31st Australasian Finance and Banking Conference

# PHD FORUM PROGRAM

Wednesday 12 December 2018

Shangri-La Hotel, Sydney

# PhD Forum

**Keynote Presentation and Panel 12.20- 1pm**

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| **Navigating the Choppy Waters from PhD Student to Assistant Professor**<br>David Denis, University of Pittsburgh<br><br>AND<br><br>**Panel Discussion**<br>David Denis, University of Pittsburgh and Rene Stulz, Ohio State University |
| LUNCH<br>Level 3 Lobby<br>1:00pm 2:00pm |

**Session 3** Chair: Wing Wah Tham, UNSW Sydney

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| 2:00pm | **Patience is a Virtue: Evidence from Insolvency**<br>Guangqian Pan, Australian National University<br><br>*Discussant: Rebel Cole, Florida Atlantic University* |
| 2:35pm | **Disaster in My Heart: A Visceral Explanation for Some Asset Pricing Puzzles**<br>Suk won Lee, University of Southern California<br><br>*Discussant: Tony Berrada, University of Geneva* |
| AFTERNOON TEA<br>Level 3 Lobby<br>3:10pm 3:40pm | |

**Session 4** Chair: Zhaoxia Xu, UNSW Sydney

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| 3:40pm | **An Equilibrium Model of Blockchain-Based Cryptocurrencies**<br>Engin Iyidogan, Imperial College<br><br>*Discussant: Oleg Chuprinin, UNSW Sydney* |

# Globally Consistent Creditor Protection, Reallocation and Productivity

Bo Bian, London Business School

This paper documents that resource reallocation across firms is an important mechanism through which creditor rights affect real outcomes. I exploit the staggered adoption of an international convention that provides globally consistent strong creditor protection for aircraft finance. I find that country-level productivity in the aviation sector, proxied by average monthly flying hours per aircraft, increases by 12% following the adoption of the Convention. Across-

# Immigration Policy and Equity Returns:

# Evidence from the H-1B Visa Program

Ali Sharifkhani, University of Toronto

I show that firms' access to skilled immigrant labor is an important determinant of the cross-section of equity returns. Using a comprehensive set of data on H-1B visa

# Patience is a Virtue: Evidence from Insolvency

Guangqian Pan, Australian National University

Pre-packaged reorganization (prepack) takes ex ante better firms through a shorter and less costly bankruptcy procedure compared to traditional Chapter 11 but leads to more refiling. To explain this phenomenon, we propose an information acquisition model where creditors trade higher bankruptcy costs under traditional reorganization with higher accuracy in filtering inefficient from efficient firms. The prepack decision is governed by the value of the signal that a firm can acquire under traditional Chapter 11. Empirically, firms with better information and higher downside risks choose traditional reorganization. These firms subsequently have a lower rate of emergence but a higher survival rate.

# An Equilibrium Model of Blockchain-Based Cryptocurrencies

Engin Iyidogan, Imperial College

This paper develops an equilibrium model of proof-of-work cryptocurrencies. Equilibrium behaviour of miners and users are characterized for exogenous blockchain protocol metrics. This paper shows that an equilibrium can be achieved in the long run. High fixed mining reward is the reason of instability in current cryptocurrency designs. The equilibrium model has two main implications. First, decentralization and technological improvement in mining are the drivers of low transaction fees and low mining costs. Second, limited block size and mining difficulty, which is endogenously determined, create an incentive mechanism that achieves the sustainability of cryptocurrency in the long run.