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**TEACHING AND RESEARCH INTERESTS.** Main interest is teaching domestic and international corporate finance. Research interests centre on the cost of capital, empirical corporate finance and capital market theory.

**ACADEMIC BACKGROUND:** D.B.A., Indiana University, (finance major).  
M.B.A., Indiana University, (finance major).  
M.A., Indiana University, (Economics).  
B. Sc.(Econ), London School of Economics.

**AWARDS & HONOURS** MBA Second Year Instructor of the Year Award, 1996, 1998 (joint) & 2000  
Best paper in corporate finance, 1999 SFA meetings  
ASAC Distinguished Professor Address 1990,  
Director Financial Management Association 1988-90,  
English Speaking Union Fellow,  
Fulbright,  
Elected to Beta Gamma Sigma,  
First class honours B.Sc.(Econ)  
CBV (Chartered Business Valuator),  
National Post Leader in Management Education Award 2003

**ACADEMIC EMPLOYMENT:** CIT Chair in Structured Finance (1999-), Professor of Finance, Rotman School of Management, University of Toronto (1987-Present). Visiting Professor Nankai University (China) 1989, the Czech Management Centre (1998). Visiting scholar London School of Economics (1985).

**TEACHING  
EXPERIENCE:**

Graduate (MBA) courses on The Economics of Enterprise, the Economic Environment of Business, Business Finance, Corporate Financing, International Financial Management, Mergers & Acquisitions, Financial Management, Capital Markets & Corporate Financing (EMBA), Financial Theory of the Firm (Ph.D), Capital Markets Workshop (Ph.D). Undergraduate courses (B.Comm) in International Business, Business Finance and Introduction to Financial Markets. Executive courses (2-5 days) on Money and Foreign Exchange Markets, Business Valuation, Financial Strategy, Equity Markets, Capital Market Innovations, Mergers & Acquisitions and Finance for Non-Financial Managers.

**JOURNAL  
ARTICLES**

"Stochastic Demand, Output and the Cost of Capital: A Clarification," Journal of Finance, 35 (June 1980),

"Capital Structure, Taxes and the Cost of Capital," Quarterly Review of Economics and Business, 20 (Autumn 1980),

"Stock Valuation Models Under Inflation," Financial Analysts Journal, (May-June 1981),

"Market Structure, Uncertainty and the Cost of Equity Capital," Journal of Banking and Finance, (May 1981),

"Capital Budgeting Frameworks for the Multinational Corporation," Journal of International Business Studies, (Fall 1982),

"Hedging and Foreign Exchange Exposure," Management International Review, (Spring 1982),

"Correct Procedures for Discounting Risky Cash Outflows," Journal of Financial and Quantitative Analysis, (June 1982),

"Total Price Uncertainty and the Theory of the Competitive Firm," Economica, (May 1983),

"Portfolio Composition and the CAPM," Journal of Economics and Business, (June 1983),

"On the Negative Risk Premium for Risk Adjusted Discount Rates," Journal of Business Finance and Accounting, (Spring 1983),

"On the Unanimity Literature and the Security Market Line Criterion," Journal of Business Finance and Accounting (Winter 1983),

"Empirical Tests of the Monetary Approach to Exchange Rate Determination," (with R. Vander Kr, aats) Journal of International Money and Finance, (December 1983),

"The Ex-Dividend Day Behaviour of Canadian Stock Prices: Tax Changes and Clientele Effects," Journal of Finance, (June 1984) (with D. J. Johnstone),

"On the Relationship Between Time State Preference and Capital Asset Pricing Models," Financial Review (May 1984),

"Bid-Ask Spreads in the Market for Foreign Exchange," Journal of International Money and Finance (August 1984),

"An Economic Analysis of Hedging and The Canadian Accounting Treatment of Revenue Hedges," Canadian Journal of Administrative Sciences, (June 1987),

"The Dividend Tax Credit and Canadian Ownership Objectives," Canadian Journal of Economics (May 1987),

