



澳門大學
UNIVERSIDADE DE MACAU
UNIVERSITY OF MACAU

Faculty of Business Administration
SEMINAR SERIES No. 15/1516
Finance

Session 1: Alternative errors-in-variables models and their applications in finance research

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Distinguished Professor of Finance
Rutgers University, USA

Abstract

Specification error and measurement error are two major issues in finance research. The main purpose of this paper is (i) to review and extend existing errors-in-variables (EIV) estimation methods, including classical method, grouping method, instrumental variable method, mathematical programming method, maximum likelihood method, LISREL method, and the Bayesian approach; (ii) to investigate how EIV estimation methods have been used to finance related studies, such as cost of capital, capital structure, investment equation, and test capital asset pricing models; and (iii) to give a more detailed explanation of the methods used by Almeida et al. (2010).

Session 2: Technical, Fundamental, and Combined Information for Separating Winners from Losers

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Abstract

This study examines how fundamental accounting information can be used to supplement technical information to separate momentum winners from losers. We first introduce a ratio of liquidity buy volume to liquidity sell volume (BOS ratio) to proxy the level of information

asymmetry for stocks and show that the BOS momentum strategy can enhance the profits of momentum strategy. We further propose a unified framework, produced by incorporating two fundamental indicators—the FSCORE (Piotroski, 2000) and the GSCORE (Mohanram, 2005)—into momentum strategy. Empirical results show that the combined investment strategy includes stocks with larger information content that the market cannot reflect in time, and therefore, the combined investment strategy outperforms momentum strategy by generating significantly higher returns.

Date: 31 May, 2016 (Tuesday)
Time: 15:30~17:00 (2 sessions inclusive)
Venue: Faculty of Business Administration, E22-2007

A Short Biography of Prof. Cheng-few LEE

Prof. Lee is currently the Distinguished Professor of Finance, Rutgers University, USA. Before taking the teaching position at Rutgers University in 1988, he taught at the University of Georgia from 1973 to 1976 and the University of Illinois at Urbana-Champaign from 1976 to 1988. In 1982, he was awarded the IBE distinguished professor of Finance at University of Illinois. Rutgers University hired him as special professor II and set up a department of finance at its New Brunswick campus. He is also the chief editor of two internationally known journals and three annual academic journals and the chairman of three important international conferences. In addition, he also presided the Foundation of Pacific Basin Financial Research and Development. During his 43 years of teaching, he has advised more than 100 Ph.D. students, published more than 225 academic papers, and completed more than 26 books. Since 1992, he has also devoted himself to do some research of the financial markets and policies in Taiwan and the Pacific Basin countries. He is constantly providing opinions to the government, academic institutes, and the industries.

ALL ARE WELCOME!