



NEWSLETTER

5 Jun 2024

ISSUE 109

NEWS

1 UM VICE RECTOR MICHAEL HUI RECEIVES HONORARY FELLOWSHIP FROM CUHK

Teaching and Learning

Research

Business Engagement

Service

Prof. Michael HUI (許敬文教授), vice rector of the University of Macau (UM), interim director of the Asia-Pacific Academy of Economics & Management, and chair professor of the Department of Management and Marketing in the Faculty of Business Administration, has been awarded an Honorary Fellowship by the Chinese University of Hong Kong (CUHK) in recognition of his outstanding achievements and contributions in the field of marketing.

Prof Hui's teaching and research focus on services marketing, consumer behaviour and cross-cultural marketing. His extensive research on services marketing has not only enriched the knowledge base of the academic community, but has also created a lasting impact on business practice and social development. He has taught at several universities in the UK and Canada. During his tenure at CUHK, Prof Hui received the Faculty Teaching Excellence Award from the Faculty of Business Administration and the Vice-Chancellor's Exemplary Teaching Award for his innovative teaching methods and research achievements.

For more details, please visit: <https://www.um.edu.mo/news-and-press-releases/press-release/detail/58372/>



UM Vice Rector Michael Hui has been awarded an Honorary Fellowship by CUHK



Group photo

2 THE FBA AWARDS CEREMONY 2023/2024

Teaching and Learning

Research

Business Engagement

Service

The FBA Awards Ceremony 2023/2024 was successfully held at the Staff General Meeting on 3 June 2024. Professors of FBA were awarded for their excellent performance in the areas of teaching, research, and service. Moreover, the Faculty would like to recognize its outstanding administrative staff. During the ceremony, Prof. Jun YU, Dean of FBA, presented to each awardee a certificate. Please join us in congratulating them on their efforts over the year!

FBA Awards 2023/2024



FBA Outstanding Teaching Award

- Prof. Rachel Xiaorong MA
(馬笑蓉教授) (FBE)



FBA Outstanding Research Award

- Prof. Duncan Jiancheng LIU
(劉鍵程教授) (AIM)



FBA Outstanding Research Award

- Prof. Lawrence Hoc Nang FONG
(馮學能教授) (DRTM)



FBA Outstanding Research Award

- Prof. Jing XIE
(謝靜教授) (FBE)



FBA Outstanding Research Award

- Prof. Fangyuan CHEN
(陳方圓教授) (MMI)



FBA Outstanding Internal Service Award

- Prof. Lianjie SHU
(舒連杰教授) (AIM)



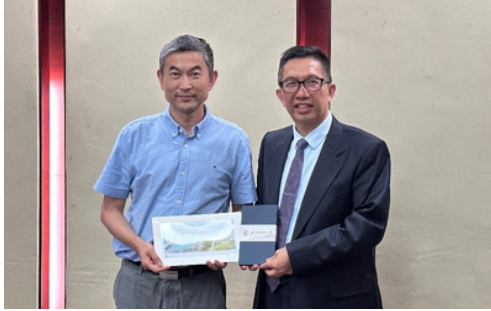
FBA Outstanding External Service Award

- Prof. Lida Lingling ZHANG
(張玲玲教授) (MMI)

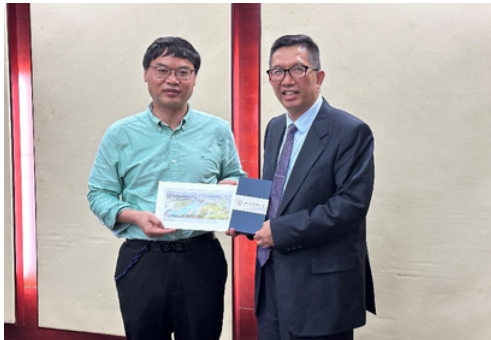


FBA Excellent Administrative Staff
Recognition Scheme

- Ms. Jennifer LAO
(劉嘉雯小姐)



Prof. YU presenting UM Souvenir to the School of Economics at Shanghai University of Finance and Economics



Prof. YU presenting UM Souvenir to the School of Accountancy at Shanghai University of Finance and Economics