"A Note on the Demand for Labour and the Phillips curve Phenomenon," Journal of Economics and Business (July 1987) (with W. Y. Lee and J. Finkelstein),

"Adjustment to Production Uncertainty and the Theory of the Firm: A Note," Economic Inquiry (1988),

"The Deregulation of Canada's Financial System," Banking and Finance Law Review, (Jan 1989),

"Stock Returns and the Dollar," Canadian Investment Review, (Spring 1990), (With W. Rotenberg),

"Taxes, Funds Positioning and the Cost of Capital,' in R. Aggarwal (ed) Advances in Financial Planning and Forecasting, JAI Press, 1990,

"Assessing Foreign Exchange Exposure: Theory and Application Using Canadian Firms," Journal of International Financial Management and Accounting (Spring 1990) (With W. Rotenberg),

"Research in Finance at Canadian Administration and Management Faculties," Canadian Journal of Administrative Studies, (With F. Heath), (December 1990),

"The Influence of Production Technology on Risk and the Cost of Capital," Journal of Financial and Quantitative Analysis (March 1991),

"Evidence on Corporate Preferences For Foreign Currency Accounting Standards", Journal of International Financial Management and Accounting, (with W. Rotenberg) (Summer 1991)),

"Peoples Acquisition of Zale: An application of Valuation Principles," in Canadian Investment Banking Review, (R. Rupert, Editor), McGraw-Hill Ryerson, 1992,

"The Cost of Equity Capital of a Non-Traded Unique Entity," Canadian Journal of Administrative Sciences, (June 1993),

"Lessons From Canadian Capital Market History," Canadian Investment Review (Spring 1995),

"Making Capital Budgeting Decisions in Multinational Corporations," Managerial Finance 22-1, (1996),

"Great Lakes Forest Products" Accounting Education 5 (Winter 1996) (with Professor W. Rotenberg),

"On the Nature of Foreign Exchange Exposure" Journal of Multinational Financial Management" (Spring 1996),

"The Importance of Market to Book Ratios in Regulation," Quarterly Bulletin, National Regulatory Research Institute, Winter 1997,

"A New Model for Estimating Risk Premiums (Along with Evidence of their Decline)" Journal of Applied Corporate Finance, (Spring 1998),

"The Case Against Foreign Bonds in Canadian Fixed Income Portfolios," Canadian Investment Review, (Spring 1998),

"The CAPM, Equity Risk Premiums and the Privately Held Business," Journal of Business Valuation (1999),

"Estimating the Equity Risk Premium and Equity Costs: New Ways of Looking at Old Data," Journal of Applied Corporate Finance, (Spring 1999),

"Time to Pass the Old Maid," Canadian Investment Review, (Spring 1999),

"Risk and Return in Capital Markets," Canadian Treasurer 16-2, March 2000,

"What Drives Shareholder value," Canadian Treasurer 16-3, June 2000.

"Capital Structures in Developing Countries," Journal of Finance 61-1 (March 2001, pp 87-130) (with V. Aivazian, V. Maxsimovic and A. Demircic Kunt), (abstracted in the CFA Digest-31 -3 August 2001)

"Discounting Expected Values with Parameter Uncertainty," Journal of Corporate Finance 9- 2 (Spring 2003, pp 505-519)

"Equity Risk Premiums in the US and Canada," Canadian Investment Review (Spring 2001),

"Financial Planning with Risk," Canadian Journal of Financial Planning (December 2001),

"How to Find Value when None Exists: Pitfalls in Using APV and FTE," Journal of Applied Corporate Finance (Spring 2002),

"Do Emerging Market Firms Follow Different Dividend Policies than Firms in the US: Evidence From Firms in 8 Emerging Markets," Journal of Financial Research 26-3, (September 2003, pp 371-387) (Abstracted in CFA Digest 34-1, Feb 2004) (With V. Aivazian and S. Cleary),

