

Review of Finance – Report by the Managing Editor

Franklin Allen Cambridge, U.K., 28 August 2013

Acknowledgements & Editorial Board Member Changes

As always I am very grateful to the Editorial Board, particularly the Editors who have once again done an excellent job in processing the papers. Vikrant Vig has joined the Editorial Board in March 2013, Holger Mueller has stepped down effective end of May 2013, and Thierry Foucault will be stepping down at the end of the year.

Impact Factor

The 2012 official impact factor of the *Review of Finance* has been published by ISI Web of Knowledge in late June 2013: its current impact factor is **1.440**, which securely maintains the journal's position as a top Finance journal (**Table 1**). The *Review of Finance* had only 2 self-citations.

Table 1: 2012 Impact Factors of Top 10 Finance Journals

<i>Journal</i>	<i>2012 Impact Factor excluding Self Citations</i>	<i>2012 Impact Factor</i>
JOURNAL OF FINANCE	3.984	4.333
JOURNAL OF FINANCIAL ECONOMICS	3.038	3.424
REVIEW OF FINANCIAL STUDIES	2.863	3.256
JOURNAL OF FINANCIAL INTERMEDIATION	2.132	2.208
JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS	1.579	1.636
REVIEW OF FINANCE	1.400	1.440
FINANCIAL MANAGEMENT	0.907	1.330
JOURNAL OF BANKING & FINANCE	0.821	1.287
FINANCE AND STOCHASTICS	1.096	1.212
JOURNAL OF CORPORATE FINANCE	0.648	1.035

Editorial Statistics

All submissions:

The breakdown of the latest statistical period from August 1, 2012 to July 31, 2013 is detailed in **Table 2**. This year again has seen a rise in the total number of submissions up to **558**, an increase of nearly 8% over last year's total of **517**. Of this 558, 72 submissions were still pending at the time these statistics were compiled. 36 papers exceeded the 100 day deadline and submission fees were refunded. 29 papers were outright desk rejections, meaning no consultation with a referee was necessary. This figure is down from last year's 60 desk-rejections. Even with the changes to the Co-Editor line up, particular praise must be given to the **speed of the editorial process**. With a **44 day average turnaround time**, these statistics are consistent with last year's response rates of a 41 day median first response time, and a 40 day turnaround time. Clearly

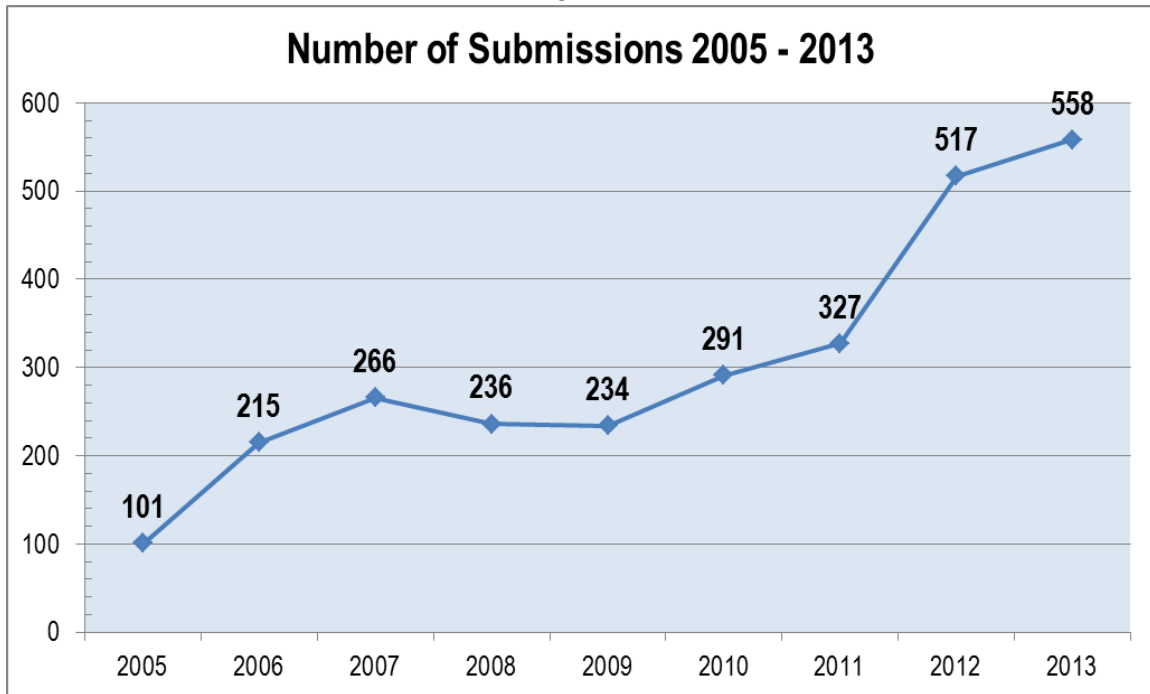
this demonstrates the continued hard work and dedication of the Editors and reviewers, despite the major increase in submissions which has been the ongoing trend since 2009 (see **Figure 1**). The number of **Fast-Track submissions** is on par with last year with **61 submissions** (2012 had 63).

