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Chair's Corner
Scott Besley

The next time you visit the college, you might not recognize it. As you probably know, the College of Business Administration is in the midst of a substantial transformation; the building is growing. Construction on a 40,000 square foot addition to the existing building started at the end of 2003. The new addition, which will include technologically advanced facilities, will help us to meet the growing needs of our academic programs and attract quality faculty and students from all areas of the country and the world. It appears that the construction is progressing well; expectations are that the new addition will open at the beginning of 2005. Pictures of the progress of the construction of the new building are posted at <http://coba.usf.edu/besley/building.htm>.

During the fall semester, we welcomed a couple of new faculty members. Alex Butler, who earned his Ph.D. from Indiana University, was on the faculty at LSU and Rice prior to joining USF. Amy Ho, who is assigned to the Sarasota/Manatee campus, completed her degree at Drexel University in December 2003.

Members of the department continue to publish research in prestigious academic journals. During 2003, faculty members produced six articles that either appeared or were accepted for publication in the *Journal of Finance* and the *Journal of Business*, which are rated in the top five journals in the area of finance. As a result of their research efforts, two of our faculty members—Ninon Sutton and Jianping Qi—received COBA Research Awards. Only three awards were given in the college. More information about the research in which members of the faculty are involved can be found on the faculty Web site located at <http://www.coba.usf.edu/departments/finance/faculty/>.

Finance continues to be a popular major. Nearly all the sections of undergraduate courses, and most of the graduate courses, offered by the department fill to capacity shortly after registration begins. Forecasted growth in the student population suggests that finance courses will continue to be popular in the future.

Despite declining budgets, we continue to try to improve the quality of the educational product offered by the

department. Evaluation of the courses we offer is ongoing so that we can ensure that relevant material is included in the finance curriculum. As always, we would like your input as to how we can improve the quality of the education we offer; if you have any suggestions, feel free to contact us.

Thank you for your support of the department, the college, and USF!

Alumni and Employer Surveys

One of the methods we use to assess our programs is to survey both recent graduates who majored in finance and businesses that employ these graduates. Both surveys are now online.

If you are a recent graduate who has not participated in the survey previously, please take the time to complete the Alumni Survey. If you have employees who graduated with a major in finance, please take the time to complete the Employer Survey.

Following are the Internet addresses for both surveys.

Alumni Survey:

<http://coba.usf.edu/besley/survey/alumni.htm>

Employer Survey:

<http://coba.usf.edu/besley/survey/employ.htm>

All responses are confidential. When you submit your responses, they are saved in summary form only so that no one can identify the sources of the responses.

This newsletter is only as good as you, our alumni and business supporters, make it. Each issue presents informative articles and news. Please send us information on your recent accomplishments, job changes, newsworthy items, and other information that you would like to share with us and other supporters of the Department of Finance. Send any information, questions, or other material to Murad Antia. Murad can be reached via e-mail at mantia@coba.usf.edu or via regular mail at the return address provided at the end of this issue.

***The Retirement Dilemma:
When Can We Really Retire?***

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Do you remember the movie *Castaway*, in which Tom Hanks was marooned on an island? Now let's change the scenario a little. Suppose that Tom Hanks was marooned on that same island with \$10 million in cash. Would he be better off? The obvious answer is no because, unfortunately, he would have nothing to buy with his \$10 million.

Let's change the scenario again to a world in which we are all the same age. We are all good, hard working citizens who live responsibly and save adequately for retirement. Now we all retire at the same time when we reach the age of 65 with copious dollars in our retirement accounts. We want to visit our doctor for our annual physical; but guess what, the doctor has also retired. We drive to our favorite restaurant and it is closed because the chefs, waiters and waitresses have retired too. We get back into our cars and keep driving around to find that everybody is closed for business because everybody has retired. And eventually we are running out of gas and so we drive the closest gas station to find out that it too has closed!

Fortunately, we wake up in a cold sweat to find out that it was simply a bad dream. This nightmarish scenario is devoid of reality but it does serve to make an important point. An adequate number of working citizens are needed to be able to provide goods and services to retirees. The potential crisis that retirees will soon face is fundamentally a demographic crisis, that is, there will be an inadequate number of working people needed to support the growing number of retirees.

