

Review of Finance – Report by the Managing Editor Franklin Allen Lugano, Switzerland - August 27, 2014

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. This year, there were several updates to the Associate Editors and Advisory Board. The current list of members are:

Associate Editors:

Doron Avramov , Suleyman Basak, Thorsten Beck, Christa Bouwman, Andrea Buraschi, Elena Carletti, Peter Christoffersen, Hans Degryse, Joost Driessen, Alex Edmans, Andrew Ellul, Ruediger Fahlenbrach, Joseph Fan, Lorenzo Garlappi, Nicola Gennaioli, Mariassunta Giannetti, Amit Goyal, Reint Gropp, Antonio Guarino, Dirk Hackbarth, Marcin Kacperczyk, Ralph Koijen, Bart Lambrecht, Hong Liu, Anthony W. Lynch, Spencer Martin, Massimo Massa, Stefan Nagel, Thomas Noe, Jose-Luis Peydro Alcalde , Jun 'QJ' Qian, Jörg Rocholl, David Thesmar, Paolo Volpin, Liuren Wu, Wei Xiong

Advisory Board:

Viral Acharya, Arnoud Boot, Mike Burkart, Thierry Foucault, Xavier Freixas, Holger Mueller, Marco Pagano, Rafael Repullo, Neal Stoughton, Pradeep Yadav, Josef Zechner

We would like to thank the board members that stepped down this year for all of their hard work, time and invaluable input in shaping the direction and increasing the reputation of the Review of Finance:

Alon Brav, Pierre Collin-Dufresne, Martijn Cremers, Darrell Duffie, Adlai Fisher, Thierry Foucault, Xavier Freixas, Denis Gromb, Yael Hochberg, Andrew Karolyi, Ernst Maug, Alan Morrison, Jun Pan, Daniel Paravisini, Christine Parlour, Mark Seasholes

Impact Factor

The 2013 official impact factor of the *Review of Finance* has been published by Thomson Reuters Incites Journal Citation Reports (formerly ISI Web of Knowledge) at the end of July 2014: its current impact factor is **1.636**, which securely maintains the journal's position as a top Finance journal (**Table 1**). **Tables 1a & 1b** show how both Impact Factor numbers were calculated.

Table 1: 2013 Impact Factors - Compared to selection of Top 10 Finance Journals

Journal	Impact Factor	Impact Factor excluding Self Citations
JOURNAL OF FINANCE	6.033	5.617
JOURNAL OF FINANCIAL ECONOMICS	3.769	3.358
REVIEW OF FINANCIAL STUDIES	3.532	3.197
JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS	1.877	1.781
REVIEW OF FINANCE	1.636	1.545
JOURNAL OF FINANCIAL INTERMEDIATION	1.625	1.536
JOURNAL OF CORPORATE FINANCE	1.400	1.029
JOURNAL OF BANKING & FINANCE	1.362	0.915
FINANCE AND STOCHASTICS	1.085	0.898
FINANCIAL MANAGEMENT	0.873	0.718

Table 1a: 2013 Impact Factor Calculation for Review of Finance

Cites in 2013 to items published in:		2012 =53		Number of items published in:		2012 =28	
		2011 =37				2011 =27	
		Sum: 90				Sum: 55	
Calculation=	Cites to recent items	90					
	Number of recent items	55	=	1.636			

Table 1b: 2013 Impact Factor (Excluding Self Citations) Calculation for Review of Finance

The tables show the contribution of the journals self cites to its impact factor.

