

## JOURNAL ACCEPTANCES

### ACCOUNTING

**Sudarshan Jayaraman:** "Earnings Volatility, Cash Flow Volatility and Informed Trading", forthcoming in the **Journal of Accounting Research**.

**Abstract:** I examine whether earnings that are smoother or more volatile than cash flows provide or garble information. Consistent with theories that predict more informed trading when public information is less informative, I find that bid-ask spreads and the probability of informed trading are higher both when earnings are smoother than cash flows and also when earnings are more volatile than cash flows. Additional tests suggest that managers' discretionary choices that lead to smoother or more volatile earnings than cash flows garble information, on average. However, I find that informed trading is attenuated in settings in which theory suggests that discretionary smoothing or volatilizing of earnings is likely to be informative.

### FINANCE

**Anjan Thakor:** "Financial Contracting and Financial System Architecture", **Journal of Financial Intermediation**, 17-1, January 2008.

**Abstract:** In this article I review the link between optimal financial contracting and a host of issues in financial system architecture. Recent research, particularly that related to a JFI conference on the topic, has highlighted how banks and financial markets interact and the implications of this for contracting and economic growth variables. This literature is reviewed and the various contributions are assessed, with an identification of open research questions.

### MARKETING

**Amar Cheema:** "Surcharges and Seller Reputation", forthcoming in the **Journal of Consumer Research**.

**Abstract:** We propose that consumers buying from low- (vs. high-) reputation sellers pay greater attention to surcharges. Thus, reputation moderates the effect of surcharges on purchase. EBay data show that consumers adjust bids to account for surcharges when buying from low-reputation sellers but not when buying from high-reputation sellers (study1). Study 2 replicates this effect with partitioned versus consolidated prices. Study 3 reveals that purchasing from low- (vs. high-) reputation sellers takes longer, and response times mediate the moderating role of reputation. Furthermore, the effect of surcharges levied by low-reputation sellers is attenuated for low (vs. high) need-for-cognition consumers (study 4).

**Dmitri Kuksov:** "Endogeneity and Individual Consumer Choice", with J. Miguel Villas-Boas, forthcoming in **Journal of Marketing Research**.

**Abstract:** In many markets one is likely to have both correlation across periods of the choices of one consumer and correlation across consumers of their choices in each period. The former is caused by consumer heterogeneity, while the latter may be the result of demand common shocks across consumers. Furthermore, if these common shocks are partially observed by the firms, then the market decisions of the firms end up being endogenous and correlated with the common shocks. Because the researcher cannot typically fully observe consumer heterogeneity and the common shocks, the estimation method has to account for the endogeneity of the decisions made by the firms. In this paper, the authors present a test for endogeneity under unobserved consumer heterogeneity and common shocks, which is based on a quasi-likelihood estimation method to consistently estimate the model parameters when endogenous firm behavior, unobserved heterogeneity, and common shocks are present. The test is a test of the differences in GMM coefficient estimates of a model with and without instrumenting for the explanatory variables. The authors show theoretically that in the estimation method they use, unobserved heterogeneity does not affect the consistency of the parameter estimates, but endogeneity, if not accounted for, may bias the results. They present estimation results from simulated and scanner panel data.

**Dmitri Kuksov:** "Brand Value in Social Interaction," **Management Science**, Vol 53 (issue 10), pp. 1634-1644, 2007.

**Abstract:** This paper explores the consumer value of publicly associating oneself with a brand image. The economic value of such association to the consumer of a brand is coming from its affect on the information exchange between consumers engaged in a search for partnerships with each other. It turns out that the brand use can be valuable to consumers for communication even when they do not

agents in a partnership is low, conversations are not very informative, while brand use remains informative and valuable. Furthermore, the more wide-spread the brand use is, the less truthful (and informative) one can expect conversations to be. In addition, the consumer value of a brand image is shown to have an inverse-U shape in the difficulty of searching, as consumers look for conformity when search is difficult, and conversations become more and more truthful when search becomes very easy.