As Baby Boomers approach the retirement age of 65, they will find the ratio of the working age population (20 to 65 age group) to the number of people over 65, drop from just under three workers, presently, per retiree to just over 1.5 workers per retiree. The causes of this demographic shift is that Baby Boomers had fewer children and will live much longer in retirement because of advances in healthcare. The consequence of this shift is that there will be an inadequate number of doctors, nurses, nursing home attendants and other professionals to take care of the elderly.

Spending less and saving more will not resolve this problem. If you save more than your neighbor then you probably will be better off, but at the expense of your neighbor who will have to do with less. At the individual or micro level, we could afford more by saving more, but at the macro level (the economy as a whole) we will not be better off. All our saved and invested dollars will simply bid up the prices of the goods and services that we will require because of the shortfall in supply.

The reason for this dilemma is that when we save money, all we are saving is a means of exchange. We cannot save a doctor's visit, a summer vacation in North Carolina, or a stay in a nursing home. The money can be exchanged

for these services at the time we will require them, which will be the very time during which they will be in short supply. The higher prices that retirees will be willing to pay will result in a transfer from providing goods and services to the working population to providing goods and services to retirees, but the dearth of available resources will lead to retirees spending more and getting less.

It would be erroneous to believe that allowing people to invest their Social Security contributions in the stock market will remedy the problem. It will temporarily boost the stock market because of additional demand, which will provide a false sense of security because investors will believe that they will have sufficient nest eggs when they retire. But, the available goods and services that they will be able to purchase when they retire will not have changed.

Arnott and Casscells¹ have discussed a combination of solutions. There are three demographic solutions that can reduce the ratio of retirees to working people. They are:

1. *Substantially increase the immigration of young people.* The advantage that the United States has over countries such as Italy, Spain and Japan (countries that will face a more severe version of this same crisis) is that the United States has a history of assimilating people from other cultures with relative ease. The problem is the massive number of immigrants that will be needed to resolve the problem—that is, restoring the ratio to three workers per retiree. It is estimated that an additional four million immigrants (excluding their dependents) will be needed per year, an amount that might well be difficult for the country to assimilate.
2. *Increased retiree emigration.* Retirees, especially those who are first generation Americans might find it attractive to retire in their country of origin, especially if that country does not face the same demographic crisis and has a lower cost of living. Many Americans retire south of the border to take advantage of a warmer climate and lower cost of living, a trend that might gain increased popularity in the future. Again, we are talking about a vast number of people needed to emigrate. It is estimated that 120,000 retirees will need to emigrate per month for the next 30 years to resolve the problem, which is a highly unlikely scenario.
3. *Substantially increasing the retirement age.* This seems to be the outcome most likely to occur. But it could well be a painful solution. To maintain the same ratio of retirees to working people of 1980-2000, the retirement age would need to increase to 72 or 73 by 2030. It would seem logical that since people are living longer they should be able to work longer. But in many instances, will they be able to do stay in the same jobs and at the same salaries that they have enjoyed most of their lives? A skilled technician making \$30 per hour might have to settle for a job paying \$10 per hour because of declining abilities.

A factor, albeit small, that is in our favor is the rapidly growing economies of countries such as China and India. These countries will continue to provide us with goods and services at relatively low prices. Moreover, as these

countries progress in the research and production of pharmaceutical drugs and medical equipment, we could enjoy the benefits of disinflation in some sectors of healthcare. This scenario requires that the American dollar will not fall in value relative to foreign currencies, which might prove to be wishful thinking if we continue to import more and export less, or if other countries and their citizens decide to withdraw their investments from the U.S.

A non-demographic solution to help mitigate the problem would be to significantly increase productivity. The revolution in technology and telecommunications has enabled the economy to increase the output per worker significantly. This favorable trend needs to continue, and the government can assist by increasing incentives for industry to innovate. One such incentive would be to reduce the cost of capital to corporate America. Recent legislation that reduces the double taxation of dividends is a step in the right direction because it will lower the cost of capital for corporations. Because companies will be able to raise money at a lower cost, they can invest more in plant and equipment, and research and development, which should translate into increased productivity.