Total Cites	505	Self Cites	21(4.158% of 505)
Cites to Years Used in Impact Factor Calculation	90	Self Cites to Years Used in Impact Factor Calculation	Not Available
Impact Factor	1.636	Impact Factor without Self Cites	1.545

Editorial Statistics

All submissions:

The breakdown of the latest statistical period from August 1, 2013 to July 31, 2014 is detailed in Table 2. This year again has seen a rise in the total number of submissions up to **646**, an increase of nearly 16% over last year's total of **558**. Of this 646, 72 submissions were still pending at the time these statistics were compiled. 35 papers were outright desk rejections, meaning no consultation with a referee was necessary. This figure is slightly up from last year's 29 desk-rejections. Even with the changes to the Co-Editor line up,

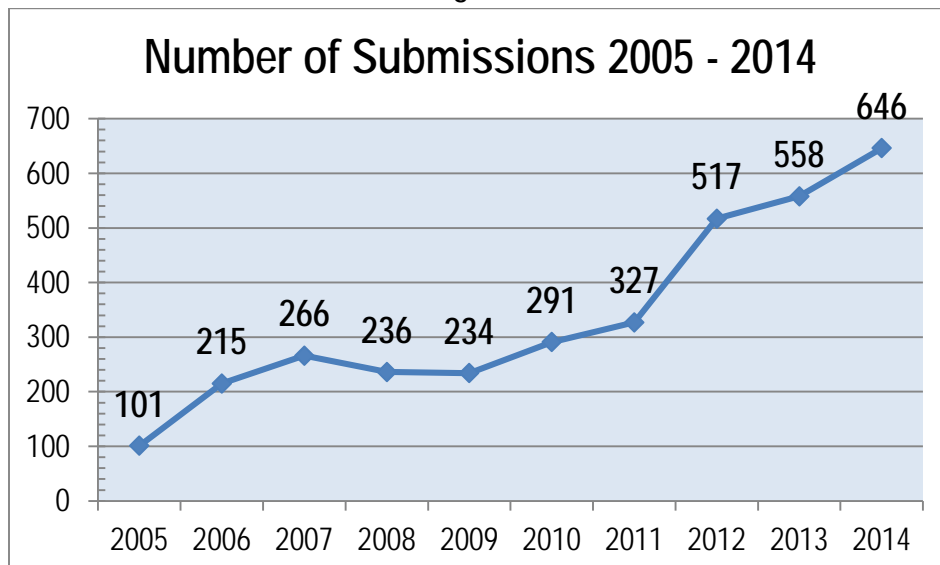
particular praise must be given to the *speed of the editorial process*. With a *50 day average turnaround time* these statistics are still very consistent with last year's turnaround time of 44 days, despite the continued increase in submissions (see **Figure 1**). This response rate has only been made possible by the continued hard work and dedication of the Editors and reviewers.

Table 2: Editorial Statistics for All Submissions

The following statistics are based on all submissions and resubmissions received between August 1st, 2013 and July 31st, 2014. The turnaround time is the number of days elapsed from receipt of the manuscript to notification of the editorial decision.

NUMBER OF SUBMISSIONS - Aug 1 2013 and Jul 31 2014	646
New submissions	482
Resubmissions	164
Requests for withdrawals	0
Submissions which were Accepted	55
Submissions which were Conditionally Accepted	32
Submissions which were Summarily Rejected (no referees consulted)	35
Submissions which were Summarily Rejected (referees consulted)	0
Submissions which were Rejected	346
Submissions which were Withdrawn	1
Submissions which were Returned for Revision	133
Submissions pending at Jul 31 2014	72
Average Turnaround Time	50 days
Acceptance Rate	8.51%

Figure 1



Fast-Track Submissions:

Table 3 provides statistics for fast-track submissions only for the August 1, 2013 to July 31, 2014 period. This year's **fast-track submissions are slightly down with 61 submissions**, compared with 2013's 63 submissions. Unfortunately, 6 papers missed the 14 day deadline, and the submission fees were refunded.

Table 3: Fast-Track submissions August 1, 2013 to July 31, 2014

<i>Number of Submissions (Fast-Track)</i>	61
Submissions Processed	61
Submissions Pending	0
Acceptance Rate	11.47%
Average Turnaround time	11
Median Turnaround Time	10
Distribution of Turnaround Times	
more than 14 days	6
less than 35 days	60
between 35 and 70	1
more than 70 days	0

Geographic Scope:

Figure 2 provides a breakdown of submission totals by geographic origin of the submitting author. By region, **Europe still dominates with 53.41% of all submissions**; this is slightly up from 51.43% last year. **North America is down this year to 28.79%** of all submissions, (32.79% in 2013). The **Rest of the World increases to 17.80%**, up from 15.78% in 2013. Within Europe, the top three countries generating the most submissions were the United Kingdom, Germany and Switzerland, with the U.K very narrowly having the most submissions with 69 (10.68%).

