

2017 (Oct) PhD Workshop

Department of Accountancy and Finance, Otago Business School

11:00am-2:00pm, 18 Oct 2017 (Wed), Commerce Boardroom 2.19

Initiator: [Prof. Jin Zhang](#)

Facilitator: Dr. [Helen Roberts](#)

Organizer: [Tian Yue](#)

The workshop is initiated by Professor Jin Zhang to stimulate our research progress and communication. It is a perfect time for us to know each other's research interest. A lunch will be provided by our lovely colleagues after the presentations.

PhD Profile:

No.	Name	Starting date	Primary supervisor	Co-supervisors	Study degree
1	Nhu Nguyen (Distant)	Mar-14	Prof Jin Zhang	Dr Annie Zhang	PhD in Finance
2	Ming Kuang Tan	Jun-14	Prof Ralph Adler	Dr Rakesh Pandey	PhD in Accounting
3	Max Yap (Distant)	Aug-14	Prof Roger Willet	Prof Ralph Adler, A.Prof Michael Falta	PhD in Accounting
4	Ehtasham Ghauri	Mar-15	Prof Ralph Adler	Dr Rakesh Pandey	PhD in Accounting
5	Sebastian Gehricke	May-15	Prof Jin Zhang		PhD in Finance
6	Harry Peyhani	Aug-15	A.Prof Peter Whigham	Prof Timothy Crack, Dr Grant Dick	PhD in Info Science
7	Jelita Noviarini	Mar-16	Dr Helen Roberts	A.Prof Ros Whiting, Dr Andrew Coleman	PhD in Accounting
8	Nicola Beatson	Mar-16	Prof Ralph Adler	Dr Jeff Smith, Dr David Berg	PhD in Accounting
9	Tian Yue	Apr-16	Prof Jin Zhang	Dr Eric Tan, Dr Terry Pan	PhD in Finance
10	Dereje Getachew Regasa	Apr-16	Dr Helen Roberts	Prof David Fielding	PhD in Finance
11	Jiexiang Huang	Jun-16	Dr Helen Roberts	Dr Eric Tan	PhD in Finance
12	Nuradhi Jayasiri	Jun-16	Dr Sriyalatha Kumarasinghe	Dr Rakesh Pandey	PhD in Accounting

13	Dung Nguyen	Nov-16	A.Prof Ivan Diaz-Rainy	Dr Helen Roberts	PhD in Finance
14	Renzhu Zhang	Mar-17	Dr Gurmeet Bhabra	Dr Eric Tan, Dr Daisy Chou	PhD in Finance

There are 14 PhD students (6 Accounting and 8 Finance) in our department. Finally, 10 out of 14 PhD students will attend. Basically, every presenter will be assigned 6 minutes (5 minutes speech plus 1 minute Q&A). The order of the presentations will be based on PhD seniority. Those who join our department earlier will present first.

The slides presented in the workshop should include:

- **cover page**, i.e., title, supervisor(s) and your personal information;
- **what's** your topic, i.e., the main idea of your topic;
- **why** you choose this topic, i.e., the motivation from literature overview and financial data or own intuition;
- **how** you do this topic, i.e., your research path or methodology;
- **preliminary results** of your current research.

Programme for PhD Workshop 18 Oct 2017.

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PhD Presentations

11:05 am to 11:11 am	<p>Presenter: Ming Kuang Tan</p> <p>Supervisors: Prof Ralph Adler, and Dr Rakesh Pandey</p> <p>Title: Creating a modified monopoly for promoting students' higher order thinking skills and retention</p>
11:11 am to 11:17 am	<p>Presenter: Xinfeng Ruan</p> <p>Supervisor: Prof Jin Zhang</p> <p>Title: Market Moment Spreads and the Cross Section of Expected Returns: Evidence from the Energy Sector</p>
11:17 am to 11:23 am	<p>Presenter: Sebastian Gehricke</p> <p>Supervisor: Prof Jin Zhang</p> <p>Title: Modeling VXX under jump diffusion with stochastic long-run mean</p>