Group photo with Tongji University



Meeting with Fudan University

3 THE FACULTY OF BUSINESS ADMINISTRATION OF THE UNIVERSITY OF MACAU VISITS SHANGHAI UNIVERSITIES FOR COOPERATION AND EXCHANGE

Research

The Faculty of Business Administration (FBA) of the University of Macau (UM) delegation led by **Prof. Jun YU (余俊教授)**, Dean of FBA, with **Prof. Raymond LOI (雷智豪教授)**, Associate Dean (Research and Development), **Prof. Ning ZHANG (張寧教授)**, Programme Coordinator of MSc in Accounting, **Prof. Lianjie SHU (舒連杰教授)**, Programme Director of PhD Programme, **Prof. Anthony WONG (黃業堅教授)**, Professor in Integrated Resort and Tourism Management, and **Ms. Jennifer LAO (劉嘉雯女士)**, Functional Head of Postgraduate Programmes and Student Affairs, visited universities in Shanghai from May 27-28 and explored potential collaboration.

Over the two-day visit in Shanghai, the delegation visited the School of Accountancy and the School of Economics at Shanghai University of Finance and Economics, the School of Economics and Management at Tongji University, as well as the School of Economics, the International School of Finance, and the Department of Tourism at Fudan University.

The delegation was warmly welcomed by the faculty leaderships and students. Before the discussions, FBA gave presentations on its postgraduate programmes and admission plans, and had lively exchanges with students on learning environment, curriculum design, and student support. The school leaderships also shared information about their own institutions. Substantive discussions were held on talent cultivation, academic research, and faculty development, and suggestions were made regarding future cooperation and development possibilities.

For more information, please visit: <https://fba.um.edu.mo/the-faculty-of-business-administration-of-the-university-of-macau-visits-shanghai-universities-for-cooperation-and-exchange/>

4 CONGRATULATIONS! TWO ACADEMICS PROMOTED

Congratulations to **Prof. Rachel MA (馬笑蓉教授)** and **Prof. Mac SI (司考教授)** for being promoted to Associate Professor! Their outstanding achievements in research and teaching, as well as their valuable contributions in service, are highly recognized and deeply appreciated. Please join us in congratulating them on their efforts over the year!



Prof. Rachel MA



Prof. Mac SI

5 MEETING OUR NEW FACULTY MEMBER

Teaching and Learning

Research

Service

We are very glad to introduce our new faculty member - **Prof. Degui LI (李德樞教授)**, Distinguished Professor of Business Economics, who recently joined the Department of Finance and Business Economics at the Faculty of Business Administration in May 2024.

Prof. LI holds a PhD degree in Mathematics (Statistics) and a BSc degree in Statistics from Zhejiang University. Before joining UM, he served as a Professor in the Department of Mathematics at the University of York from 2018 to 2024. Prior to that, he worked as a Research Fellow and Senior Research Fellow at Monash University in Australia from 2011 to 2013 and a Research Associate at the University of Adelaide in Australia from 2008 to 2010. Prof. LI's research interests focus on Econometric Theory & Practice and Statistics & Data Analytics.

Prof. LI published papers in reputable academic journals, such as the Journal of Econometrics, the Journal of Business and Economic Statistics, and the Journal of the American Statistical Association. He is the Associate Editor of Econometric Theory, Journal of Time Series Analysis, and Econometrics and Statistics.

Let's welcome Prof. Degui LI and we highly appreciate your support to Prof. LI.

For more information of Prof. LI, please visit: <https://fba.um.edu.mo/faculty/deguili/>



Prof. Degui LI

6 FBA GRADUATES MORE THAN 460 UNDERGRADUATE STUDENTS AT CONGREGATION 2024

Teaching and Learning

The University of Macau held the Congregation 2024 on 2 June 2024. In this year, more than 460 students from the Faculty of Business Administration (FBA), received their graduation certificates from Rector. **Rector Yonghua SONG (宋永華校長)** and Dean of FBA **Prof. Jun YU (余俊教授)** officiated the degree conferment to FBA bachelor candidates. Dean YU first asked bachelor candidates to rise and respectfully request Rector to confer the Bachelor's Degree on those qualified to receive the degree. Rector hereafter conferred the Bachelor's Degree of the University of Macau on behalf of University.