Figure 2: Geographic Scope of Review of Finance

<i>Country</i>	<i>Number of Submissions</i>	<i>Frequency</i>
UNITED STATES (US)	154	23.84%
UNITED KINGDOM (GB)	69	10.68%
GERMANY (DE)	68	10.53%
CANADA (CA)	32	4.95%
SWITZERLAND (CH)	32	4.95%
AUSTRALIA (AU)	31	4.80%
FRANCE (FR)	31	4.80%
ITALY (IT)	27	4.18%
SPAIN (ES)	22	3.41%
NETHERLANDS (NL)	20	3.10%
CHINA (CN)	18	2.79%
FINLAND (FI)	15	2.32%
SINGAPORE (SG)	11	1.70%
TAIWAN (TW)	11	1.70%
KOREA, REPUBLIC OF (KR)	9	1.39%
TURKEY (TR)	8	1.24%
CHILE (CL)	7	1.08%
PORTUGAL (PT)	7	1.08%
RUSSIAN FEDERATION (RU)	6	0.93%
SWEDEN (SE)	6	0.93%
BELGIUM (BE)	5	0.77%
DENMARK (DK)	5	0.77%
ISRAEL (IL)	5	0.77%
NORWAY (NO)	5	0.77%
HONG KONG (HK)	4	0.62%
LUXEMBOURG (LU)	4	0.62%
AUSTRIA (AT)	3	0.46%
BRAZIL (BR)	3	0.46%
CZECH REPUBLIC (CZ)	3	0.46%
IRELAND (IE)	3	0.46%
JAPAN (JP)	3	0.46%
GREECE (GR)	2	0.31%
INDIA (IN)	2	0.31%
NEW ZEALAND (NZ)	2	0.31%
PAKISTAN (PK)	2	0.31%
TUNISIA (TN)	2	0.31%
BELARUS (BY)	1	0.15%
COLOMBIA (CO)	1	0.15%
CYPRUS (CY)	1	0.15%
ESTONIA (EE)	1	0.15%
IRAN, ISLAMIC REPUBLIC OF (IR)	1	0.15%
MOROCCO (MA)	1	0.15%
OMAN (OM)	1	0.15%
SERBIA (RS)	1	0.15%
UNITED ARAB EMIRATES (AE)	1	0.15%
TOTAL	646	100%

Breakdown of Submissions by Research Methodology & Area

Table 4 shows the breakdown of research methodology for all submissions. Empirical submissions have increased again to 80.19% (versus 78.49% in 2013), while Theoretical papers have gone down for the third year running to 16.87% from 18.28% last year. Experimental papers still account for only a small percentage of submissions at 2.94%.

Table 4: 2014 Breakdown by Research Methodology

<i>Research Methodology</i>	<i>Submissions</i>	<i>Frequency</i>
Empirical	518	80.19%
Theoretical	109	16.87%
Experimental	19	2.94%
Total	646	100.00%

Table 5 details the breakdown of research area for all submissions. Asset Pricing (30.65%) and Corporate Finance (28.48%) continue to be the two largest areas. The ranking in the remaining three categories remains unchanged from last year with Banking & Financial Intermediation at 23.68%, Behavioral Finance and Market Microstructure with 11.76% and 5.42% respectively.