The financial markets will also feel the effect of the demographic shift. As retirees unwind their investment portfolios to pay for goods and services, they will have fewer people to sell their stocks and bonds, primarily because of the declining ratio of workers to retirees. The stock market will bear the brunt of this shift with lower prices and returns earned by investors. The recent bull market in stocks was fueled by a “tail wind” of large numbers of investors saving for retirement and relatively few sellers. The wind will reverse direction to become a “head wind” because of a large number of sellers and fewer buyers.

There is no single solution that will remedy this dilemma. Some combination of the solutions discussed in this article will eventually bear fruition. While it is doubtful that a perfect solution can be found, it is important that policy makers start addressing the issue sooner rather than later so that a national consensus can emerge on how to tackle this predicament.

¹Robert Arnott and Anne Casscells, “Demographics and Capital Market Returns,” *Financial Analyst Journal*, (March/April 2003)

Revisiting Optimal Call Policy for Convertibles

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Callable convertible bonds are a common form of corporate debt. Convertibles represent 10 percent to 30 percent of the capital structure of firms that issue convertibles. These bonds provide the holders the option to

convert the bond into stock allowing the issuing firm to offer lower yields than similar straight bonds, both because the conversion option is a “sweetener” and because giving bondholders the option to convert mitigates conflicts of interest between equity holders and creditors. The conversion option can be exercised at any time by convertible bondholders; the exercise price of this option is called the conversion price, and the underlying asset is shares of stock in the firm (the number of shares per bond is called the conversion ratio). The firm has effectively written a call option, which leads to the potential for a large expropriation of wealth from existing shareholders. To mitigate this risk, convertible bonds are typically callable by the issuing firm; the exercise price of this option is called the redemption price of the bonds, and is usually close to or a little more than face value.

The purpose of making convertibles callable is to give the issuing firm a way to strategically “cap” the value of the bondholders’ conversion option. It is important to properly understand when firms should call their convertible bonds – to maximize existing shareholder value, firms should call their convertibles to extinguish the conversion option in a manner that allows convertible bondholders to capture as little firm value as possible. If the firm waits “too long” to call its convertibles, it has, in essence, left money on the table that convertible bondholders get. In contrast, if the firm calls the convertibles too early, they risk a “busted call” wherein the stock price falls below the conversion price and bondholders choose to take the redemption price of the bonds (i.e., cash), rather than converting to stock. Understandably, many firms want to avoid having to come up with cash equal to 10-30 percent of their capital structure to satisfy redeeming bondholders. (Indeed, the risk is sufficiently relevant that some firms hire investment banks to bear the risk of a busted call; such underwritten calls often cost the firm \$250,000 or more in investment banking fees.) Furthermore, firms rarely let their convertibles mature – more than 90 percent call their bonds years prior to maturity – so convertible bond investors and other market participants need to know what policy for calling convertibles to anticipate from firms.

When should firms call their convertible bonds? When do they actually call their convertible bonds? And why are the answers to these questions not usually the same? This article provides some resolution to these questions that have occupied researchers for years. Published research articles suggest that the optimal call policy is to call convertible bonds when the embedded conversion option in the bonds is first in the money; in other words, as soon as the stock price reaches the effective conversion price. By doing so, the value of the bondholders’ conversion option is minimized.

But observed call policies do not fit this elegant result. Most calls seem to be delayed too long—that is, they are called “late”—whereby the median company waits until the conversion value of the bonds is far in excess of the redemption price. In fact, all previous researchers studying this phenomenon document that convertible bonds are, on average, called late—that is, not until the stock price greatly exceeds the conversion price (by 26 percent to 44 percent, median, or over 80 percent mean). This apparent puzzle prompted both theoretical and empirical research. Proposed

explanations for the substantial call premium include signaling arguments, tax arguments, and financial distress arguments. A large proportion of convertible bonds are call protected for some period, so firms may be unable to call their convertible bonds even if the conversion value exceeds the conversion price. Even after removing these call-protected securities from the analysis, convertible bonds are still called at premia in excess of 25 percent.