**Ying Xie:** "The Role of Targeted Communication and Contagion in Product Adoption" (coauthored with Puneet Manchanda and Nara Youn), forthcoming in **Marketing Science**.

**Abstract:** The two main influencers leading to adoption at the individual consumer level are marketing communication and interpersonal communication. Although evidence on the effect of these two influencers is abundant at market level, there is a paucity of research documenting the simultaneous effect of both these influencers at the individual consumer level. Thus, the primary objective of this paper is to fill the gap in the literature by documenting the existence have the proper incentives to make simple conversations valuable or informative. In particular, when the correlation of the interests of and magnitude of both influences at the *individual* customer level while controlling for unobserved temporal effects.

The pharmaceutical industry provides an appropriate context to study this problem. It has been conjectured that adoption and usage patterns of a new drug by other physicians – "contagion" - acts as a "consumption externality" as it allows a given physician to learn about the efficacy and use of the drug. In addition, pharmaceutical companies target individual physicians via marketing activities such as detailing, sampling and direct-to-consumer advertising. Our data contain the launch of a new drug from an important drug category. We chose two unrelated markets (Manhattan and Indianapolis) for our empirical analysis. We model an individual physician's decision to adopt a new drug in a given time period as a binary choice decision. This decision is modeled as a function of temporal trends (linear and quadratic) and individual physician level contagion and marketing activity (both individual level and market level). Our contagion measure aggregates the adoption behavior of geographically near physicians for each physician in our sample.

Our results from the Manhattan market indicate that both targeted communication and contagion have an effect on the individual/physician's adoption decision. A major challenge is to rule out alternative explanations for the detected contagion effect. We therefore carry out a series of tests and show that this effect persists even after we control for the effects of time, individual sales people effects, other marketing instruments, local market effects and the effects of some institutional factors. We believe that our contagion effect arises because the consumption externality is stronger for geographically close physicians. We discuss some underlying processes that are probably giving rise to the contagion effect we detected.

Finally, we compute the social multiplier of marketing and find it to be about 11%. We also use the estimated parameters to compare the relative effect of contagion and targeted marketing. We find that marketing plays a large (relative) role in affecting adoption early on. However, the role of contagion dominates from month 4 onwards and, by month 17 (or about half the duration of our data), asymptotes to about 90% of the effect.

### **ORGANIZATIONAL BEHAVIOR**

**Kurt Dirks:** “Repairing relationships within and between organizations: Building a conceptual foundation”, with R. J. Lewicki and A. Zaheer, forthcoming in the **Academy of Management Review**.

**Abstract:** How can relationships be repaired after being damaged? This is a question of longstanding importance in the organizational sciences, although there has not been a focused effort to address it. In the present article we observe that there is a small but growing body of work on the topic which comes from a number of different disciplinary perspectives, using different theoretical lenses, and at different levels of analysis. We begin by examining the existing streams of work on relationship repair and organizing them into a conceptual framework. We then consider four questions which probe implicit assumptions or overlooked issues in existing research with intent of moving toward a more comprehensive conceptual foundation.

## **CONFERENCE ACCEPTANCES/PRESENTATIONS**

### **ECONOMICS**

**Amanda Friedenberg:** Presented “When do Type Structures Contain all Hierarchies of Beliefs” at Washington University in October 2007.

**Amanda Friedenberg:** Presented “When do Type Structures Contain all Hierarchies of Beliefs” at London School of Economics, Universitat Pompeu Fabra and University of Minnesota in November 2007.

**Amanda Friedenberg:** Presented “The Context of the Game” at University of California, Berkeley in December 2007.

**Jeroen Swinkels:** Presented “Procurement Auctions” with Vlad Mares at Nuffield College, Oxford

**Jeroen Swinkels:** Presented “Comparative Statics in Moral Hazard Problems” at the Midwest Math Econ Meetings in October 2007.