This year, more than 1,700 undergraduate students graduated from the Faculty of Arts and Humanities, Faculty of Business Administration, Faculty of Education, Faculty of Health Sciences, Faculty of Law, Faculty of Science and Technology, and Faculty of Social Sciences. Among them, 66 outstanding students have also completed the Honours College Certificate Programme.

For more details, please visit: <https://www.um.edu.mo/news-and-press-releases/press-release/detail/58433/>



Congregation 2024



More than 469 FBA students graduated



FBA graduates

7 THE "SMART TOURISM SYMPOSIUM 2024: INTERNATIONAL COLLABORATION" WAS SUCCESSFULLY HELD

Research



Group photo



Q&A session

The "Smart Tourism Symposium 2024: International Collaboration" hosted by the Asia-Pacific Academy of Economics and Management (APAEM) and co-hosted by the Faculty of Business Administration (FBA) of the University of Macau (UM), was successfully held on May 29.

In order to promote technological innovation and further empower the application and development of smart tourism in Macao, this symposium focused on big data and artificial intelligence and invited three renowned scholars: Prof. Gang LI, Professor in the School of Information Technology of Deakin University; Prof. Sunny SUN, Associate Professor in the College of Sustainability and Tourism of Ritsumeikan Asia Pacific University; and **Prof. Robin CHARK (翟智恆教授)**, Associate Professor in the School of Business Administration of the University of Macau, to serve as guest speakers and discuss the application of big data and artificial intelligence in tourism research in depth.

At the beginning of the symposium, **Prof. Rob LAW (羅振雄教授)**, Deputy Director of APAEM, delivered a welcome speech to the invited scholars and participating teachers and students, and summarized the current status and future development direction of Macao's smart tourism.

For more details, please visit: <https://apaem.um.edu.mo/the-smart-tourism-symposium-2024-international-collaboration-was-successfully-held/>

8

THE FBA-BRTC HOSTS THE 5TH PROFESSIONAL TRAINING ON INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) FOR THE PROFESSIONAL COMMITTEE OF ACCOUNTANTS OF MACAU

Teaching and Learning

Business Engagement

The Business Research and Training Center (BRTC) of the Faculty of Business Administration (FBA), University of Macau (UM) has concluded its 5th batch of International Financial Reporting Standards (IFRS) professional training. The sessions were conducted across three successive weekends in May 2024 on the university's campus.

This latest series focused on the standard relating to Insurance Contracts (IFRS 17), which highlights significant changes in new reporting treatment on insurance liabilities.

The executive training was conducted by seasoned IFRS instructor, **Mr. Derek CHAN (陳永亨先生)**, from the University of Macau. The event attracted a diverse audience of around 40 participants, including top executives from insurance firms, auditors, partners, and senior managers from Big 4 and local accounting entities, financial analysts, as well as practitioners from the public and utilities sectors.

For more details, please visit: <https://brtc.fba.um.edu.mo/the-fba-brtc-hosts-the-5th-professional-training-on-international-financial-reporting-standards-ifrs-for-the-professional-committee-of-accountants-of-macau/>



BRTC hosted the 5th Professional Training on International Financial Reporting Standards (IFRS)



The executive training was conducted by seasoned IFRS instructor, Mr. Derek CHAN



Group photo

9

MBA COMPANY-BASED PROJECT PRESENTATIONS TO INDUSTRY EXECUTIVES

Teaching and Learning

Business Engagement

MBA students from the Business Consultancy Methods course conducted project presentations to senior management executives from the Macao Newland Technology Co., Ltd. (澳門新大陸萬博科技有限公司) recently. This project presentation session marks the completion of a series of executive-student interactions (including project kick-off meeting, face-to-face consultation session and final project presentation).

During the project presentations, student groups examined real business issues and proposed solutions to the senior management team. Students also responded to questions from the industry experts in the Q&A session. After student presentations, company executives provided valuable feedback to students.