A key feature of convertible bonds that has been neglected by previous researchers is that, when a firm calls its convertibles, the time frame in which bondholders can choose to convert shortens to the length of the call period—typically 30 days. Thus, when an issuing firm calls convertible bonds, the firm is in essence taking away the bond and the warrant imbedded in it and replacing them with the underlying stock and a put option on that stock with an exercise price equal to the conversion price. That is, when the bonds are called, the bondholders can be thought of as holding the underlying stock but having the option to put that stock back to the firm for the redemption price of the bonds. At the end of this 30-day period, bondholders have the option to convert to stock or to tender the bond for cash. By calling the bonds, the firm has written a 30-day put option to the convertible bondholders to tender the bonds for cash rather than take the stock. If the stock price goes up, the bondholders will convert to stock. However, if the stock price goes down, bondholders will tender for cash and capture the difference between the cash price (exercise price) and the stock price at the end of the 30-day period (maturity of the option). The risk of having to raise a large amount of cash quickly or shifts in capital structure that might be perceived adversely may lead issuing firms to try to mitigate the risk of a large shock to their cash balances.

When properly taking the notice period into account, my research finds that firms will rationally and correctly “delay” calling their convertible bonds beyond the point where the firm’s stock price is equal to the conversion price of the bonds, and this delay will be longer for bonds with longer notice periods. In the absence of tax motivated strategies and binding call protection, a simple new “rule of thumb” for CFOs and other practitioners is that firms should call their convertible bonds, not when the firm’s stock price, S , is equal to the conversion price, X , as advocated by previous research. Rather, firms should call their convertibles when $S/X = e^{\sqrt{t}\sqrt{T}(r+\sigma^2/2)}$, where e is the base of the natural logarithm, t is the length of the notice period, T is the remaining maturity of the bonds, r is the risk free interest rate, and σ is the volatility of the stock’s returns. Thus, depending upon the characteristics of the firm and their convertible bonds, managers may rationally and correctly “delay” calling the bonds until a premium of up to 50–60 percent exists. These results are important both for financial managers who wish to correctly minimize the value of their firms’ liabilities and for bond traders who wish to correctly anticipate strategic call behavior by those financial managers.

Board of Director Configurations in Mutual Fund Sponsors: A Board-Level Analysis of Director Performance and Ownership

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Measuring just under \$7 trillion in assets, in over 8,000 funds at year-end 2001, the mutual fund industry comprises a very important part of today’s financial landscape.¹ As a result, the nature of mutual fund operations is of considerable interest for researchers, practitioners, and investors. While much of the recent business press has focused on governance issues of corporations (e.g., Enron), we know little about how effectively mutual fund boards govern their respective funds. This study examines whether the configurations of boards of directors of mutual funds affect the performance of the funds. Boards of directors can affect fund performance in two ways. First, performance is directly affected through the fees that are paid to the investment advisor, which are approved each year by the board. Second, boards can affect performance indirectly through the ongoing monitoring function with which they are charged. Today we see two prominent board governance configurations in the mutual fund industry. In one governance configuration, a single board is responsible for overseeing multiple investment funds—referred to as a Single Board Configuration (SBC). With the other governance configuration, each board is responsible for overseeing a single investment fund (or a cluster of funds)—referred to as a Multiple Board Configuration (MBC). In this study, board configuration is examined relative to fund performance to determine whether a particular configuration or set of board characteristics is more successful than some other configuration or set of characteristics.

A financial services firm such as Fidelity Investments, which is called the fund’s *sponsor*, creates a mutual fund. The fund sponsor selects the original board of directors that governs the fund and attempts to attract investors. One of the most important responsibilities of the board is to select the fund’s investment advisor and approve the annual fees paid to this advisor. It is the fund advisor that selects the individual fund manager and conducts the day-to-day operations of the fund. More often than not, boards simply hire the sponsor as the fund’s advisor. Critics argue that this practice results in cases where boards are nothing more than token symbols of governance.