Table 2: Editorial Statistics for All Submissions

The following statistics are based on all submissions and resubmissions received between August 1st, 2012 and July 31st, 2013.

<i>NUMBER OF SUBMISSIONS - Aug 1 2012 and Jul 31 2013</i>	558
New submissions	419
Resubmissions	139
Submissions which were Accepted	60
Submissions which were Conditionally Accepted	37
Submissions which were Summarily Rejected (no referees consulted)	29
Submissions which were Summarily Rejected (referees consulted)	1
Submissions which were Rejected	300
Submissions which were Withdrawn	1
Submissions which were Returned for Revision	109
Submissions pending at Jul 31 2013	72
Average Turnaround Time	44 days
Overall Acceptance Rate	12.35%
<i>Fast-Track Submissions</i>	61
Submissions which were Accepted	1
Submissions which were Conditionally Accepted	2
Submissions which were Rejected	43
Submissions which were Withdrawn	0
Submissions which were Returned for Revision	15
Average Turnaround Time	9.8 days
Overall Acceptance Rate	1.64%

Figure 1



Geographic Scope:

Figure 2 provides a breakdown of submission totals by geographic origin of the submitting author. By region, **Europe still dominates with 51.43% of all submissions**; this is slightly down from 52.8% last year, and as has been noted in past years, a steady flow of submissions from **North America continues, growing this year to 32.79%** of all submissions, up from 31.72% in 2012. The **Rest of the World remains constant at 15.78%**. Within Europe, the top three countries generating the most submissions were Germany, United Kingdom and Italy, with Germany having the most submissions with 74 (13.26%).

Figure 2: Geographic Scope of Review of Finance

<i>Country</i>	<i>Number of Submissions</i>	<i>Frequency</i>
UNITED STATES (US)	148	26.52%
GERMANY (DE)	74	13.26%
UNITED KINGDOM (GB)	64	11.47%
CANADA (CA)	35	6.27%
ITALY (IT)	27	4.84%
FRANCE (FR)	26	4.66%
AUSTRALIA (AU)	19	3.41%
FINLAND (FI)	19	3.41%
TAIWAN, ROC (TW)	16	2.87%
SWITZERLAND (CH)	14	2.51%
ISRAEL (IL)	13	2.33%
NETHERLANDS (NL)	13	2.33%
CHINA (CN)	12	2.15%
SPAIN (ES)	10	1.79%
BELGIUM (BE)	6	1.08%
NEW ZEALAND (NZ)	6	1.08%
AUSTRIA (AT)	5	0.90%
SWEDEN (SE)	5	0.90%
BULGARIA (BG)	4	0.72%
DENMARK (DK)	4	0.72%
HONG KONG (HK)	4	0.72%
NORWAY (NO)	4	0.72%
SINGAPORE (SG)	4	0.72%
TURKEY (TR)	4	0.72%
BRAZIL (BR)	3	0.54%
GREECE (GR)	3	0.54%
JAPAN (JP)	3	0.54%
LATVIA (LV)	2	0.36%
CHILE (CL)	1	0.18%
CYPRUS (CY)	1	0.18%
ESTONIA (EE)	1	0.18%
INDIA (IN)	1	0.18%
IRAN, ISLAMIC REPUBLIC OF	1	0.18%
KOREA, REPUBLIC OF (KR)	1	0.18%
LEBANON (LB)	1	0.18%
PAKISTAN (PK)	1	0.18%
RUSSIAN FEDERATION (RU)	1	0.18%
THAILAND (TH)	1	0.18%
TUNISIA (TN)	1	0.18%
TOTAL	558	100.00%