For more information, please visit: <https://fba.um.edu.mo/mba-company-based-project-presentations-to-industry-executives/>

10 BEYOND GRADUATION: NAVIGATING TOURISM AND HOSPITALITY CAREER PATHS FOR STUDENTS

Teaching and Learning

Business Engagement

Recently, under the guidance of **Prof. Amy SO (蘇小恩教授)**, Assistant Dean (International and External Relations) of the Faculty of Business Administration, Director of the Centre for Tourism and Integrated Resort Studies and Associate Professor of the Department of Integrated Resort and Tourism Management, the department's Year 2 students successfully organized a conference with the theme of "Beyond Graduation: Navigating Tourism and Hospitality Career Paths for Students".

For more details, please visit: <https://fba.um.edu.mo/beyond-graduation-navigating-tourism-and-hospitality-career-paths-for-students/>



Group photo



Group photo

11 STUDENTS AND PROFESSOR FROM THE DEPARTMENT OF INTEGRATED RESORT AND TOURISM MANAGEMENT PARTICIPATED IN OPERATIONS OF THE MACAU INTERNATIONAL COMEDY FESTIVAL

Teaching and Learning

Business Engagement

Prof. Soey LEI (李雪瑩教授), Assistant Professor of the Department of Integrated Resort and Tourism Management, and students were recently invited to MGM Cotai to participate in the first Macau International Comedy Festival to experience the operation of the event. The event was coordinated and organized by MGM Cotai's Learning & Talent Development Department. The students had a job shadowing session to observe and learn about the operation of the event from the staff.

For more details, please visit: <https://fba.um.edu.mo/students-of-the-department-of-integrated-resort-and-tourism-management-experience-the-operation-of-the-macau-international-comedy-festival/>

12 THANK YOU AND SEE YOU AGAIN

In the FBA Academic Council and Staff General Meeting held on 3 June 2024, the Faculty expressed heartfelt thanks to **Prof. Peng Chun VONG (黃炳銓教授)** and **Mr. Jonty LAM (林文堅先生)** for their dedications and contributions to FBA. Wishing them good luck for all future endeavors.



Thank you



Dean YU (Right) and Prof. Peng Chun VONG (Left)

13 DELEGATION OF THE MACAO SAM YUK MIDDLE SCHOOL VISITED FBA

Business Engagement

Service

A delegation from Macao Sam Yuk Middle School, consisting of 4 students and teachers, visited the Faculty of Business Administration (FBA) on 3 May 2024. The delegation was warmly welcomed by **Prof. Zhuo QIAO (喬卓教授)** and **Prof. Jacey CHOE (崔慈瑛教授)**. Prof. QIAO provided introductions of the faculty and BBA Programme to the delegation, and Prof. CHOE presented the BSc in IIRM programme to the group. The students also had the chance to explore several facilities including the Mock Hotel Room, Café Laboratory, Hospitality Laboratory, Thomson Reuters Trading Room and Currency Museum.



Group photo



Group photo

14 DELEGATION OF GUANGZHOU INSTITUTE OF SCIENCE AND TECHNOLOGY VISITED FBA

Teaching and Learning

Business Engagement

A delegation from Guangzhou Institute of Science and Technology, consisting of 40 students and teachers, visited the Faculty of Business Administration (FBA) on 6 May 2024. The delegation was warmly welcomed by the UM representatives and they had the chance to explore our facilities including the Thomson Reuters Trading Room and Currency Museum.

UPCOMING EVENT

1 UM DISTINGUISHED VISITING SCHOLAR SEMINAR

- Topic: To Dissimulate or Not to Dissimulate? Insider Trading When Anticipating Future Information
- Speakers: Prof. Liyan YANG, Professor of Finance, University of Toronto
- Date: 7 June 2024 (Friday)
- Time: 10:00 am - 11:30 am
- Venue: E22-G008
- Host: Prof. Rachel Xiaorong MA, Assistant Professor in Finance

All academic staff, students, and interested parties are welcome to join!