"Dividend Policy and the Organisation of Capital Markets, Journal of Multinational Financial Management, 13-2 (April 2003, pp 101-121 (With V. Aivazian and S. Cleary),

"What to do with Executive Stock Options," Canadian Investment Review 16-2, (Summer 2003, pp 12-18),

"Formulating Retirement Targets and the Impact of Time Horizon on Asset Allocation," Financial Services Review 13-1, (Spring 2004),

"Dividend Policy and the Role of the Contracting Environment," FSR Forum, December 2005, pp 13-22,

"Dividend Smoothing and Debt Ratings," Journal of Financial and Quantitative Analysis, with V. Aivazian and S. Cleary (June 2006),

"Capital Cash Flows, APV and Valuation," European Financial Management, (Spring 2007).

"What Drives Provincial-Canada Yield Spreads" Canadian Journal of Economics, (Summer 2007) with Walid Hejazi and George Georgoplous.

"Blast from the Past," Canadian Investment Review, Summer 2007.

"Cash Flow Volatility, Financial Slack and Investment Decisions," China Finance Review 2-1, (January 2008) with Sean Cleary, pp 63-87.

"Collateral Damage," 2008, Canadian Investment Review 21-4, pp 10-17.

"Capital Market Developments in the Post 1987 Period: A Canadian Perspective," Review of Finance and Accounting 8-2 (with Sean Cleary), 2009.

"The Secret of Canadian Banking: Common Sense?" World Economics, September 2009

"Information Asymmetry, Dividend Status and SEO Announcement Day Returns" (with Bin Chang), Journal of Financial Research, (Spring 2011)

"Target Date Funds: Good News and Bad News," (with Bin Chang) Journal of Risk, Spring 2011, pp 1-28.

"The Influence of productivity growth on Equity market performance, Journal of Wealth Management (with Bin Chang, Walid Hejazi and Pauline Shum) (Summer 2011)

"Asset Allocation and the Performance of American Target Date Funds," Rotman International Journal of Pension Management, (With Bin Chang) Fall 2011.

"Import Competition and Disappearing Dividends," Journal of International Business Studies (January 2013) with Jun Zhou and Bin Chang.

"Debt Rating Initiations: Natural Evolution or Opportunistic Behavior?" Journal of Modern Accounting and Auditing (with Lynette Purda and Sean Cleary)

**NON-JOURNAL PUBLICATIONS:** "Financial Considerations for Providing Incentives for Private Industry and their Implications for Employment Level and Stability," (with M. J. Gordon) Technical study #2, Labour Market Development Task Force, Ministry of Supply and Services Canada, 1982.

"A Comparison of the Car Insurance Industry in Ontario with The Public Monopolies in Saskatchewan, Manitoba and British Columbia," 122 pp, in C. Osbourne (ed) Report of the Inquiry into Motor Vehicle Accident Compensation in Ontario, Ontario 1988.

"Securities Market Regulation: Institutional Ownership and Diversification;" "TSE Listing Proposals for Junior Companies," and "Discount Brokerage and the Entry of Financial Institutions." Reports submitted to the Ontario Securities Commission, July 1982, June 1983 and December 1983.

"Bank Profitability, Is It Excessive? (With M. Jensen and S. Klein), Report to the House Standing Committee on Finance, Trade and Economic Affairs, May 1982.

"Survey of Foreign Bank Affiliates," Chapter 8 in Small Business Financing and Non-Bank Financial Intermediaries, Facsym 1981.

"A Methodological Error in the Application of the Capital Asset Pricing Model" Proceedings ASAC, (May 1981).

International Business, (with A. Rugman and D. Lecraw), McGraw Hill, 1985.

"Hedging Foreign Exchange Exposure," in Rugman (ed), International Business in Canada: Strategies for Management, Prentice-Hall, 1988.

"Section 1650 of the CICA Handbook: Interpreting Foreign Results Under a Flexible Accounting Standard," (With W. Rotenberg), CGA Communications, 1989.