**FINANCE**

**Dirk Hackbarth:** Presented "Corporate Financing and Investment: On the Dynamics of the Credit Multiplier" (co-authored with Murillo Campello), at the Jackson Hole Finance Conference, Wyoming in January 2008.

**Lubo Litov:** Presented "Creditor Rights and Corporate Risk Taking", (joint with V. Acharya and Y. Amihud), at NYU Stern School in November 2007.

**Lubo Litov:** Presented "Creditor Rights and Corporate Risk Taking", (joint with V. Acharya and Y. Amihud), at the University of Michigan in February 2008.

**Hong Liu:** Presented "A New Explanation of Underdiversification" at Yale University in November 2007.

**Hong Liu:** Presented "Optimal Portfolio Selection with Transaction Costs and Event Risk" at 2008 American Finance Association Conference in January 2008.

**Todd Milbourn:** Presented "Strategic Flexibility and the Optimality of Pay for Luck" (joint with Radhakrishnan Gopalan and Fenghua Song), at the University of Utah in October 2007.

**Todd Milbourn:** Presented "Strategic Flexibility and the Optimality of Pay for Luck" (joint with Radhakrishnan Gopalan and Fenghua Song) at Cornell University in January 2008.

**Anjan Thakor:** Presented "Market Liquidity, Investor Participation and Managerial Autonomy: Why Do Firms Go Private?" (with Arnoud W.A. Boot and Radhakrishnan Gopalan) at the American Finance Association Meeting in January 2008.

**Anjan Thakor:** Presented "Intrinsically-Motivated CEOs, Overbearing Boards and Diversity in Corporate Governance" (with Fenghua Song) at Laval University, Quebec, Canada in November 2007.

**MARKETING**

**Amar Cheema:** Presented "Helping Consumers Save More: Effect of Goal specificity and Anticipated Success" (with Gulden Ulkumen) at the Society for Consumer Psychology Conference in New Orleans on February 23, 2008.

**Amar Cheema:** Presented "Anytime vs. Only: Effect of Mindsets on Evaluations of Promotion Frames" (with Vanessa M. Patrick) at the Society for Consumer Psychology Conference in New Orleans on February 23, 2008.

**Dmitri Kuksov:** Presented "Pre- and Post-Purchase Management of Customer Satisfaction" (joint with Ying Xie) at the Marketing Conference at U.T. Dallas, February 21-23, 2008.

**Ying Xie:** Presented "Pre- and Post-Purchase Management of Customer Satisfaction" (joint with Dmitri Kuksov) at the Marketing Conference at U.T. Dallas, February 21-23, 2008.

### ORGANIZATIONAL BEHAVIOR

**Chris Long:** Presented “Examining Managers’ Efforts to Integrate Their Control and Trustworthiness-Promotion Activities” at the European Institute for Advanced Studies in Management Conference (EIASM), Amsterdam, October 2007.

**Chris Long:** Presented “Managerial Action to Build Trust, Fairness, and Control in Organizations: The Effect of Conflict”, (co-authored with S. B. Sitkin, and L. B. Cardinal), at the European Institute for Advanced Studies in Management (EIASM) Conference, Amsterdam, October 2007.

## BOOK CHAPTERS

### ECONOMICS

**Siddhartha Chib:** “Multivariate stochastic volatility” with Yasuhiro Omori, and Manabu Asai in {Handbook of Financial Time Series} (eds T.G. Andersen, R.A. Davis, Jens-Peter Kreiss and T. Mikosch), Springer-Verlag, New-York, in press.

**Siddhartha Chib:** “Calculating Causal Effects from Panel Data in Eligibility Designs” with Liana Jacobi in {Advances in Econometrics, volume 23} (S. Chib, W.E. Griffiths and G. Koop, editors), Jai Press, Elsevier Science, Amsterdam, in press.

**Siddhartha Chib:** “Fitting and Comparison of Models for Multivariate Ordinal Outcomes”, with Jennifer Graves, Ivan Jeliazkov, and Mark Kutzbach in {Advances in Econometrics, volume 23} ( S. Chib, W.E. Griffiths and G. Koop, editors), Jai Press, Elsevier Science, Amsterdam, in press.

