

# 2018 (Oct) PhD Workshop

Department of Accountancy and Finance, Otago Business School

11am - 2pm, 15 Oct 2018, Commerce Boardroom 2.19/2.20

Initiator: Prof. Jin Zhang

Facilitator: Dr. Helen Roberts

Organizer: Wei Guo

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.

There are 9 PhD students (3 Accounting and 6 Finance) in our department.

## A List of Current PhD Students

No.	Name	Starting date	Primary supervisor	Co-supervisors	PhD Student in
1	Jelita Noviarini*	1 March 2016	Helen Roberts	Andrew Coleman, Ros Whiting	Accounting
2	Tian (Tin) Yue*	1 April 2016	Jin Zhang	Sebastian Gehricke	Finance
3	Dereje Getachew Regasa*	1 April 2016	Helen Roberts	David Fielding	Finance
4	Jiexiang (Jenny) Huang*	1 June 2016	Helen Roberts	Eric Tan	Accounting
5	Nuradhi Jayasiri	1 June 2016	Sriyalatha Kumarasinghe	Rakesh Pandey	Accounting
6	Dung Nguyen*	1 November 2016	Ivan Diaz-Rainy	Helen Roberts	Finance

<b>7</b>	Renzhu Zhang*	1 March 2017	Gurmeet Bhabra	Eric Tan, Daisy Chou	Finance
<b>8</b>	Quyên Thi Hoàng Nguyễn	1 February 2018	Ivan Diaz-Rainy	Ros Whiting	Finance
<b>9</b>	Wei Guo*	1 April 2018	Jin Zhang	Sebastian Gehricke	Finance
<b>10</b>	Pakorn (Beam) Aschakulporn*	1 February 2018	Jin Zhang		Master Finance

There are 9 PhD students (3 Accounting and 6 Finance) in our department. Finally, 7 out of 9 PhD students plus one master student (marked ‘\*’) 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 15 October 2018.**

**Department of Accountancy and Finance, Otago Business School**

**11:00am-1:30pm, 15 October 2018 (Wed), Commerce Boardroom 2.19/2.20**

## **PhD Presentations**

**11:05 am to 11:11 am    Presenter: Jelita (Jay) Noviarini**

**Supervisor: Dr Andrew Coleman and A.Prof Ros Whiting**

**Title:** Financial Literacy and Spending Choices of Retirees in New Zealand

**11:11 am to 11:17 am    Presenter: Tian (Tin) Yue**

**Supervisor:** Prof Jin Zhang and Sebastian Gehricke

**Title:** How Do Chinese investors “smirk” on China: Evidence from SSE 50 ETF options

**11:17 am to 11:23 am    Presenter: Dereje Getachew Regasa**

**Supervisor:** Dr Helen Roberts and Prof David Fielding

**Title:** Credit Constraints and Household Welfare: Panel Data Evidence

**11:23 am to 11:29 am    Presenter: Jiexiang (Jenny) Huang**

**Supervisors:** Dr Helen Roberts and Dr Eric Tan

**Title:** Product market threats and corporate debt maturity structure

**11:29 am to 11:35 am    Presenter: Dung (June) Nguyen**

**Supervisors:** A.Prof Ivan Diaz-Rainy and Dr Helen Roberts

**Title:** Bank performance and financial integration during natural disasters in the Asia-Pacific region.

11:35 am to 11:41 am **Presenter:** Renzhu Zhang

**Supervisors:** Dr Gurmeet Bhabra Dr Eric Tan and Dr Daisy Chou

**Title:** CEO Succession Gap and Risk-Taking

11:41 am to 11:47 am **Presenter:** Wei Guo

**Supervisor:** Prof Jin Zhang and Sebastian Gehricke

**Title:** Do 'Brothers' Smirk Differently? Evidence from SPX and SPY Options.

11:47 am to 11:53 am **Presenter:** Pakorn (Beam) Aschakulporn

**Supervisor:** Prof Jin Zhang

**Title:** New Zealand Whole Milk Powder Options

### Mix and Mingle

12:05 pm to 2:00 pm |

Lunch

### Abstracts

**Title :** Financial Literacy and Spending Choices of Retirees in New Zealand

**Jelita Noviarini, PhD in Accounting**

**Abstract:** This study investigates financial literacy in New Zealand and how it affects spending choices of New Zealand retirees. Using financial literacy questions developed by Lusardi[1] and 1000minds software we assess retirees' spending and investment preference in retirement. This is the first study to apply 1000minds software to improve ranking of choices from the traditional methods of preference assessment in both the field of investment and financial literacy. 1000minds uses the potentially all pairwise rankings of all possible alternatives (PAPRIKA). Including options such as housing investments (buy an investment property, put a deposit on home, make home improvements/upgrade), health investments, financial investments (place in KiwiSaver or investment fund, put money in bank, pay of debt, or buy shares), and philanthropic motives. The study provides insight on financial literacy among older New Zealanders and whether financial literacy plays a role in retirement spending

preferences. Understanding financial literacy and its impact may be relevant for government policy considerations involving financial education, and help the private sector in developing a retirement support product that would be attractive to retirees.