Table 5: Breakdown by Research Area
2014

<i>Research Area</i>	<i>Submissions</i>	<i>Frequency</i>
Asset Pricing	198	30.65%
Corporate Finance	184	28.48%
Banking & Financial Intermediation	153	23.68%
Behavioral Finance	76	11.76%
Market Microstructure	35	5.42%
Total	646	100.00%

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%

Breakdown of Published Papers by Research Methodology & Area 2014

Table 6 provides the frequency percentage breakdowns for Research Methodology and Research Area for all published papers between 1 August 2013 to 31 July 2014. This covers a total of **6 issues**. Unfortunately breakdown data for 2012-13 is unavailable, but **Tables 6a & 6b** detail area and methodology from 2006. The methodology order remains unchanged with Empirical making up the majority of published papers. For Research Area the top three ranking order remains unchanged, but **Behavioral Finance** papers have seen an increase to 11.11%.

Table 6: Breakdown of Published Papers by Research Methodology 2013-14

2013-14	
Volume 17 Issue 5 September 2013	
Volume 17 Issue 6 November 2013	
Volume 18 Issue 1 January 2014	
Volume 18 Issue 2 April 2014	
Volume 18 Issue 3 July 2014	
Volume 18 Issue 4 July 2014	
Research Methodology	
Empirical	81.48%
Theoretical	11.11%
Experimental	7.41%
Research Area	
Corporate Finance	35.19%
Asset Pricing	29.63%
Banking and Financial Intermediation	20.37%
Behavioral Finance	11.11%
Market Microstructure	3.70%

Table 6a

Research Methodology	Frequency					
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	1 Aug 06 - 31 July 07	1 Aug 07 - 31 July 08	1 Aug 08 - 31 July 09	1 Aug 09 - 31 July 10	1 Aug 10 - 31 July 11	1 Aug 11 - 31 July 12
	Vol.10 No.3, 2006	Vol.11 No.3, 2007	Vol.12 No.4, 2008	Vol.13 No.4, 2009	Vol.14 No.4, 2010	Vol.15 No.4, 2011
	Vol.10 No.4, 2006	Vol.11 No.4, 2007	Vol.13 No.1, 2009	Vol.14 No.1, 2010	Vol.15 No.1, 2011	Vol.16 No.1, 2012
	Vol.11 No.1, 2007	Vol.12 No.1, 2008	Vol.13 No.2, 2009	Vol.14 No.2, 2010	Vol.15 No.2, 2011	Vol.16 No.2, 2012
	Vol.11 No.2, 2007	Vol.12 No.2, 2008	Vol.13 No.3, 2009	Vol.14 No.3, 2010	Vol.15 No.3, 2011	Vol.16 No.3, 2012
		Vol.12 No.3, 2008				
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 6b

Research Area	Frequency					
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	1 Aug 06 - 31 July 07	1 Aug 07- 31 July 08	1 Aug 08 - 31 July 09	1 Aug 09 - 31 July 10	1 Aug 10 - 31 July 11	1 Aug 11 - 31 July 12
	Vol.10 No.3, 2006	Vol.11 No.3, 2007	Vol.12 No.4, 2008	Vol.13 No.4, 2009	Vol.14 No.4, 2010	Vol.15 No.4, 2011
	Vol.10 No.4, 2006	Vol.11 No.4, 2007	Vol.13 No.1, 2009	Vol.14 No.1, 2010	Vol.15 No.1, 2011	Vol.16 No.1, 2012
	Vol.11 No.1, 2007	Vol.12 No.1, 2008	Vol.13 No.2, 2009	Vol.14 No.2, 2010	Vol.15 No.2, 2011	Vol.16 No.2, 2012
	Vol.11 No.2, 2007	Vol.12 No.2, 2008	Vol.13 No.3, 2009	Vol.14 No.3, 2010	Vol.15 No.3, 2011	Vol.16 No.3, 2012
	Vol.12 No.3, 2008					
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%

Best Prize



We are happy to announce that Spängler IQAM Invest has again kindly provided sponsorship to honor the high caliber research papers published in the *Review of Finance*. This year marks a new direction for the best paper prize. There will now be two distinct prizes awarded at the EFA General

Assembly on August 29th. Along with Spängler IQAM prize which will now be called the ***Spängler IQAM Prize for the best paper on Investments***, the *Review of Finance* will be sponsoring a second new prize, the ***Pagano and Zechner Prize*** for the best non-investments paper. The prize will be a way for the journal to honor all of the hard work, diligence and leadership Marco and Josef have shown over their many years of service to the *Review of Finance*.

