stansell, 1991, "Benchmark error and the small firm effect: A revisit," *Journal of Financial Research* 14, 359-369.
- Pruitt, Stephen W., and K.C. John Wei, 1991, "Stock market responses to U.S. and Japanese bilateral merchandise balance of trade announcements: 1976-1987," *Economics Letters* 37, 165-171.
- Wei, K.C. John, Cheng F. Lee, and Andrew H. Chen, 1991, "Multivariate regression tests of the arbitrage pricing theory: An instrumental variable approach," *Review of Quantitative Finance and Accounting* 1, 435-448.

- Lee, Cheng F., Chunchi Wu and K.C. John Wei, 1990, "Heterogeneous investment horizon and capital asset pricing model: Theory and implication," *Journal of Financial and Quantitative Analysis* 25, 361-376.
- Pruitt, Stephen W., and K.C. John Wei, 1989, "Institutional ownership and changes in the S&P 500," *Journal of Finance* 44, 509-513.
- Bansal, Vipul K., Stephen W. Pruitt, and K.C. John Wei, 1989, "An empirical reexamination of the impact of CBOE option initiation on the volatility and trading volume of the underlying stocks: 1973-1986," *Financial Review* 24, 19-29.
- Wei, K.C. John, and Cheng F. Lee, 1988, "The generalized Stein/Rubinstein covariance formula and its application to estimate real beta," *Management Science* 34, 1266-1270.
- Carroll, Carolyn, and K.C. John Wei, 1988, "Risk, return, and equilibrium: An extension," *Journal of Business* 61, 485-499.
- Wei, K.C. John, 1988, "An asset-pricing theory unifying the CAPM and APT," *Journal of Finance* 43, 881-892.
- Pruitt, Stephen W., K.C. John Wei, and R.E. White, 1988, "The impact of union-sponsored boycotts on the stock prices of target firms," *Journal of Labor Research* 9, 285-289.
- Sears, Stephen, and K.C. John Wei, 1988, "The structure of skewness preferences in asset pricing models with higher moments: An empirical test," *Financial Review* 23, 25-38.
- Pruitt, Stephen W., W. Tawarangkoon, and K.C. John Wei, 1987, "Chernobyl, commodity, and chaos: An examination of the reaction of commodity futures prices to evolving information," *Journal of Futures Markets* 7, 556-569.
- Sears, Stephen, and K.C. John Wei, 1985, "Asset pricing, higher moments and the market risk premium: A note," *Journal of Finance* 40, 1251-1253.

CONSULTATIONS AND EXECUTIVE EDUCATION

- Help Fidelity, Hang Seng Bank, and HSBC to design or review Risk Profile Questionnaires since 1996.
- Conducted a consultancy project initiated by HKSAR: Consultancy to "Examine and Disseminate Innovative Approaches to Financing of Initiatives such as Sustainable Infrastructure and Building Planning, Design, Construction and Operation" for APEC
- Conduct research on "The impact of warrant trading on the underlying stock return and volatility," and "The impact of warrant listings and expirations on the underlying stocks return, volatility and trading volume."
- Executive Teaching on Derivatives and Risk Management, Real Options, Hong Kong as a Financial Center, Value-based Financial Management, Mergers and Acquisitions, Advanced Derivative Analysis, and International Finance and Capital Markets .

SERVICE ACTIVITIES WITHIN COLLEGE AND PROFESSION

Ph.D. dissertation supervisor, HKUST, Department of Finance, 1996 – present.

Columnist for *Hong Kong Economics Journal* (the most influential local Chinese daily financial newspaper), 1993-2002.

Keynote speaker at the Conference in Modern Issues on Finance (2003) in Taiwan. Keynote speaker at the 2009 Management Research Forum at National Cheng Kung University in Taiwan

Keynote speaker at the 2010 Young Economic Scholar (YES) conference in Jinan University, Guangzhou, China.

Co-editor for *Journal of Corporate Finance* Special Issue, 2011, "Corporate Finance in Emerging Markets."

Associate editor or Editorial Board for *Financial Analysts Journal* (Editorial Board), *Journal of International Business Studies* (Editorial Review Board), *Pacific-Basin Finance Journal*, *International Review of Finance*, *International Review of Economics and Finance*, *Review of Quantitative Finance and Accounting*, *Asian-Pacific Journal of Accounting & Economics*, *International Real Estate Review*, *Asia-Pacific Journal of Financial Studies*, *Emerging Markets Finance and Trade*, *Journal of Financial Studies*, *Journal of Risk Management*, *Quarterly Journal of Finance*, *Quarterly Journal of Security Market Development*, and *Review of Pacific Basin Financial Markets and Policies*.

Review Board Member for the American Finance Association annual meeting (2011), European Finance Association meetings (2006-2009, 2012), the China International Conference in Finance (2004-2008, 2010, 2012), FMA (2010-2012), FMA Asia (2009-2010), the NTU (National Taiwan University) International Conference on Finance (1998, 2002, 2004, 2006, 2008, 2010), the National Sun Yat-sen University's SFM Conference (2004-present), Chinese Finance Association meetings (2004-present), Asian Financial Association meetings (2011-2012), and APFA/NFA Conference in Japan (1998), the 9th Global Finance Association Annual Conference in Beijing (2002), and Asian Pacific Finance Association Conference (1997).

Ad hoc reviewer for *American Economic Review*, *Journal of Finance*, *Review of Financial Studies*, *Journal of Financial and Quantitative Finance*, *Management Science*, *Journal of Financial Intermediation*, *Journal of Corporate Finance*, *Journal of International Business Studies*, *Journal of Banking and Finance*, *Journal of Empirical Finance*, *Journal of Financial Markets*, *Review of Finance*, *Financial Management*, *Financial Analysts Journal*, *European Financial Management*, *Journal of Risk and Insurance*, *Real Estate Economics*, *Pacific-Basin Finance Journal*, *International Review of Finance*, *Journal of Economics Behaviour and Organization*, *China Economics Review*, *Japan and the World Economy*, *Journal of Economic Dynamics and Control*, *Journal of Economics and Business*, *Journal of Futures Markets*, and *Review of Quantitative Finance and Accounting*, among others.

HONORS

Best paper award: FMA in Investments, 2009.

Best paper award: The China Chinese Finance Association (TCFA), 2009.

Best paper award: NTU Conference on Finance, 1995, 1998, 2000, 2002, 2004, and 2006.

Best paper or best research awards: the Conference on the Theories and Practices of Securities and Financial Markets (SFM), National Sun Yat-sen University, 2001, 2002, 2004, 2006, 2007, 2008, 2009, 2010.

Best paper award: China International Conference in Finance, 2006.

Best paper award: Chinese Finance Association meetings, 2004, 2005, 2007, 2008, 2010 and 2011.

PROFESSIONAL ASSOCIATION MEMBERSHIPS

American Finance Association
Society of Financial Studies
Western Finance Association