### FINANCE

**Anjan Thakor:** “Financial Intermediation, Corporate Finance and the Capital Market” (with Arnoud W. A. Boot), in “Handbook of Financial Intermediation & Banking”, (Arnoud Boot and Anjan Thakor, editors), Publisher: Elsevier. Expected publication date: 2008.

**Anjan Thakor:** “The Evolving Role of Financial Intermediaries and its Implications for Regulation” (with Arnoud W.A. Boot), in “The Oxford Handbook of Banking”, (Allen Berger and Phil Molyneux, editors), Publisher: Oxford University Press

## HONORS

### ACCOUNTING

**Ron King:** Serves on the Editorial Board of: **The Accounting Review**  
**Auditing: A Journal of Practice and Theory**  
**Accounting Horizons**

**Ron King:** On the Faculty Advisory Council for the **Center for Interdisciplinary Center** (housed in WU's Law School).

### FINANCE

**Anjan Thakor:** Session Chairperson for "Corporate Finance and Asset Pricing", at the Jackson Hole Finance Group Conference, Wyoming in January 2008.

**Anjan Thakor:** Serves as Associate Editor for **Journal of Banking and Finance**.

### MARKETING

**Dmitri Kuksov:** Serves on the Editorial Board of: **Marketing Science**  
**Review of Marketing Science**

**Michael Lewis:** Serves on the Editorial Board of **Marketing Science**.

**Chakravarthi Narasimhan:** Area Editor for **Marketing Science**.

**Chakravarthi Narasimhan:** Associate Editor of: **Management Science**  
**Quantitative Marketing and Economics**.

**Ambar Rao:** Serves on the Editorial Board of the **Journal of Marketing Research**.

### ORGANIZATIONAL BEHAVIOR

**Bill Bottom:** Associate Editor of **Organizational Behavior and Human Decision Processes**.

**Stuart Bunderson:** Associate Editor of **Organization Science**.

**Stuart Bunderson:** Serves on the Editorial Board of the **Academy of Management Review**.

**Kurt Dirks:** Serves on the Editorial Board of: **Journal of Applied Psychology.**  
**Organization Science**  
**Organizational Behavior and Human Decision Processes**  
**Journal of Organizational Behavior**

**Kurt Dirks:** Session chair for workshop on “Trust Within and Between Organizations”, Amsterdam, October 25-26

**Kurt Dirks:** Research featured in *New York Times* article.

**Judi McLean Parks:** Founding editor of a specialty journal focused on negotiation – **Negotiation and Conflict Management Research.**

**Ray Sparrowe:** Serves on the Editorial Board of: **Academy of Management Journal.**  
**Administrative Science Quarterly.**

## STRATEGY

**Nick Argyres:** Serves on the Editorial Board of: **Strategic Organization.**  
**International Journal of Strategic Change Management.**  
**Journal of International Business Studies.**  
**Strategic Management.**

**Anne Marie Knott:** Senior Editor of the **Organization Science.**

**Anne Marie Knott:** Serves on the Editorial Board of **Strategic Management.**

**Jackson Nickerson:** Received a Distinguished Faculty Alumni Award in November.

**Jackson Nickerson:** Serves on the Editorial Board of: **Institutional and Corporate Change**  
**Organization Science**  
**Strategic Management**  
**Strategic Organization**  
**International Journal of Strategic Change Management**

