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# Activity Report 2015/2016

Chair of Behavioral Finance  
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## FOREWORD



Dear all,

This report summarizes the activities of the members of the chair of Behavioral Finance during the academic year 2015/2016.

We have been active in conducting research in broad areas, which lead to successful publications.

We also contribute to the education programs in bachelor, master and doctoral programs, as well as communicate and collaborate with academics and practitioners outside WHU.

We would also like to welcome Martin Blankenburg and Stevan Veljovic to join our team and pursue their doctoral studies at the WHU!

I warmly thank Anja Ziegler and all members from the Finance and Accounting group for their helpful support.

Vallendar, September 2016

A handwritten signature in blue ink, appearing to read 'Mei Wang'.

Prof. Dr. Mei Wang

## 1. TEAM



**Professor Mei Wang, PhD**  
Chairholder

Tel. +49 261 6509 – 220  
mei.wang@whu.edu

### **Research Interests:**

- Desisions under risk and uncertainty
- Cross-cultural comparison of behavioral preferences and financial markets
- Behavioral economics and finance
- Institutional change and behavioral political economy

Prof. Dr. Mei Wang has been holding the chair of Behavioral Finance since January 2011. She received her Ph.D. degree at the Carnegie Mellon University, U.S. in 2003. Before joining WHU, she was assistant Professor of Finance and Financial Markets at the University of Zurich, Switzerland, and head of the Behavioral Finance group of the University Research Priority Program. She has also worked as researcher at the University of Mannheim, Germany, and the ETH Zurich, Switzerland. Her main research interests are behavioral and experimental finance, cross-cultural comparisons and decision theory. She has published in academic journals such as Management Science, Economic Theory, Journal of Regulatory Economics, Journal of Risk and Uncertainty, Quantitative Finance, Risk Analysis, and others. She also contributed to a number of books in the fields of banking and derivatives.



**Anja Ziegler**  
Personal Assistant

Tel. +49 261 6509 - 221  
anja.ziegler@whu.edu



**Hui Chen**  
Research Assistant

Tel. +49 261 6509 - 221  
hui.chen@whu.edu

**Research Interests:**

- Behavioral International Finance
- Economic and Political Uncertainty
- Financial Markets

Hui Chen has started his Ph.D study at the chair of Behavioral Finance from September 2015. He received his master degree in economics and management science from Humboldt-Universität zu Berlin in 2011. During his master studies, he has worked as a student research assistant in Chair of Banking and Stock Market, and collaborated in a research project in calculating systematic risk of worldwide broadband industry which was assigned by the Bundesnetzagentur. Before joining the Ph.D program he has worked in Commerzbank AG, Frankfurt, for four years. His main tasks were post-trading service and collateral management.



**Yingbo Wang**  
External doctoral student

Yingbo.Wang@whu.edu

**Research Interests:**

- Entrepreneurship and culture
- Behavioral preference and entrepreneurial activities

Yingbo Wang joined the chair of Behavioral Finance at the WHU in September 2014. Her doctoral study is sponsored by the China Scholarship Council. Before joining WHU, she obtained Master degree in Law and Business from the joint Master program of Bucerius Law School and WHU and Bachelor degree in Chemistry from Fudan University in Shanghai. She worked as a Junior Analyst in HaiTong Securities Co, Ltd and Development Engineer in the R&D department of Unilever. Her main research focus is on the cross-cultural differences in behavioral preferences and their impact on entrepreneurial activities and financing of SMEs and family firms.



**Johannes Schaewitz**  
External doctoral student

Johannes.Schaewitz@whu.edu

**Research Interests:**

- Behavioral decision theory
- Institutional and cultural influences on preferences

Johannes Schaewitz started his doctoral studies at the WHU in July 2012. He holds a Bachelor of Arts in Corporate Finance and a Master of Science in Finance both from the International School of Management, Dortmund. During his studies he spent two semesters abroad, one at the Hawaii Pacific University, USA and one at the Oxford Brookes University, UK. His main research interests are Behavioral decision, Emotions and Decision Theory. Currently He is focusing on the differences in behavioral preferences between West European countries and post-communist countries in East Europe.



**Martin Blankenburg**  
External doctoral student

Martin Blankenburg@whu.edu

**Research Interests:**

- Asset pricing models
- Financial markets

Martin Blankenburg started his doctoral studies at the WHU since April 2016. He holds a Bachelor of Arts in Banking and Financial Management at the University of Cooperative Education in Ravensburg and a Master of Science in Banking and Financial Management University of Liechtenstein. He has various working experience in finance and banking, including JPMorgan, Franklin Templeton Solutions, etc. His main research interests are asset pricing and financial markets, especially the relation between Fama-French factors and macroeconomics.