The mutual fund board environment differs somewhat from that of a traditional firm in that a mutual fund board has at least as many unique groups of shareholders as they have funds under their purview. For a corporation, shareholders elect the directors who then select the managers

¹ Mutual Fund Fact Book, Investment Company Institute, 2002.

to run the firm. In a similar manner, mutual fund shareholders elect a board that selects the investment advisor to manage the fund. The difference lies in the fact that in the case of the firm there is one group of shareholders who elect a single board, whereas for a mutual fund there might be many different shareholder groups, or one for each fund, that elect the same board. Arguments exist that support both of the mutual fund board configurations. Proponents of the SBC argue that most of a board's duties are the same, regardless of whether the board governs one fund or several funds. As a result, the use of a single board to oversee multiple funds should capture economies of scale by eliminating redundant activities, which in turn should result in lower relative operating expenses. In addition, an SBC board might possess greater leverage in negotiations than an MBC board because there is a greater number of funds and assets under management, which could significantly enhance the SBC board's position when negotiating lower fees for all funds. However, boards do more than simply approve fees each year. Directors also are responsible for monitoring the investment performances of the funds they oversee. Critics of the SBC argue that such boards are responsible for evaluating the ongoing performance of too many funds, which might result in directors overlooking the interests of shareholders of the individual funds. For example, if an investment advisor manages 10 funds, and eight of the 10 funds outperform their respective benchmarks, in all likelihood the board would renew the investment advisory agreement for all 10 funds, which probably would not be in the best interests of shareholders of the two poor performing funds.

The question as to what role a board plays in the excess returns of mutual funds remains unanswered. In this study, I aggregate the performance of the funds within a board's monitoring purview to derive a board-level performance measure, and examine the relationship of board characteristics with board-level performance. I argue that better oversight results in better objective-adjusted performance, either through ongoing interactions with the advisor, lower expenses, or both. In addition to what is normally considered a board's *composition*, which is the number of total directors (or board size) and the percentage of those directors that are non-interested or independent, I investigate whether board *configuration* is associated with higher board-level excess returns, providing indirect evidence as to whether board configuration can improve fund governance.

The results of this study suggest that the configuration of boards used by fund complexes of the largest fund sponsors does matter. Using a sample of fund complexes from the largest mutual fund sponsors, the data suggest board-level excess returns for MBC boards are significantly higher than the excess returns for SBC boards. Furthermore, MBC boards govern fewer funds and have more focused portfolios in terms of the objectives of the funds in their portfolio. MBC boards also have a larger percentage of "winning funds", or those with positive excess returns. With respect to board composition, the findings here suggest there is no relationship between either the size of the board, or its degree of independence, and the board's excess return measure.

This study also includes an analysis of ownership of fund shares by members of the board of directors. Ownership by management and directors is often professed in the corporate finance literature as a means to better align the interests of managers and directors with the interests of shareholders. Similar to the question as to whether board configuration is associated with fund performance, I investigate the relationship of fund performance with director ownership to determine whether greater ownership better aligns directors' interests and improves governance as exhibited through higher board-level excess returns. The general findings suggest that smaller, *less independent* boards are more likely to have non-interested directors who have large equity stakes in their funds. But there appears to be no relationship between this characterization of director ownership and board-level performance.

These findings suggest some interesting implications for mutual fund investors. While we often look at recent performance and other items such as expense ratios or 12B-1 fees when selecting a mutual fund, one might also consider looking at how the sponsor configures its board of directors. Returns at the board-level are higher, and there are a greater percentage of funds with positive excess returns, when a sponsor uses more than one board—an MBC. Further, there is new information about the level of investment by directors in the fund in a fund's annual report. Although it might provide for interesting reading, the data suggest ownership by directors is not associated with higher excess returns for investors.

The Man Who Beats the S&P: Investing with Bill Miller; By Janet Lowe.

Book Review

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Bill Miller has earned celebrity status for his record as manager of the Legg Mason Value Trust (LMVT). The fund has outperformed the S&P 500 Index 11 years in a row—including the period of the technology bubble, when value stocks significantly lagged the market. Much to the chagrin of traditional value managers, who restrict their universe to low-P/E and low-P/B (price-to-book) stocks, Miller's track record is partially the result of style drift, because LMVT has owned "nosebleed" names such as Dell Computer and AOL. In *The Man Who Beats the S&P: Investing with Bill Miller*, Janet Lowe outlines the distinctive strategic and analytical processes that have led to Miller's success.

A key part of Miller's strategy is finding companies that

benefit from the law of increasing returns, as opposed to producers of commodity-type goods, which suffer from diminishing returns as they grow in size. Miller has successfully identified a number of increasing-return companies in their infancy, when they were still selling at discounts to their intrinsic values.