**Todd Zenger:** Associate Editor of **Management Science.**

**Todd Zenger:** Serves on the Editorial Board of: **Strategic Management.**  
**Academy of Management Review.**

## WORKSHOPS HELD

### ACCOUNTING

Friday, October 26, 2007	Darren Roulstone (University of Chicago) "The Effects of Insider Trading Regulation on Trade Timing, Litigation Risk, and Profitability"
Tuesday, November 27, 2007	James Cox (Georgia State University) "Is There a Plausible Theory for Risky Decisions?"
Monday, January 21, 2008	Stephen Hillegeist (INSEAD) " <i>The Role and Effect of Compensation Consultants on CEO Pay</i> "
Friday, February 8, 2008	Kyle Peterson (University of Michigan) "Accounting Complexity and Misreporting: Manipulation or Mistake?"
Tuesday, February 12, 2008	Gauri Bhat (University of Toronto) "Risk Relevance of Fair Value Gains and Losses, and the Impact of Disclosure and Corporate Governance"

### ECONOMICS

Tuesday, December 11, 2007	James Konow (Loyola Marymount University) "Morals and Mores? Experimental Evidence on Equity and Equality from the U.S. and Japan"
Wednesday, January 16, 2008	Alvin D. Murphy (Duke University) "A Dynamic Model of Housing Supply"
Thursday, January 17, 2008	Kelly C. Bishop (Duke University) "A Dynamic Model of Location Choice and Hedonic Valuation"
Friday, January 18, 2008	Joyee Deb (Northwestern) "Cooperation and Community Responsibility: A Folk Theorem for Repeated Matching Games with Names"
Wednesday, January 23, 2008	Brendan Daley (Stanford) "Market Signaling with Grades"
Monday, January 28, 2008	Anna Levine (Stanford) "Licensing and Scale Economies in the Biotechnology Pharmaceutical Industry"

Tuesday, January 29, 2008	Amitay Alter (Stanford) "Estimating the Return to the Organizational Form in the California Venture Capital Industry"
Wednesday, January 30, 2008	Kevin M. Stange (University of California, Berkeley) "An Empirical Examination of the Option Value of College Enrollment"
Friday, February 1, 2008	Konstantinos E. Zachariadis (Northwestern University) "Derivation of Rational Equilibrium Prices in a Sequential Market with a Common Value Component: A Baseline Model"
Monday, February 4, 2008	Denis Nekipelov (Duke University) "Entry Deterrence and Learning Prevention on eBay"
Wednesday, February 6, 2008	Yuval Salant (Stanford) "Procedural Analysis of Choice Rules with Applications to Bounded Rationality"
Monday, February 11, 2008	Tomasz Strzalecki (Northwestern University) "Axiomatic Foundations of Multiplier Preferences"

## FINANCE

Friday, December 7, 2007	Matthew Spiegel (Yale University) "Dynamic Competition, Innovation and Strategic Financing"
Thursday, January 24, 2008	Yi Zhou (UCLA) "Pricing Individual Stock Options on Firms with Leverage"
Friday, January 25, 2008	Fousseni D. Chabi-Yo (Bank of Canada) "Dynamic Asset Allocation, Heterogeneity of Preferences, Cross Section of Volatility, Skewness, and Expected Returns: Theory and Evidence"
Tuesday, January 29, 2008	Brian T. Melzer (University of Chicago) "The Real Costs of Credit Access: Evidence from the Payday Lending Market"
Wednesday, January 30, 2008	Christopher Schwarz (University of Massachusetts) "Hedge Fund Fees"
Thursday, January 31, 2008	Kahleen Hanley (SEC) "Strategic Disclosure and the Pricing of Initial Public Offerings"
Tuesday, February 5, 2008	Long Chen (Michigan State University) "What Drives Stock Price Movement?"
Tuesday, February 12, 2008	I-Hsuan Ethan Chiang (Boston College) "Modern Portfolio Management with Conditioning Information"

Monday, February 18, 2008	Yehuda Izhakian (Tel Aviv) "Asset Pricing in an Ambiguous World"
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**MARKETING**