Breakdown of Submissions by Research Methodology & Area

Table 4 shows the breakdown of research methodology for all submissions. Empirical submissions have increased again to 78.49% (versus 71.67% in 2012), while Theoretical papers have gone down for the second year running to 18.28% from 26.89% last year. Experimental papers still account for only a small percentage but saw an increase to 3.23%, which more than doubles last year's 1.35%.

Table 4: Breakdown by Research Methodology

<i>Research Methodology</i>	<i>Submissions</i>	<i>Frequency</i>
Empirical	438	78.49%
Theoretical	102	18.28%
Experimental	18	3.23%
Total	558	100.00%

Table 5 details the breakdown of research area for all submissions. Asset Pricing (29.39%) and Corporate Finance (25.63%) continue to be the two largest areas. There was a change in ranking in the remaining three categories with another slight increase in Banking & Financial Intermediation at 24.73%, Behavioral Finance and Market Microstructure swapped ranking over last year, with 12.19% and 8.06% respectively (versus MM 10.06% and BF 6.58% in 2012).

Table 5: Breakdown by Research Area
2013

<i>Research Area</i>	<i>Submissions</i>	<i>Frequency</i>
Asset Pricing	164	29.39%
Corporate Finance	143	25.63%
Banking & Financial Intermediation	138	24.73%
Behavioral Finance	68	12.19%
Market Microstructure	45	8.06%
Total	558	100.00%

2012

<i>Research Area</i>	<i>Submissions</i>	<i>Frequency</i>
Corporate Finance	181	35.01%
Asset Pricing	142	27.47%
Banking & Financial Intermediation	108	20.89%
Market Microstructure	52	10.06%
Behavioral Finance	34	6.58%
Total	517	100.00%

Breakdown of Published Papers by Research Methodology & Area 2006 – 2013

Table 6 and Table 7 provide the frequency percentage breakdowns for Research Methodology and Research Area for all published papers between 1 August 2006 to 31 July 2013.

Table 6: Breakdown of Published Papers by Research Methodology 2006 – 2013

Research Methodology	Frequency						
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	1 Aug 06 - 31 July 07 Vol.10 No.3, 2006 Vol.10 No.4, 2006 Vol.11 No.1, 2007 Vol.11 No.2, 2007	1 Aug 07- 31 July 08 Vol.11 No.3, 2007 Vol.11 No.4, 2007 Vol.12 No.1, 2008 Vol.12 No.2, 2008 Vol.12 No.3, 2008	1 Aug 08 - 31 July 09 Vol.12 No.4, 2008 Vol.13 No.1, 2009 Vol.13 No.2, 2009 Vol.13 No.3, 2009	1 Aug 09 - 31 July 10 Vol.13 No.4, 2009 Vol.14 No.1, 2010 Vol.14 No.2, 2010 Vol.14 No.3, 2010	1 Aug 10 - 31 July 11 Vol.14 No.4, 2010 Vol.15 No.1, 2011 Vol.15 No.2, 2011 Vol.15 No.3, 2011	1 Aug 11 - 31 July 12 Vol.15 No.4, 2011 Vol.16 No.1, 2012 Vol.16 No.2, 2012 Vol.16 No.3, 2012	1 Aug 12 - 31 July 13 Vol.16 No.4, 2012 Vol.17 No.1, 2013 Vol.17 No.2, 2013 Vol.17 No.3, 2013
Empirical	47.70%	61.50%	50.00%	33.30%	61.54%	62.07%	
Theoretical	47.70%	26.90%	40.00%	57.10%	38.46%	37.93%	
Experimental	4.50%	11.50%	10.00%	9.50%	0.00%	0.00%	