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**Title:** How Do Chinese investors “smirk” on China: Evidence from SSE 50 ETF options

**Tian Yue, PhD in Finance**

**Abstract:** This paper provides an analysis of the dynamics of the option implied volatility of the SSE 50 ETF options market in China, adopting Zhang and Xiang’s (2008) methodology to quantify the implied volatility curve. We find the shape of implied volatility curve in SSE 50 option is asymmetrical and skewed to the right, which means that the implied volatility smirk commonly found in the US equity options also exists in the option market in China.

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**Title:** Credit Constraints and Household Welfare: Panel Data Evidence

**Dereje Getachew Regasa, PhD in Finance**

**Abstract:** This paper explores the impacts of credit constraint on household welfare in Ethiopia. The existing literature produces contrasting results regarding the impacts of credit access on a well-being of household [see for example, (Seng, 2018, *JDS*; Ganle, Afriyie, and Segbefia, 2015, *WD*; Ali, Deininger, & Duponchel, 2014, *JDS*; Liverpool & Winter-Nelson, 2010, *WD*]. We use a three-round panel dataset to estimate the effects of household borrowing constraint on three alternative indicators of household welfare: consumption expenditure, per-capita income and assets building. The preliminary results of our preferred identification show that credit constraint has a significant negative effect on the household consumption expenditure, per capita income and assets ownership.

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**Title:** Bank performance and financial integration during natural disasters in the Asia-Pacific region.

**Dung (June) Nguyen, PhD in Finance**

**Abstract:** Sampling commercial banks from eleven countries within East Asia and the Pacific over the period 1992-2010, this paper examines the impact of natural disasters on a broad range of bank performance measures as well as the moderating effect of financial integration on this relationship. The paper find that the profitability of banks increases, possibly stemming from the recovery lending business. However, bank liquidity, credit risk and stability are negatively influenced due to the adverse impact of disasters on economic prospects and the financial solvency of borrowers. Being independent of its measures (foreign claims of international banks, capital account openness or foreign bank penetration), financial integration worsens the impact of disasters on banks' performance. Overall, these results imply that the banking system and those countries that are dependent on foreign capital or foreign banks should account for the aggregate impact of disasters on bank performance and the related impact from the capital outflows in assessing disaster exposure as both these factors may slow down the recovery process of the affected regions after disasters.

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**Title:** Product market threats and corporate debt maturity structure

**Jiexiang (Jenny) Huang, PhD in Accounting**

**Abstract:** This paper examines the relation between product market threats and corporate debt maturity. Using fluidity as the main measure of product market threats, our regressions find that firms facing more threats are more prone to choose short-term debt. Our results indicate that choice of debt maturity are significantly shaped by product market threats.

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**Title:** CEO Succession Gap and Risk-Taking

**Renzhu Zhang, PhD in Finance**

**Abstract:** This paper investigates the relationship between succession-induced gaps in CEO risk-taking attributes and subsequent firm risks. We show that the risk-taking gap index constructed using several CEO personal attributes is positively related to subsequent firm risk, especially under forced removal, poor pre-succession firm performance, and external succession. Further, we find that under the aforementioned three circumstances, CEOs with risk-taking gaps increase firm risk through implementing riskier financing policies (higher financial leverage), operating policies (higher operating leverage), investment policies (higher R&D intensity and/or lower capital expenditure) and

diversification strategies (higher Herfindahl-Hirschman Index and/or less business segments within which the firm operates). Overall, our findings suggest that CEO's personal risk-taking attributes in non-economic contexts have implications for firm risk-taking policies and overall risk profile.

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**Title:** Do 'Brothers' Smirk Differently? Evidence from SPX and SPY Options.

**Wei Guo, PhD in Finance**

**Abstract:** The SPX and SPY options are the most two liquid options in Cboe and ETF market. We document the implied volatility smirk of these two options and calculate the level, slope and curvature of the volatility smirk using method from Zhang and Xiang 2008. The results show there exists significant difference between these two option markets.

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**Title:** New Zealand Whole Milk Powder Options

**Pakorn (Beam) Aschakulporn, Master in Finance**

**Abstract:** This is a study of New Zealand's dairy derivatives market, specifically, Whole Milk Powder (WMP) options since its inception in February 2011. Using Zhang and Xiang's (2008) methodology, the dynamics of the implied volatility smirk of WMP options is documented. Modifying the CBOE VIX methodology, the NZDairyVIX is created.

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[1] Lusardi et al. 2007, 2008, 2009, 2010, 2011, 2014, 2018