For more details, please visit:

<https://fba.um.edu.mo/um-distinguished-visiting-scholar-seminar-to-dissimulate-or-not-to-dissimulate-insider-trading-when-anticipating-future-information-by-prof-liyan-yang/>

UNIVERSITY OF MACAU
FACULTY OF BUSINESS ADMINISTRATION

UM DISTINGUISHED VISITING SCHOLAR SEMINAR

To Dissimulate or Not to Dissimulate? Insider Trading When Anticipating Future Information

Prof. Liyan YANG
Professor of Finance, University of Toronto

Date: 7 June, Friday
Time: 10:00 - 11:30
Venue: E22-G008
Host: Prof. Rachel Xiaorong MA, Assistant Professor in Finance

Abstract

We analyze a dynamic model of a monopolistic insider who receives private information sequentially and faces a post-trading disclosure requirement. We show that characterizing the equilibrium in this trading game is isomorphic to solving a consumption-saving problem with a borrowing constraint. Analogous to the "consumption-smoothing" intuition in the consumption-saving literature, the insider in our trading game "smooths" his information usage over time given the dynamics of his private information. The insider would "dissimulate" his private information through mixed strategies if and only if sufficient information arrives early. Finally, we analyze the interpretation of mixed strategies and the value of commitment.

Speaker

Prof. Liyan Yang is a Professor of Finance and Peter L. Mitchelson/SIT Investment Associates Foundation Chair in Investment Strategy at the Rotman School of Management, University of Toronto (with a cross-appointment in the Department of Economics). In 2010, Professor Yang received his Ph.D. in economics at Cornell University. His research interests mainly focus on financial markets, asset pricing, and behavioral finance. He is serving as a co-editor at Journal of Financial Markets and Journal of Economic Dynamics and Control. He is a current associate editor at Journal of Economic Theory and Management Science, and a former associate editor at Journal of Finance, Journal of Financial Markets and Journal of Economic Dynamics and Control. He is a fellow of the Accounting and Economics Society, a fellow of Cornell FinTech Initiative, a fellow of Luohan Academy, and a fellow of UIUC Office for Futures and Options Research. Professor Yang's research has been published in Journal of Economic Theory, Journal of Financial Economics, Journal of Finance, and Review of Financial Studies, etc. He has received the 2023 Bank of Canada Fellowship Award, the 2022 Management Science Distinguished Service Award, the 2021 China International Forum on Finance and Policy Best Paper Award, the 2020 Midwest Finance Association Capital Markets and the Real Economy Award, the 2018 China International Forum on Finance and Policy Excellence Paper Award, the 2016 IFQA William F. Sharpe Award for Scholarship in Financial Research, the 2016 Bank of Canada's Governor's Award, the 2015 Review of Financial Studies Distinguished Referee Award, and the 2015 Roger Martin Award for Excellence in Research, among others.



FBA SEMINAR SERIES - 122

FBA SEMINAR SERIES
When Evaluation is Anchored:
Contrasting Responses of Consumers and the State to Category-Spanning Films in China



Prof. Ying LI
Assistant Professor, Hong Kong University of Science and Technology
Date: 7 June 2024 (Friday)
Time: 10:30 am – 12:00 pm
Venue: E22-G015
Host: Prof. Haitao YU, Assistant Professor in Management

Abstract
The literature on category spanning establishes that products with multi-category memberships confuse audiences and thus tend to receive negative evaluation. However, we propose that, during the emergence stage of a category system, a product's number of categorical memberships may only be one source of its identity ambiguity. What is overlooked is the role of a "cognitive anchor," defined as a prominent product feature established before the category system's emergence, in leading audiences to interpret the emergent categories from the lens of the anchor. A product's identity becomes ambiguous when it combines categories that are interpreted as close to the anchor with those distant from the anchor. In this study, we term the traditionally investigated multi-category membership as "manifest category spanning" and the novel, anchor-based category spanning as "latent category spanning." We theorize that consumers and the state have contrasting responses to these two types of spanning due to different preferences for ambiguity. Using data on the population of domestic films screened in mainland China, 2009-2019, we find strong empirical support to our theorizing. This study makes important contributions by revealing a novel type of category spanning and disclosing the government's role as an agentic non-market evaluator of cultural products.

Speaker
Prof. LI is an assistant professor at the Hong Kong University of Science and Technology. She obtained her PhD in Business Administration from the Gies College of Business, University of Illinois at Urbana-Champaign in 2022. Her research interests include industry emergence and evolution, space and place, categories, and organizational values. Her dissertation, with the American movie theater industry as the context, was recognized with multiple awards, such as the Best Dissertation Award by the TIM Division of the Academy of Management. She has published in *Academy of Management Journal* and *Strategic Organization*.