Table 7: Breakdown of Published Papers by Research Area 2006 – 2013

Research Area	Frequency						
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	1 Aug 06 - 31 July 07 Vol.10 No.3, 2006 Vol.10 No.4, 2006 Vol.11 No.1, 2007 Vol.11 No.2, 2007	1 Aug 07- 31 July 08 Vol.11 No.3, 2007 Vol.11 No.4, 2007 Vol.12 No.1, 2008 Vol.12 No.2, 2008 Vol.12 No.3, 2008	1 Aug 08 - 31 July 09 Vol.12 No.4, 2008 Vol.13 No.1, 2009 Vol.13 No.2, 2009 Vol.13 No.3, 2009	1 Aug 09 - 31 July 10 Vol.13 No.4, 2009 Vol.14 No.1, 2010 Vol.14 No.2, 2010 Vol.14 No.3, 2010	1 Aug 10 - 31 July 11 Vol.14 No.4, 2010 Vol.15 No.1, 2011 Vol.15 No.2, 2011 Vol.15 No.3, 2011	1 Aug 11 - 31 July 12 Vol.15 No.4, 2011 Vol.16 No.1, 2012 Vol.16 No.2, 2012 Vol.16 No.3, 2012	1 Aug 12 - 31 July 13 Vol.16 No.4, 2012 Vol.17 No.1, 2013 Vol.17 No.2, 2013 Vol.17 No.3, 2013
Corporate Finance	36.40%	26.90%	20.00%	33.30%	34.62%	48.28%	
Asset Pricing	27.30%	34.60%	35.00%	28.60%	15.38%	37.93%	
Banking & Financial Intermediation	9.10%	19.20%	10.00%	19.00%	11.54%	13.79%	
Market Microstructure	13.60%	3.80%	30.00%	14.30%	30.77%	0.00%	
Behavioral Finance	13.60%	15.40%	5.00%	4.80%	7.69%	0.00%	

Co-sponsorship of Conferences

Scheduled for February 2014, the *Review of Finance*, The Centre for Economic Policy Research, University of Zurich and the University of St. Gallen are co-sponsoring 7TH SWISS WINTER CONFERENCE ON FINANCIAL INTERMEDIATION. The conference is to be held Lenzerheide, Switzerland. The journals sponsorship consists of waiving the submission fee for all conference papers submitted to the *Review of Finance* within six months after the conference takes place.

The conference Organizing and Programme Committees include members of our Editorial Board:

PROGRAMME COMMITTEE

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Best Prize



We are happy to announce that Spängler IQAM Invest has again sponsored the prize for the best papers published in the *Review of Finance*. The "2013 Spängler IQAM Best Paper Prize" will be awarded on August 30 at the EFA 2013 annual meeting. The authors will receive a Euro 5000 prize. As in the past, the winning papers are chosen by the Associate Editors, Co-Editors and Advisory Board of the *Review of Finance* from all of the articles published in the previous 4 issues.

This year's winning paper was:

"Bottom-Up Corporate Governance"

by Augustin Landier, Julien Sauvagnat, David Sraer, and David Thesmar

Other News

Both Bocconi University and HEC Paris now classify the *Review of Finance* as an A journal.

Appendix

Articles published between 1 August 2012 and 31 July 2013

Volume 16 Issue 4 October 2012

The Trading Volume Impact of Local Bias: Evidence from a Natural Experiment

Heiko Jacobs and Martin Weber

Default Risk of Advanced Economies: An Empirical Analysis of Credit Default Swaps during the Financial Crisis

Stephan Dieckmann and Thomas Plank

Equilibrium Implications of Delegated Asset Management under Benchmarking

Markus Leippold and Philippe Rohner

Cash Savings and Stock Price Informativeness

Laurent Fresard

Inducing Agents to Report Hidden Trades: A Theory of an Intermediary

Yaron Leitner

The Basel Accord and the Value of Bank Differentiation

Eberhard Feess and Ulrich Hege

Volume 17 Issue 1 January 2013

Mortgage Market Design*

John Y. Campbell

The Fundamentals of Commodity Futures Returns

Gary B. Gorton, Fumio Hayashi, and K. Geert Rouwenhorst

Precautionary Hoarding of Liquidity and Interbank Markets: Evidence from the Subprime Crisis