Companies that require a significant amount of intellectual and financial capital up front are particularly poised to earn increasing returns. The cost of producing the first unit is extremely high, but the cost of the second and subsequent units is minuscule. As more and more units are sold, it becomes increasingly difficult for competitors to gain a foothold because consumers are “locked in” to the product that they already own and use. As production efficiencies improve, production costs decline and profitability increases.

Miller does not appear to be wedded to any single methodology or process in selecting stocks. The parameters he uses to evaluate increasing-return company stocks are evidently different from those he uses to evaluate financial stocks. Nevertheless, some of the factors that have contributed to LMVT’s success are:

- a bottom-up approach, which does not require forecasting the economy,
- finding companies with superior business models and high returns on capital,
- paying careful attention to value,
- focusing on a relatively small number of stocks, and
- keeping portfolio turnover low (10–15 percent a year in recent years).

Selling at the right time is as important as buying at the right time, because newer technologies diminish companies’ competitive advantages over time. Miller follows a three-part sell discipline. He exits a stock if

- the price reaches fair value,
- a better bargain is found, or
- the company’s business model or environment changes.

In an apparent inconsistency, Miller is not afraid to let his winners run. How rigid is the sell discipline, one might ask, if a stock is allowed to rise beyond its “fair value”?

Another noteworthy aspect of Miller’s philosophy is his aversion to cyclicals. These companies operate in undifferentiated businesses, have unpredictable earnings, and earn little or no free cash flow. Achieving above-average returns in cyclicals requires exemplary trading skill, which depends, in turn, on correctly guessing inflection points in the economy and market sentiment.

Despite Miller’s distaste for cyclical companies, LMVT beat the averages in the early 1990s, when cyclicals led the market, thanks in part to LMVT’s overweighted position in bank stocks. Miller differentiates banks from other cyclicals on the basis of their ability to earn returns higher than their cost of capital. Accordingly, some explanation in the book of banks’ unique ability to garner excess returns would have been instructive.

In *The Man Who Beats the S&P*, Janet Lowe, who is also the author of earlier books on Warren Buffett, Benjamin Graham, and Bill Gates, provides interesting reading on a fair number of stocks that Miller has owned over the years. The list includes a few losers as well as the many notable

winners. Regrettably, Lowe discusses none of the stocks in depth—not even AOL, probably the fund’s most publicized success story. Miller discounted AOL’s forecasted cash flows at a 30 percent rate and still found the stock to be significantly undervalued. Readers of *The Man Who Beats the S&P* would have benefited from a detailed analysis of the forecasted cash flows and, more importantly, a list of the assumptions underlying the projections.

The final chapter of Bill Miller’s success story may not have been written yet. With hindsight, we can see that the growth trajectory of companies that benefit from increasing returns is shallower and more ephemeral than Lowe’s book implies. In the end, deciding when to buy and sell Miller’s increasing-return stocks might require just as much acumen as the timing of cyclical stocks.

USF Student Finance Association

The Student Finance Association (SFA) is an organization that is primarily for finance majors and other business-oriented students. SFA provides exposure to the many facets and opportunities in the field of finance. Although the emphasis of the organization lies in finance, all majors are welcome.

The purpose of the SFA is to:

- Provide students a collective group of speakers that will creatively expand their understanding of finance. Students have an option to request specific speakers.
- To familiarize students with the various types of career opportunities related to the field of finance.
- To assist students in academic pursuits.
- To promote professionalism and integrity among its members.

The SFA is always looking for speakers who work in finance-related areas. We welcome USF alumni who have “real-world” experience to speak at meetings. The meetings generally are held every other Thursday at 4:45 p.m. (the day and time is subject to change) in the College of Business Administration.

The current officers of the association are:

- Sandro Aristil, President
- Paul Mahfouz, Vice President
- Yashira Azank, Treasurer

If you have any questions or wish to communicate with the SFA organization, please e-mail the association at usfsfatampa@hotmail.com.