11:23 am to 11:29 am	<p>Presenter: Harry Peyhani</p> <p>Supervisors: A.Prof Peter Whigham Prof Timothy Crack and Dr Grant Dick</p> <p>Title: High frequency Trading and Market Quality: A natural Experiment</p>
11:29 am to 11:35 am	<p>Presenter: Jelita Noviarini</p> <p>Supervisors: Dr Helen Roberts, A. Prof Rosalind Whiting and Dr Andrew Coleman</p> <p>Title: Optimal consumption and savings in retirement: The role of health shocks and asset composition</p>
11:35 am to 11:41 am	<p>Presenter: Tian Yue</p> <p>Supervisors: Prof Jin Zhang, Dr Eric Tan and Dr Terry Pan</p> <p>Title: The Variance risk premium in the Chinese capital market.</p>
11:41 am to 11:47 am	<p>Presenter: Dereje Regasa</p> <p>Supervisors: Dr Helen Roberts and Prof David Fielding</p> <p>Title: Ethnic Diversity and Local Banking Development in Ethiopia</p>
11:47 am to 11:53 am	<p>Presenter: Jiexiang Huang</p> <p>Supervisors: Dr Helen Roberts and Dr Eric Tan</p> <p>Title: The Effects of Media Coverage on CEO Power</p>
11:53 am to 11:59 am	<p>Presenter: Nuradhi Jayasiri</p> <p>Supervisors: Dr Sriya Kumarasinghe and Dr Rakesh Panday</p> <p>Title: Integrated Reporting: An Exploratory Study</p>
11:59 am to 12:05 pm	<p>Presenter: Dzung Nguyen Nguyen</p> <p>Supervisors: Assoc. Prof Ivan Diaz Rainey and Dr Helen Roberts</p> <p>Title: "Bank efficiency and financial integration of commercial banks in Asia"</p>
12:05 pm to 12:10 pm	<p>Presenter: Renzhu Zhang</p> <p>Supervisors: Dr Gurmeet Bhabra Dr Eric Tan and Dr Daisy Chou</p> <p>Title: CEO succession gap and firm performance</p>

Mix and Mingle

12:05 pm to 2:00 pm | Lunch

Abstracts

Title: Creating a modified monopoly for enhancing student's understanding of basic accounting concepts

Ming Kuang Tan, PhD in Accounting

Abstract:

Aim. This study examined the effectiveness of a modified version of monopoly business simulation game named ASK Mr. Pi Bee in promoting students' higher order thinking skills and retention.

Experimental setting: A total of 200 accounting students from 8 high schools located in one of the largest province in New Zealand participated in this study. The schools were assigned randomly based on matching (decile, gender, class size) to one of the three conditions: ASK Mr. Pi Bee (Experimental Group), Extended problem (Control group 1), or Computer Assisted Instruction (Control group 2).

Methods. Pre-post-test control group design with a knowledge test administered at the start of the intervention, immediately at the end of intervention, and then, three-six months after intervention.

Results. The use of the modified monopoly game to teach basic accounting concepts had significant effects on enhancing students' higher order thinking skills compared to that of the computer-assisted instruction (i.e., CAI), but less effective than the extended problem approach (H1). This study also found that the use of the game helped students retain the concepts learned better than the extended problem although it was as effective as the CAI approach (H2).

Title: Market Moment Spreads and the Cross Section of Expected Returns: Evidence from the Energy Sector

Xinfeng (Edwin) Ruan, PhD in Finance

Abstract

We extend the variance risk premium (VRP) in Bollerslev and Tauchen and Zhou (2009) into the moment spreads. Rather than analyzing the times-series market returns predictability, we newly investigate the predictability of market moment spreads in the cross section of expected returns, taking the case of the energy market.

Title: Modeling VXX under jump diffusion with stochastic long-run mean

Sebastian Gehricke, PhD in Finance

Abstract:

We develop a model for the popular VXX Exchange Traded Note (ETN), using a modified Heston (1993) framework, where the volatility process has jumps and a stochastic long run mean. We calibrate the model parameters using the VIX term structure data. We then extract a daily time series of the market price of variance risk from the VXX ETN and compare its performance in terms of predicting and explaining stock returns to variance risk premium measures used in the literature.

Title: High Frequency Trading and Market Quality: A Natural Experiment

Harry Peyhani, PhD in Info Science

Abstract:

We performed a natural experiment to investigate the impact of the Security and Exchange Commission's (SEC) 2011 naked-access ban (rule 15c3-5) on high frequency trading (HFT) participation, market efficiency, and market integrity in the US equity markets. Although the SEC's requirements for monitoring and supervisory procedures increased trading latency, our event study results show that the rule significantly increased HFT participation. Moreover, this increase in participation was associated with higher levels of market efficiency and market integrity, resulting in an overall improvement in the fairness of US equity markets. Our research sheds new light on the relationship between HFT and market efficiency and market integrity, and dispels concerns that HFTs harm market quality by creating an uneven playing field.

Title: Financial adequacy, asset liquidity and health shocks in retirement: Evidence from New Zealand

Jelita (Jay) Noviarini, PhD in Finance

Abstract:

This study investigates financial adequacy of older people in New Zealand. Our analysis uses an income replacement rate method for panel data from the Survey of Family, Income, and Employment for the period 2002-2009. This research is the first to examine the effect of different housing treatments and imputed rent on financial adequacy in New Zealand. The liquidation of residential housing is particularly important in New Zealand because of the large proportion of wealth invested in housing (St John, 2007). Housing has become a preferred form of investment due to the favourable tax treatment it receives compared to other investments. Our findings suggest that financial adequacy differs significantly across residential housing liquidation treatments; namely, full-liquidation, downsizing, or a reverse mortgage. The results also indicate that including imputed rent gives greater emphasis to the demographic differences. We find that more women are financially adequate in retirement than men. There are statistically significant differences between ethnicities. The New Zealand European/Asian groups are the most financially adequate. The inclusion of imputed rent into the adequacy calculation highlights variation between homeowners and renters. There is no evidence of significant variation in financial adequacy across regions. We report that male individuals of Maori or Pasifika ethnicity living in multiple-dweller houses in the North Island (Auckland,

Waikato, and Wellington), together with those who rent are less financially adequate in retirement.