All are welcome!

2 FBA SEMINAR SERIES 122

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All academic staff, students, and interest parties are welcome to join!

For more details, please visit:

<https://fba.um.edu.mo/fba-seminar-series-122/>

3 UM DISTINGUISHED VISITING SCHOLAR SEMINAR

- Topic: Randomization in Product, Fulfillment, and Pricing as a Profit Lever
- Speakers: Prof. Ming HU, Distinguished Professor of Business Operations and Analytics, University of Toronto
- Date: 11 June 2024 (Tuesday)
- Time: 10:30 am – 12:00 pm
- Venue: E22-G008
- Host: Prof. Grace FU, Associate Professor in Business Intelligence and Analytics

All academic staff, students, and interested parties are welcome to join!


For more details, please visit:

<https://fba.um.edu.mo/um-distinguished-visiting-scholar-seminar-randomization-in-product-fulfillment-and-pricing-as-a-profit-lever-by-prof-ming-hu/>



UM DISTINGUISHED VISITING SCHOLAR SEMINAR

Randomization in Product, Fulfillment, and Pricing as a Profit Lever



Prof. Ming HU
Distinguished Professor of Business Operations and Analytics, University of Toronto

Date: 11 June, Tuesday
Time: 10:30 – 12:00
Venue: E22-G008
Host: Prof. Grace FU, Associate Professor in Business Intelligence and Analytics

Abstract
First, we study blind boxes as a novel selling mechanism in which buyers purchase sealed packages containing unknown items, with the chance of uncovering rare or special items. We show how such product randomization introduced by the blind box can improve the seller's profitability over traditional separate selling. Second, we study how an e-commerce platform should assign sequentially arriving customers to sellers who compete to sell identical products on the platform. The allocation rule may be random and dependent on the sellers' inventory levels. We show how such demand fulfillment randomization can incentivize sellers to hold more inventory and improve the platform's profitability and customer welfare. Third, we study randomized promotions in which the firm randomly offers discounts over time to sequentially arriving customers with heterogeneous valuations and patience levels. We show how price randomization can improve the firm's profitability beyond deterministic pricing policies.

Speaker
Ming Hu is University of Toronto Distinguished Professor of Business Operations and Analytics. He is a Professor of Operations Management at Rotman School of Management, University of Toronto and one of the 2018 Poets & Quants Best 40 Under 40 MBA Professors. His research has been featured in media such as Financial Times. Most recently, he focuses on operations management in the context of sharing economy, social buying, crowdfunding, crowdsourcing, and two-sided markets, with the goal to exploit operational decisions to the benefit of the society. He is the recipient of Wickham Skinner Early-Career Research Accomplishments Award by POM Society (2016) and Best Operations Management Paper in Management Science Award by INFORMS (2017). He currently serves as the editor-in-chief of Naval Research Logistics, co-editor of a special issue of Manufacturing & Service Operations Management on sharing economy and innovative marketplaces, and associate editor of Management Science, Operations Research and Manufacturing & Service Operations Management, and senior editor of Production and Operations Management. He received a master's degree in Applied Mathematics from Brown University in 2003, and a Ph.D. in Operations Research from Columbia University in 2009.

All are welcome!



UM DISTINGUISHED VISITING SCHOLAR SEMINAR

A New Test for high dimensional two-sample mean problems with consideration of correlation structure

Prof. Runze LI
Eberly Family Chair Professor in Statistics,
The Pennsylvania State University

Date: 11 June, Tuesday
Time: 15:00 – 16:30
Venue: E22-G008
Host: Prof. Wenyang ZHANG, Chair Professor of Business Intelligence and Analytics