Finance majors often seek internships to apply what they have learned in the classroom and to gain valuable work experience. If your company is looking for an intern with a good understanding of finance, please let us know. We will be happy to recommend students that have the appropriate qualifications. Contact Scott Besley via e-mail at sbesley@coba.usf.edu

*Department of Finance Faculty**Tampa, Sarasota, and Lakeland campuses*

Murad Antia joined the faculty in 2000; earned a Ph.D. from the University of Houston in 1981 and is a Chartered Financial Analyst (CFA). Murad currently teaches Investments (FIN 6515) and Financial Statement Analysis (FIN 4461 and FIN 6934).

Scott Besley joined the faculty in 1982; earned a DBA from Florida State University in 1984. Scott currently teaches the large lecture section of Principles of Finance (FIN 3403) and Investments (FIN 6515).

Steve Bolten joined the faculty in 1978; earned a Ph.D. from New York University in 1969. Steve currently teaches the capstone course in the MBA program, which is called Integrated Business Applications II (GEB 6896), and Financial Policies and Strategies (FIN 4443).

Sam Bulmash joined the faculty in 1985; earned a Ph.D. from Northwestern University in 1981. Sam is currently on sabbatical.

Alex Butler joined the faculty in 2003; earned a Ph.D. from Indiana University in 1999. Prior to joining USF, he taught at Rice University, Louisiana State University, and Indiana University. Alex currently teaches the Financial Institutions and Markets course (FIN 4303) to undergraduates.

Bill Francis joined the faculty in 1997; earned his Ph.D. from the University of Toronto in 1991. Bill currently teaches Financial Management (FIN 6406) in the MBA program and Financial Management II (FIN 6934) in the Executive MBA program. Bill was named a Bank of America Professor of Finance in 2001.

Amy Ho joined the faculty on the Sarasota campus as an Assistant Professor in 2003; earned a Ph.D. from Drexel University in 2003. Amy currently teaches Principles of Finance (FIN 3403) and Money and Banking (FIN 3233).

Delroy Hunter joined the faculty in 2001; earned a Ph.D. from University of Warwick (England) in 1999. Delroy currently teaches Investments (FIN 4504) and Empirical Methods (FIN 7930).

Ninon (Kohers) Sutton joined the faculty in 1998; earned a Ph.D. from Florida State University in 1998. Ninon currently teaches Advanced Corporate Finance (FIN 4414).

Barry Lin joined the faculty on the Sarasota campus in 2001; earned a Ph.D. from Baruch College of the City University of New York in 1995. Barry currently teaches Principles of Finance (FIN 3403), International Finance (FIN 3604), and Financial Management (FIN 6406).

Rick Meyer joined the faculty in 1970; earned a Ph.D. from the University of Wisconsin—Madison in 1971. Rick is currently the Associate Dean.

Chris Pantzalis joined the faculty in 1998; earned a Ph.D. from Baruch College of the City University of New York in 1995. Chris currently teaches International Financial Management (FIN 6605) and Theory of Finance (FIN 6804).

James Pappas joined the faculty in 1986 as the Lykes Professor of Banking and Finance; earned a Ph.D. from UCLA in 1968. Jim currently teaches Bank Management (FIN 4324).

Jianping Qi joined the faculty in 1993; earned a Ph.D. from Washington University in St. Louis in 1993. Jianping currently teaches Advanced Financial Management (FIN 6416) and Financial Options and Futures (FIN 6934). He also is the departmental coordinator for the Ph.D. program. He was named a Bank of America Professor of Finance in 2001.

Arun Tandon joined the faculty on the Lakeland campus in January 2003; earned his Ph.D. from Louisiana State University in 1999. Prior to joining USF, he taught at Bentley College. Arun currently teaches Principles of Finance (FIN 3403) and Financial Management (FIN 6406).

Ken Wieand joined the faculty in 1980; earned a Ph.D. from Washington University in St. Louis in 1970. Ken currently teaches International Finance (FIN 3604).

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We also would like your feedback about the content of the newsletter. Specifically we would like to know if you find the content to be pertinent, interesting, and written with sufficient clarity. Because the newsletter is written for your benefit, we invite your suggestions regarding the kind of material that you would like to read. If you would like for us to publish an article that you or one of your colleagues has written, please send us a copy and we will give it careful consideration.

Thank you,

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