

CULTURE AND FINANCE
2015 CONFERENCE AND JOURNAL OF CORPORATE FINANCE SPECIAL ISSUE
April 17-18, 2015, Winston-Salem NC

CONFERENCE ORGANIZERS
Moore School of Business, University of South Carolina
Wake Forest School of Business, Wake Forest University
BB&T Center for the Study of Capitalism, Wake Forest University
Center for Enterprise Research and Education, Wake Forest University

The Webster dictionary defines culture as “the customary beliefs, social forms, and material traits of a racial, religious, or social group.” Paraphrasing Einstein we identify culture as “the collection of prejudices acquired by age eighteen.” Culture affects perceptions, expectations, cognition, emotions, and financial decision-making, and therefore, valuations. North argues that individuals embody the informal institutional constraints of their culture of origin as reflected in customs, traditions, and codes of conduct.

The idea that culture is a central ingredient of economic development goes back to at least Max Weber who argued that the Protestant ethic of Calvinism was a very powerful force behind the development of capitalism in its early phases. Weber saw culture as the driving force behind differences in economic development. Many other scholars have made similar arguments in recent years.

We ask how these customary beliefs (culture) impact economic and financial choices. Cross-country differences in values, beliefs, norms and behavioral patterns established in people’s minds and reflected in culture could provide a possible explanation for cross-country differences in the application of finance theory and financial practices.

The purpose of this conference and special issue is to promote high-quality theoretical and empirical research that develops a better understanding of the role of culture in various aspects of financial theory and practice, and to support the development of “cultural finance” scholarship. Following are some selected examples of possible research topics examining the role of culture on:

1. Corporate Finance Practices.

- Capital structure (debt versus equity financing; debt maturity and covenants)
- Payout policies
- Cash and short-term asset and liability management
- Mergers & acquisitions
- Capital budgeting
- Risk-taking and risk management

2. Portfolio Management.

- Asset allocation
- Home bias in international asset allocation
- Investing strategies
- Investment horizons

3. Characteristics of National Financial Systems.

- Financial market developments
- The configuration of financial systems
- Economic growth

4. Economic Development

- Entrepreneurship & entrepreneurial finance
- Microfinance and venture capital
- Innovation & risk-taking
- Income inequality
- Motivations and goals of entrepreneurs

5. Culture, Law, and Corporate Governance.

- Firm-level corporate governance
- Corporate valuation
- Control premium
- Access to external financing
- Cost of capital
- Insider trading
- Firm stock trading structures and liquidity

CONFERENCE PROGRAM COMMITTEE

Raj Aggarwal (University of Akron)
Narjess Boubakri (American University of Sharjah)
Mara Faccio (Purdue University)
Omrane Guedhami (University of South Carolina)
Chuck C.Y. Kwok (University of South Carolina)
Robert Nash (Wake Forest University)
Ajay Patel (Wake Forest University)

IMPORTANT DEADLINES

Conference dates: April 17-18, 2015 (Winston-Salem NC)
Evening reception: April 16, 2015
Conference submission deadline: January 5, 2015
Conference acceptance decision: January 31, 2015

Papers submitted to the conference (but not to *Journal of Corporate Finance* special issue) should be submitted to: omrane.guedhami@moore.sc.edu with the subject heading: "JCF Conference on Culture and Finance". There is no registration fee for the conference. The conference organizers will cover two nights in the conference hotel for the presenting authors.

JOURNAL OF CORPORATE FINANCE SPECIAL ISSUE

A subset of papers presented at the conference will be considered for publication in the *Journal of Corporate Finance* special issue on this topic. Papers submitted to the special issue should be submitted through the *Journal of Corporate Finance* website by January 5, 2015. Submission fees will be waived. Acceptance to the conference does not guarantee publication in JCF and is subject to successfully addressing comments by referees and co-editors.

SPECIAL ISSUE EDITORS

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