Title: The Variance Risk Premium in the China-targeted index

Tian Yue, PhD in Finance

Abstract:

With the recent availability of derivatives products such like index options, equity option and off-shore ETF options in China; we can examine the magnitude of the predictability of variance risk premium. Our paper examine the VRP and its predictability in the China-targeted market.

Title: Media sentiment and riskiness of firm investment and financial policies

Jiexiang (Jenny) Huang, PhD in Finance

Abstract:

In this study, we investigate the association between media sentiment and a comprehensive set of measures which capture the riskiness of firm investment and financial policies. This study predicts large media coverage of CEOs will display higher levels of risk-seeking behavior. We find a positive association between media sentiment and the volatility of future firm stock returns, R&D expenditures, and a positive association between media sentiment and the extent of cash holding.

Title: Ethnic Diversity and Local Banking Development in Ethiopia

Dreje Regasa PhD in Finance

Abstract:

Exploiting an extensive dataset from the Ethiopian Central Statistical Agency (ECSA) and the unique data from the banking sector, we present an empirical model of ethnic diversity, and local banking development. A remarkable variation between the regions of Ethiopia in banking sector outreach highlights some form of banks' ethnic differentiation. In this regard, the main contribution of this paper is to examine the degree to which the woreda (district) level banking development is sensitive to both ethnic fragmentation of the woreda and ethnic composition within the bank.

Title: Early Adoption of Integrated Reporting: The case of Diesel and Motor Engineering (DIMO) PLC in Sri Lanka

Nuradhi Jayasiri, PhD in Accounting

Abstract:

In corporate reporting, the need for transparency by businesses has led with a growing demand of financial and non-financial information disclosure provided with a focus of short, medium and long term to tailor diverse stakeholder requirements. Integrated reporting (IR) is the latest development in the corporate reporting reform. Aim of this study is to explore the extent and nature of disclosure in IR in Sri Lanka. The selected organisation is the pioneer among 33 early adopted companies of IR in Sri Lanka. This study originally contributes with a systematic and comprehensive IR disclosure index prepared based on the International Integrated Reporting Council Framework (IIRC) and other non-financial reporting guidelines and frameworks where no previous studies have been addressed. Using the disclosure index prepared, this study explores the extent and nature of disclosure of integrated reporting practices in one of the early adopters of IR in Sri Lanka, following a longitudinal content analysis from 2010 to 2016, over a seven years period. Case study method has been followed to present the research findings which blends with the interview data which explore how does and to what extent IR foster Integrated thinking in the selected organisation in Sri Lanka.

Title: Financial integration and bank efficiency of commercial banks in Asia

Dzung (June) Nguyen, PhD in Finance

Abstract:

Asian has becoming an important and dynamic recipient of international banking flows in the past decades. In the context of financial integration, commercial banks could improve its performance by benefiting from better risk-income diversification or become more vulnerable to external shocks. Therefore, the thesis chapter aims to investigate the impact of financial integration on bank efficiency with a sample of 10 East Asian countries during the period of 1990-2015. The chapter will construct a combined *de jure and de facto* measure to directly track the financial integration in banking sector. Then, it will estimate efficiency level of commercial banks which also accounts for the risk endogeneity by Stochastic Frontier Analysis. The impact of financial integration and other bank-specific, industry-specific and country-specific variables is finally examined in the specification of inefficiency term's determinants in the one- stage estimation approach

Title: CEO succession gap and firm performance

Renzhu (Stephanie) Zhang, PhD in Finance

Abstract:

CEO succession events are of significant importance corporate finance. Such events have provided a method of assessing the efficacy of CEO in shaping the fortune of the company by demarcating eras of stewardship. Previous studies focus mainly on 'Outsiderness' moderating effects of succession events, or whether difference in CEO educational background/ career history would affect firm performance. By looking at the difference in CEO backgrounds and constructing a 'Succession Gap' measurement which contains information about CEO career variety, insider-/outsider-ness, birthplace, gender, age, educational background, compensation package, religion beliefs, party affiliation, ..., the paper seeks to find out the most important factor in determining the post-succession corporate performance and find out whether a larger 'Succession Gap' would lead to better firm performance under four types of circumstances - Customary/ CEO-initiated/ Disability or disease/ Board-initiated successions.