Spängler IQAM Prize Winner:

“Investing in a Global World” by Jeffrey A. Busse, Amit Goyal, and Sunil Wahal

Pagano and Zechner Prize Winners:

“The Speed of Information Revelation and Eventual Price Quality in Markets with Insiders: Comparing Two Theories” by Peter Bossaerts, Cary Frydman, and John Ledyard

“Are Small Businesses Worthy of Financial Aid? Evidence from a French Targeted Credit Program” by Laurent Bach

Other News

Submissions are currently being received for a planned Special Issue of the Review of Finance entitled "*The Safety of the Financial System. From Idiosyncratic to Systemic Risk*". All papers that appeared on the 2014 International Risk Management Conference programme are eligible, and the submission deadline is October 15, 2014. The regular submission fees will be waived.

Appendix

Articles published between 1 August 2013 and 31 July 2014 (6 Issues)

Volume 17 Issue 5 September 2013

Radhakrishnan Gopalan and Todd A. Gormley

Do Public Equity Markets Matter in Emerging Economies? Evidence from India

Eitan Goldman, Jörg Rocholl, and Jongil So

Politically Connected Boards of Directors and The Allocation of Procurement Contracts

Michael Kissler

The Real Option Value of Cash

Anders Anderson

Trading and Under-Diversification

Cherry Y. Zhang and Ben Jacobsen

Are Monthly Seasonals Real? A Three Century Perspective

John D. Turner, Qing Ye, and Wenwen Zhan

Why Do Firms Pay Dividends?: Evidence from an Early and Unregulated Capital Market

Robert Kieschnick, Mark Laplante, and Rabih Moussawi

Working Capital Management and Shareholders' Wealth

Volume 17 Issue 6 November 2013

Frederic Boissay and Reint Gropp

Payment Defaults and Interfirm Liquidity Provision

Lixin Huang and Jayant R. Kale

Product Market Linkages, Manager Quality, and Mutual Fund Performance

Francesco Vallasca and Jens Hagendorff

The Risk Sensitivity of Capital Requirements: Evidence from an International Sample of Large Banks

Lifeng Gu and Dirk Hackbarth

Governance and Equity Prices: Does Transparency Matter?

Pejman Abedifar, Philip Molyneux, and Amine Tarazi

Risk in Islamic Banking

Dieter Hess and Sebastian Orbe

Irrationality or Efficiency of Macroeconomic Survey Forecasts? Implications from the Anchoring Bias Test

Volume 18 Issue 1 January 2014

Peter Bossaerts, Cary Frydman, and John Ledyard

The Speed of Information Revelation and Eventual Price Quality in Markets with Insiders: Comparing Two Theories

Carole Comerton-Forde and Tālis J. Putniņš

Stock Price Manipulation: Prevalence and Determinants

Peter Cziraki, Peter De Goeij, and Luc Renneboog

Corporate Governance Rules and Insider Trading Profits

Linus Siming

Your Former Employees Matter: Private Equity Firms and Their Financial Advisors

Andreas Hubener, Raimond Maurer, and Ralph Rogalla

Optimal Portfolio Choice with Annuities and Life Insurance for Retired Couples

Ludovic Phalippou

Performance of Buyout Funds Revisited?