Viral V. Acharya and Ouarda Merrouche

Bottom-Up Corporate Governance

Augustin Landier, Julien Sauvagnat, David Sraer, and David Thesmar

Comovement of Newly Added Stocks with National Market Indices: Evidence from Around the World

Stijn Claessens and Yishay Yafeh

The Effect of Financing Constraints on Risk

Huidan Lin and Daniel Paravisini

Payout Policy Choices and Shareholder Investment Horizons

José-Miguel Gaspar, Massimo Massa, Pedro Matos, Rajdeep Patgiri, and Zahid Rehman

A Theory of Net Debt and Transferable Human Capital

Bart M. Lambrecht and Grzegorz Pawlina

How the 52-Week High and Low Affect Option-Implied Volatilities and Stock Return Moments

Joost Driessen, Tse-Chun Lin, and Otto Van Hemert

Dynamic Interactions Between Interest-Rate and Credit Risk: Theory and Evidence on the Credit Default Swap Term Structure*

Ren-Raw Chen, Xiaolin Cheng, and Liuren Wu

Modeling Market Downside Volatility

Bruno Feunou, Mohammad R. Jahan-Parvar, and Roméo Tédongap

Volume 17 Issue 2 April 2013

The Determinants of Mutual Fund Performance: A Cross-Country Study

Miguel A. Ferreira, Aneel Keswani, António F. Miguel, and Sofia B. Ramos

Say on Pay Votes and CEO Compensation: Evidence from the UK

Fabrizio Ferri and David A. Maber

Do Investors Suffer from Money Illusion? A Direct Test of the Modigliani–Cohn Hypothesis

Daniella Acker and Nigel W. Duck

Performance Evaluation and Financial Market Runs

Wolf Wagner

Noise Trading and Illusory Correlations in US Equity Markets

Jennifer C. Bender, Carol L. Osler, and David Simon

Competition, Bonuses, and Risk-taking in the Banking Industry

Christina E. Bannier, Eberhard Feess, and Natalie Packham

Institutional Investors as Minority Shareholders

Assaf Hamdani and Yishay Yafeh

Evolutionary Beliefs and Financial Markets

Elyès Jouini, Clotilde Napp, and Yannick Viossat

Equity Issues and Return Volatility
Borja Larrain and Felipe Varas

Sources of Momentum Profits: Evidence on the Irrelevance of Characteristics
Pavel Bandarchuk and Jens Hilscher

Volume 17 Issue 3 July 2013

Who takes Risks When and Why: Determinants of Changes in Investor Risk Taking*
Martin Weber, Elke U. Weber, and Alen Nosić

Portfolio Pumping, Trading Activity and Fund Performance
Sugato Bhattacharyya and Vikram Nanda

Investor Sentiment and Return Comovements: Evidence from Stock Splits and Headquarters Changes
Alok Kumar, Jeremy K. Page, and Oliver G. Spalt

Portfolio Choice and Mental Health
Vicki L. Bogan and Angela R. Fertig

The Effect of Issuer Conservatism on IPO Pricing and Performance*
Stephen P. Ferris, (Grace) Qing Hao, and (Stella) Min-Yu Liao

The World Business Cycle and Expected Returns
Ilan Cooper and Richard Priestley

Three Solutions to the Pricing Kernel Puzzle
Thorsten Hens and Christian Reichlin

When Do Managers Seek Private Equity Backing in Public-to-Private Transactions?
Jana P. Fidrmuc, Alessandro Palandri, Peter Roosenboom, and Dick van Dijk

Hedge Funds and Equity Prices
Yawen Jiao

Market Selection and Welfare in a Multi-asset Economy
Yurii Fedyk, Christian Heyerdahl-Larsen, and Johan Walden