"Liability Management in the Public Sector," Report for Ministry of Treasury and Economics, May 1990 (with P. Halpern,)

"The Tax Deductibility of Interest and Hostile Takeovers," John Deutsch Institute, May 1990.

"Regulation of Transmission and Distribution Activities of Ontario Hydro," in R. Daniels, Editor, Ontario Hydro at the Millenium: Has Monopoly's Moment Passed? McGill-Queens University Press Fall 1996 (with P. Halpern).

"Competition and Profitability in the Financial Services Industry in Canada," in J. Mintz & J. Pesando (editors) Putting Consumers First C.D Howe Institute, 1996.

"What Drives Shareholder Value," Financial Intelligence IV-6, Federated Press , Spring 1999.

"Canada's Competitiveness over the last 20 years," Rotman Management, Spring/Summer 1999.

"A Walk through Risk and Return," Advisor's Guide to Financial Research, 1999.

"Picking the Right Stocks," Advisor's Guide to International Financial Research, 2000.

"The CAPM, Equity Risk Premiums and the Privately Held Business," reprinted in W. Albo et al, Purchase and Sale of Privately Held Businesses, CA Press, Toronto, Ontario, 2000

"Investments, Alternative Investments and Bubbles," in Advisor's Guide to New Investment Opportunities, 2001.

"The Increasing Complexity of Bank Brands," Rotman Management, Spring/Summer 2001.

"Asset Allocation in the Long Run," Advisor's Guide to Risk Management, 2002.



"The Competitiveness of Corporate Canada," Financial Post, July 2002.

"Corporate Responsibility," Rotman Management, Spring/Summer 2003.

"The MBA International Finance course: a course whose time has come and gone, in A. Rugman (editor) Research in Global Strategic Management, JAI press, June 2003.

"The fundamentals of finance all business professionals should know and remember," Inside the Minds: Textbook Finance, Aspatore Books, June 2003.

"Anticipating the Big Boom," Rotman, the magazine of the Rotman School of Management, Fall 2005.

"Asset Allocation: The Long View," in H. Evensky (Editor) Retirement Income Redesign: Master Plans for Distribution, Bloomberg Press, Princeton, 2006.

"Loyalty in Finance," Rotman, the magazine of the Rotman School of Management, Fall 2006.

Introduction to Corporate Finance, John Wiley and Sons, 2007 (with Sean Cleary)

"Blast from the Past", Canadian Investment Review, Summer 2007.

"Saving Capitalism from the Capitalists," Rotman, the magazine of the Rotman School of Management, Summer 2008.

"Sub-prime market meltdown and learning from the past," in The Finance Crisis and Rescue, University of Toronto press, November 2008.

"An Overview of Value Based Management," in Advanced Corporate Finance, C. Krishnamurti and S.R. Vishwanath Prentice Hall International, 2009.

Introduction to Corporate Finance, John Wiley and Sons, (2<sup>nd</sup> edition) 2010 (with Sean Cleary)

“The Cost of Equity Capital and Fair Rate of Return on Equity (ROE) for a Canadian Utility” Canadian Regulation, Gordon Kaiser Editor) 2011.

Corporate Finance, John Wiley and Sons 2013 (with Sean Cleary and Pamela Drake Petersen).

Introduction to Corporate Finance, John Wiley and Sons, (3rd edition) 2013 (with Sean Cleary)

**TESTIMONY**

Expert financial witness (with the late Professor M.K. Berkowitz) in rate hearings for Altalink partners, ATCO Gas (South), ATCO Pipelines (South), ATCO Electric, Bell Canada, Consumers Gas, Teleglobe, Maritime T&T, Island Tel, BC Tel, AGT, Newfoundland Tel, Union Gas, Intragaz, Gazifere, Gaz Metropolitain, Ontario Hydro, Centra Gas Ontario, NB Tel, Northwestel, Pacific Northern Gas, BC Gas, West Kootenay Power, TransCanada Pipelines, TransEnergie, Trans Mountain Pipelines, IPL, Westcoast Energy, Nova Gas Transmission, Foothills Pipeline, TQ&M, ANG, Centra Gas Manitoba, Maritime Link, Newfoundland Power, AOSPL, Alberta Bottlers Depot Association and Ontario Securities Commission.