Abstract

This paper is concerned with high-dimensional two-sample mean problems, which receive considerable attention in recent literature. To utilize the correlation information among variables for enhancing the power of two-sample mean tests, we consider the setting in which the precision matrix of high-dimensional data possesses a linear structure. Thus, we first propose a new precision matrix estimation procedure with considering its linear structure, and further develop regularization methods to select the true basis matrices and remove irrelevant basis matrices. With the aid of estimated precision matrix, we propose a new test statistic for the two-sample mean problems by replacing the inverse of sample covariance matrix in Hotelling test by the estimated precision matrix. The proposed test is applicable for both the low dimensional setting and high dimensional setting even if the dimension of the data exceeds the sample size. The limiting null distributions of the proposed test statistic under both null and alternative hypotheses are derived. We further derive the asymptotical power function of the proposed test and compare its asymptotic power with some existing tests. We found the estimation error of the precision matrix does not have impact on the asymptotical power function. Moreover, asymptotic relative efficiency of the proposed test to the classical Hotelling test tends to infinity when the ratio of the dimension of data to the sample size tends to 1. We conduct Monte Carlo simulation study to assess the finite sample performance of the proposed precision matrix estimation procedure and the proposed high-dimensional two-sample mean test. Our numerical results imply that the proposed regularization method is able to effectively remove irrelevant basis matrices. The proposed test performs well compared with the existing methods especially when the elements of the vector have unequal variances. We also illustrate the proposed methodology by an empirical analysis of a real-world data set.

Speaker

Prof. Li's research interest includes variable selection and feature screening for high dimensional data, nonparametric modeling and semiparametric modeling and their application to social behavior science research. He is also interested in longitudinal data analysis and survival data analysis and their application to biomedical data analysis. Since 2018, he is the Eberly Family Chair Professor of Statistics. He received his NSF Career Award in 2004. He is a fellow of IMS, ASA and AAAS. He was co-editor of *Annals of Statistics*, and served as associate editor of *Annals of Statistics* and *Statistica Sinica*. He currently serves as associate editor of *JASA* and *Journal of Multivariate Analysis*.

All are welcome!

4 UM DISTINGUISHED VISITING SCHOLAR SEMINAR

- Topic: A New Test for high dimensional two-sample mean problems with consideration of correlation structure
- Speakers: Prof. Runze LI, Eberly Family Chair Professor in Statistics, The Pennsylvania State University
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All academic staff, students, and interested parties are welcome to join!

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5 FBA SEMINAR SERIES 123

- Topic: Comparison and Evaluation of Long-Term Performance of Investment Strategies
- Speaker: Prof. Raymond KAN, National Bank Financial Professor in Capital Markets, Professor of Finance, University of Toronto
- Date: 28 June 2024 (Friday)
- Time: 10:30 am – 12:00 pm
- Venue: E22-G015
- Host: Prof. Endong YANG, Assistant Professor in Finance

All academic staff, students, and interest parties are welcome to join!

For more details, please visit:

<https://fba.um.edu.mo/fba-seminar-series-123/>



FBA SEMINAR SERIES - 123

FBA SEMINAR SERIES
Comparison and Evaluation of Long-Term Performance of Investment Strategies

Prof. Raymond KAN
National Bank Financial Professor in Capital Markets
Professor of Finance
University of Toronto

Date: 28 June 2024 (Friday)
Time: 10:30 am – 12:00 pm
Venue: E22-G015
Host: Prof. Endong YANG, Assistant Professor in Finance

Abstract

Many finance papers present a plot of the cumulative wealth of various investment strategies. However, it is not entirely clear on how to conduct a statistical analysis on the terminal wealth of these investment strategies. In this paper, we characterize the statistical properties of the ratio and difference of terminal wealths of two investment strategies. The analysis is then extended to study the statistical properties of the minimum/maximum ratio of terminal wealths when multiple investment strategies are involved. For an investor with a given investment horizon, he is more interested in holding a portfolio with the highest expected utility based on the terminal wealth at the preferred investment horizon. We provide a statistical test that allows researchers to conduct a comparison of expected utility of two competing investment strategies for a given investment horizon. The test is extended to deal with the comparison of multiple investment strategies.

Speaker

Prof. KAN is the National Bank Financial Professor in Capital Markets and a Professor of Finance at Rotman School of Management, University of Toronto. His research interests include empirical asset pricing, portfolio management, and computational statistics. His research has been published in many top journals including the *Econometrica*, *Journal of Finance*, *Review of Financial Studies*, *Journal of Financial Economics*, *Management Science*, *Journal of Econometrics*, *Journal of Financial and Quantitative Analysis*. Raymond currently serves on the editorial board of *Journal of Financial Econometrics*.

All are welcome!