Bruno Feunou, Jean-Sébastien Fontaine, Abderrahim Taamouti, and Roméo Tédongap

Risk Premium, Variance Premium, and the Maturity Structure of Uncertainty

Stephen L. Lenkey

Activist Arbitrage, Lifeboats, and Closed-End Funds

Paulo Maio

Another Look at the Stock Return Response to Monetary Policy Actions

Belén Nieto and Gonzalo Rubio

Volatility Bounds, Size, and Real Activity Prediction

Jefferson Duarte, Katie Kong, Stephan Siegel, and Lance Young

The Impact of the Sarbanes–Oxley Act on Shareholders and Managers of Foreign Firms

Volume 18 Issue 2 April 2014

Reint Gropp, Christian Gruendl, and Andre Guettler

The Impact of Public Guarantees on Bank Risk-Taking: Evidence from a Natural Experiment

Michel Dubois, Laurent Fresard, and Pascal Dumontier
Regulating Conflicts of Interest: The Effect of Sanctions and Enforcement

Giorgio Gobbi and Enrico Sette
Do Firms Benefit from Concentrating their Borrowing? Evidence from the Great Recession

Jeffrey A. Busse, Amit Goyal, and Sunil Wahal
Investing in a Global World

Hongwei Chuang and Hwai-Chung Ho
Implied Price Risk and Momentum Strategy

Paulo Maio
Don't Fight the Fed!

Ernan Haruvy, Charles N. Noussair, and Owen Powell
The Impact of Asset Repurchases and Issues in an Experimental Market

David Disatnik, Ran Duchin, and Breno Schmidt
Cash Flow Hedging and Liquidity Choices

H.H. Chiu and O. Kini
Equity Issuances, Equity Mutual Fund Flows, and Noise Trader Sentiment

Gechun Liang, Eva Lütkebohmert, and Yajun Xiao
A Multiperiod Bank Run Model for Liquidity Risk

Volume 18 Issue 3 July 2014

Yue Tang, Jin (Ginger) Wu, and Lu Zhang
Do Anomalies Exist *Ex Ante*?

Laurent Bach
Are Small Businesses Worthy of Financial Aid? Evidence from a French Targeted Credit Program

K. J. Martijn Cremers and Yaniv Grinstein
Does the Market for CEO Talent Explain Controversial CEO Pay Practices?

Julian Franks and Gyongyi Loranth
A Study of Bankruptcy Costs and the Allocation of Control

Anjali D. Nursimulu and Peter Bossaerts
Risk and Reward Preferences under Time Pressure

E. Han Kim and Amiyatosh Purnanandam
Seasoned Equity Offerings, Corporate Governance, and Investments

Alexander Popov
Venture Capital and Industry Structure: Evidence from Local US Markets

Giacinta Cestone
Venture Capital Meets Contract Theory: Risky Claims or Formal Control?

Mark J. Kamstra, Gordon S. Roberts, and Pei Shao
Does the Secondary Loan Market Reduce Borrowing Costs?

Xiaoneng Zhu
Peso Problems and Term Structure Anomalies of Repo Rates

Volume 18 Issue 4 July 2014

Manuel Illueca, Lars Norden, and Gregory F. Udell
Liberalization and Risk-Taking: Evidence from Government-Controlled Banks

Petri Jylhä, Kalle Rinne, and Matti Suominen
Do Hedge Funds Supply or Demand Liquidity?

Azi Ben-Rephael, Jacob Oded, and Avi Wohl
Do Firms Buy Their Stock at Bargain Prices? Evidence from Actual Stock Repurchase Disclosures

Ralf Elsas, Mark J. Flannery, and Jon A. Garfinkel
Financing Major Investments: Information about Capital Structure Decisions

Christian Ehm, Christine Kaufmann, and Martin Weber
Volatility Inadaptability: Investors Care About Risk, but Cannot Cope with Volatility

Mikhail Simutin
Cash Holdings and Mutual Fund Performance

Peter Nyberg and Salla Pöyry
Firm Expansion and Stock Price Momentum

Nikos C. Papapostolou, Nikos K. Nomikos, Panos K. Pouliasis, and Ioannis Kyriakou
Investor Sentiment for Real Assets: The Case of Dry Bulk Shipping Market

Numan Ülkü and Enzo Weber
Identifying the Interaction between Foreign Investor Flows and Emerging Stock Market Returns

Artashes Karapetyan and Bogdan Stacescu
Information Sharing and Information Acquisition in Credit Markets