**Ph.D  
SUPERVISOR:**

George Pink, A Dominance Analysis of Canadian Mutual Funds, 1988,

Greg Lypny, An Experimental Study of Managerial Pay and Firm Hedging Decisions, 1989,

Frank Skinner, Credit Quality Adjustments and Corporate Bond Yields, 1990,

Rui Pan, Probability Analysis of Option Strategies, 1994,

Peter Klein, Three Essays on the Capital Gains Lock-in Effect, 1996,

Guy Bellemare, Capital Market Segmentation: US -Canada, 1996,

Kevin Lam, The Pricing of Audit Services, 1997,

Sean Cleary, The Relation Between Firm Investment and Financial Slack, 1998,

Xinlei Zhao, Three Essays on Financial Markets, 2002,

Lynnette Purda, Elements of Corporate Debt Policy, 2003,

Themis Pantos, Investment Distortions in the Presence of a Sovereign Debt Overhang, 2003.

Zhao Sun, PEG ratios and Stock Returns, 2004.

Zhaoxia Xu, Dynamic Adjustment of Financial Policy, 2007.

Bin Chang, Information in Financial Markets, 2008.

Ambrus Kesckes, Three Essays on IPOs, 2008 (Co-chair with Jan Mahrt-Smith)

Jun Zhou, Industry Influences on Corporate Financial Policy, 2010.

**CASE  
WRITING:**

A fair rate of return for Bell Canada, 1986.

Canvend 1984, A & B, 1988.

Peoples Jewellers, 1988.

Great Lakes Forest Products A, 1989.

Inco, 1989.

Peoples acquisition of Zale, 1990.

American Can Canada, 1990.

Great Lakes Forest Products A, 1993 (with W. Rotenberg)

BC Telephone, 1993

103 Kirsten Avenue, 1994

Great Lakes Forest Products B, 1994 (with W. Rotenberg)

Mill Creek Jewellery, 1995 (With E. Kirzner)

Chapters, draft 2002.

Second Cup Valuation, draft 2002.

**SERVICE:**

Executive Committee: 1980-2, 1989-90, 1993-4, 2001-3, 2009-10

Finance Area Co-ordinator 1987-91, 1994-2008

External Advisory Board, Health Administration Faculty, 1985-92.

Editorial Board Activities:

Journal of Economics & Business 1982-87.

Finance Section Editor, Canadian Journal of Administrative Sciences 1993-2005.

Journal of Multinational Financial Management 1989-.

Journal of International Business Studies 1992-

Associate Editor, Multinational Finance Journal, 1995-2013

Journal of Applied Finance 2003-2007

Director at large Multinational Finance Society 1998-

Co-Chair 1991 Northern Finance Association meetings.

Chair 1998 Northern Finance Association meetings  
Chair 2008 MFS annual meetings.  
President Multinational Finance Society, 2010-11  
Programme Committee member FMA meetings, October 1993.  
Programme Committee member SFA meetings November 2002.  
Programme Committee member, MFS meetings 2002-13  
Programme Committee Member, Global Finance Conference, 2006.  
Programme Committee Member, European Financial Management  
2006-2014  
Programme Committee member, NFA meetings 2008-2012  
Investment Committee, Trinity College, U of T.  
Pension Committee, Governing Council University of Toronto,  
2011-13  
Special committee on the Supplementary Retirement Arrangement  
(SRA) University of Toronto, 2011  
Frequent media commentator.  
Vice-President Mid-West Finance Association 2012-13.

August 2013.