**Stevan Veljovic**

External doctoral student

Stevan.Veljovic@whu.edu

**Research Interests:**

- Derivatives
- Financial markets and volatility

Stevan Veljovic started his doctoral studies at the WHU since 2016. He holds a master degree in physics. During his studies, he visited Stanford University for his thesis. Later he works as quantitative analyst and risk manager. His main research interests are derivative pricing and volatilities.

## 2. TEACHING

### 2.1 BACHELOR OF SCIENCE PROGRAM

#### Fall Term 2015

##### **International Capital Markets and Derivatives**

###### Content:

The course objective is to equip students with the fundamental tools of Finance by focusing on their theoretical derivation and practical application in integrated exercises and case studies. At the end of the course, participants know the basics of financial mathematics, portfolio theory, bond pricing, and derivatives.

##### **Corporate Finance (group A to C, joint with Prof. Dr. Nihat Aktas)**

###### Content:

- Introduction to financing instruments
- Capital structure and Modigliani-Miller
- Optimal amount of debt
- Valuation methods in practice
- Payout Policy
- Private Equity and Security Sales by Public Companies

#### Spring Term 2016:

##### **International Capital Markets and Derivatives**

###### Content:

(s. Fall Term 2015)

### 2.2 MASTER OF SCIENCE PROGRAM

#### Spring Term 2016

##### **Behavioral Finance and Emotional Finance (joint with Prof. Dr. Lutz Johanning)**

###### Content:

This course discusses important topics in Behavioral Finance, including non-expected-utility theory, heuristics and biases, heterogeneous beliefs, anomalies such as equity premium puzzle, momentum, and bubbles. The goal is to understand various perspectives in the behavioral finance research and its practical relevance. In Emotional Finance psychological and neural aspects of financial decision making are explored, especially the role of emotions such as joy, trust and fear.

## 3. THESES

### 3.1 MSc PROGRAM

#### **Steiger, Michelle:**

The Influence of Country Risk Premiums on Stock Market Returns



## 4. RESEARCH

### 4.1 ARTICLES IN REFEREED JOURNALS (DOUBLE-BLIND)

Wang, M.; Rieger, M. O.; Hens, T. (2016): How time preferences differ – evidence from 53 countries. *Journal of Economic Psychology*, 52

Wang, M.; Rieger, M. O.; Hens, T. (accepted): The impact of culture on loss aversion. *Journal of Behavioral Decision Making*

Diefeng Peng, Yulei Rao & Mei Wang (accepted) Are top-tens better? A study on investor attention and ranking lists. *International Review of Finance*.

### 4.2 PUBLICATIONS IN NEWSPAPERS OR MAGAZINES

**Wirtschaftswoche:** “Sparen statt Kredit: Sind die Deutschen das geduldigste Volk?” (06.01.2016)

**Frankfurter Allgemeine Zeitung (FAZ):** “Deutsche sind in Geldfragen am Geduldigsten?” (12.01.2016)

**Süddeutsche Zeitung:** “Die Geduldsprobe” (02.03.2016)

### 4.3 WORKING PAPERS

Dennis Dlugosch & Mei Wang (2016) Relation between equity home bias and ambiguity aversion: An international study. SSRN working paper.

Dennis Dlugosch, Kristian Horn & Mei Wang (2016) Behavioral determinants of home bias-theory and experiment. SSRN working paper.

Yujing Gong & Mei Wang (2016) Ambiguity aversion, information uncertainty and momentum around the world. SSRN working paper.

### 4.4 OTHER

Associate Editor for *Finance Research Letters*  
Editorial Board for *Journal of Behavioral and Experimental Finance*

## 5. SERVICES PROVIDED TO THE SCHOOL

Co-Coordinator of the seminar series in WHU Research Seminar in Finance: in 2015-2016, following seminar speakers had been invited:

- Peter Limbach, Karlsruhe Institute of Technology
- Jarrad Harford, University of Washington
- Dimitris Petmeza, Surrey University
- Tobias Berg, Bonn University
- Rüdiger Fahlenbrach, Swiss Finance Institute
- Zacharias Sautner, Frankfurt School of Finance
- Tibor Neugebauer, University of Luxembourg
- Eva Schliephake, Bonn University
- Christian Schlag, Goethe University, Frankfurt/M
- Kevin Aretz, Manchester Business School
- Evren Örs, HEC Paris
- Georges Hübner, University of Liège and Maastricht
- Yupana Wiwattanakantan, National University of Singapore



## 6. COMMUNITY OUTREACH

### 6.1 RESPONSIBILITY AND SUSTAINABILITY

Our chair have been deeply concerned with issues of sustainability of economic development. Therefore, we activiely conduct research on international comparisons, especially focus on the interaction of culture and institutions to gain insights on the sustainability of economic growth at the global level.





WHU - Otto Beisheim  
School of Management

Burgplatz 2  
56179 Vallendar  
Germany

Tel. +49 261 6509 - 221  
[anja.ziegler@whu.edu](mailto:anja.ziegler@whu.edu)

[www.whu.edu/cf](http://www.whu.edu/cf)