Thursday, November 8, 2007	Joseph Goodman (University of South Carolina) "Simplify or Intensify? The Effect of Best Seller Signage on Consumer Decision-Making from Large Product Assortments"
Monday, November 12, 2007	Selin Malkov (University of Minnesota) "1. Deferring Versus Expediting Consumption: The Effect of Outcome Concreteness on Sensitivity to Time Horizon. 2. Discounting Time and Time Discounting: Subjective Time Perception and Intertemporal Preferences"
Wednesday, February 20, 2008	Ravi Dhar (Yale) "Beyond the Survival of the Fittest: The Influence of Consumers' Mindset on Brand Extension Evaluation"

**OPERATIONS AND MANUFACTURING MANAGEMENT/BCTIM**

Friday, October 26, 2007	Roman Kapuscinski ( <i>University of Michigan</i> ) "BCTIM/OMM Seminar on "Advance Selling with Limited Capacity and Customers' Dependent Valuations"
Monday, January 7, 2008	Li Chen (Stanford University) "Information Sharing and Order Variability Control Under a Generalized Demand Model"
Tuesday, January 8, 2008	Zhengliang Xue (Duke) "Demand Management and Inventory Control for Substitutable Products"
Friday, January 18, 2008	Soo-Haeng Cho (UCLA Anderson) "The Optimal Composition of Influenza Vaccines Subject to Random Production Yields"
Friday, January 25, 2008	Nan Xia (Marshall School of Business) "Assortment Planning and Inventory Decisions Under Retail Competition"
Monday, January 28, 2008	Zhibin (Ben) Yang (University of Michigan) "On Supply Risk and Asymmetric Information"

Wednesday, January 30, 2008	Mustafa Akan (Kellogg School of Management) "Revenue Management by Sequential Screening"
Thursday, January 31, 2008	Robert Swinney (Wharton) "Who Has the Hot Product? Selling to Strategic Consumers When Product Value is Uncertain"

**ORGANIZATIONAL BEHAVIOR**

Tuesday, November 20, 2007	Hillary Anger Elfenbein (Haas School of Business) "Emotional "Intelligence" is also Social: The Recognition and Expression of Emotion"
Tuesday, November 27, 2007	Marya Hill-Popper Besharov (Harvard Business School) "Mission Goes Corporate: Employee Behavior in a Mission-Driven Business"
Thursday, November 29, 2007	Lei Lai (Carnegie Mellon University) "The Glass Ceiling for Asian Americans: How Perceptions of Competence and Social Skills Explain Hiring Differentials"
Tuesday, December 11, 2007	Heidi Gardner (London Business School) "Feeling the Heat: The Effects of Performance Pressure on Teams' Knowledge Use and Performance"
Thursday, December 13, 2007	Anita Williams Woolley (Harvard) "Putting the Pieces Together: Team Composition and Collaboration"
Wednesday, January 16, 2008	Danko Turcic (Case Western Reserve University) "On Production Yields and Shutdowns: A Real Options Approach"
Friday, January 31, 2008	Francesca Gino (Carnegie Mellon) "Take This Advice and Shove It: When and Why We Discount Advice"

**STRATEGY**

Tuesday, December 18, 2007	Henry Sauermann (Duke University) "What Makes Them Tick? Employee Motives and Industrial Innovation"
Wednesday, January 9, 2008	Jamie (J.P.) Eggers (Wharton, University of Pennsylvania) "Falling Flat: Failed Technologies and Investment Under Uncertainty"

Monday, January 14, 2008	Anne Fleischer (University of Michigan) "Is There Equity in Equity Analysis? Ambiguity and Equity Rating Systems in United States Broker Dealers, 1993-2000"
Friday, January 18, 2008	Gabriel Natividad (University of California) "Financial Slack, Organization, and Competition in Movie Distribution"
Friday, February 1, 2008	Christopher Rider (Haas School of Business) "Constraints on the Control Benefits of Brokerage: Evidence From U.S. Private Equity Fundraising"
Monday, February 4, 2008	Jason Snyder (Northwestern University) "Competition and Socially Responsible Behavior: Evidence From the Liver Transplant Market"
Friday, February 8, 2008	Barak Aharonson (Rotman/Visiting Professor at Olin Business School) "Technological Sphere of Attraction"