



**The IASTED International Conference on
Financial Engineering and Applications
~ FEA 2003 ~
Banff, Canada
July 2 – 3, 2003**

CONFERENCE PROGRAM

SPONSORS

The International Association of Science and Technology for Development (IASTED)

- Technical Committee on Finance
- Technical Committee on Management

LOCATION

The Banff Centre
107 Tunnel Mountain Drive
Banff, Alberta, Canada
T1L 1H5

Telephone: (403) 762-6100
Fax: (403) 762-6388

INTERNATIONAL PROGRAM COMMITTEE

C. Alexander – University of Reading, UK
M. Attari – University of Wisconsin-Madison, USA
V. Bhansali – PIMCO, USA
A. Bick – Simon Fraser University, Canada
G.G. Booth – Michigan State University, USA
M. Broadie – Columbia University, USA
R.A. Carmona – Princeton University, USA
L.-W. Chan – Chinese University of Hong Kong, PRC
S.-H. Chen – National Chengchi University, PRC
O. Cheyette – Barra Inc., USA
K. Esteghamat – Princeton University, USA
R. Geske – The Anderson School of Management at UCLA, USA
M.H. Hamza – IASTED, Canada (Chair)

R. Hussain – University of Scranton, USA
A.N. Kercheval – Florida State University, USA
C. Kyrtsov – University of Montpellier I, France
H. Lai – Cornell University, USA
H. Locarek-Junge – Dresden University of Technology, Germany
C.A. Nolder – Florida State University, USA
P. Santa-Clara – The Anderson School of Management at UCLA, USA
R.K. Thulasiram – University of Manitoba, Canada
J. Vecer – Columbia University, USA
H.-Y. Wong – Chinese University of Hong Kong, PRC
C. Zopounidis – Technical University of Crete, Greece

PROGRAM OVERVIEW

Wednesday, July 2, 2003

- 07:00** Registration (*Foyer*)
- 08:20** Welcome Address (*Max Bell Room 253*)
- 08:30** Opening Address (*Max Bell Room 253*)
- 09:30** Session 1 – Modelling
(*TCPL Room 201*)
- 10:15 – 10:45** Coffee Break (*Foyer*)
- 10:45** Session 1 Continued
(*TCPL Room 201*)
- 12:00 – 14:00** Lunch Break
- 14:00** Session 2 – Securities and Risk
(*TCPL Room 201*)
- 15:00 – 15:30** Coffee Break (*Foyer*)
- 15:30** Session 2 continued
(*TCPL Room 201*)
- 17:00 – 22:00** Optional Evening Tour: Banff's Best – A
Look at Mountain Life
(*Foyer*)

Thursday, July 3, 2003

- 09:00** Session 3 – Derivatives
(*TCPL Room 201*)
- 10:00 – 10:30** Coffee Break (*Foyer*)
- 10:30** Session 3 continued
(*TCPL Room 201*)
- 12:00 – 14:00** Lunch Break (*Foyer*)
- 14:00** Round Table Discussion
(*TCPL Room 201*)
- 15:00 – 15:30** Coffee Break (*Foyer*)
- 15:30** Session 4 – Finance and Valuation
(*TCPL Room 201*)
- 19:30** Dinner Banquet (*Main Dining Room*)

Please Note

Report to your Session Chair 5 minutes before the session is scheduled to begin

WEDNESDAY, JULY 2, 2003

07:00 REGISTRATION

IASTED Staff: L. Qian and K. Mascardelli (Canada)
Room: Foyer

08:20 WELCOME ADDRESS

Presenter: M.H. Hamza (Canada)
Room: Max Bell Room 253

08:30 OPENING ADDRESS

Presenter: M.H. Hamza (Canada)
Room: Max Bell Room 253

09:30 – SESSION 1 – MODELLING

Chairs: TBA
Room: TCPL Room 201

401-028

Financial Modelling using Social Programming
M.S. Voss and J.C. Howland III (USA)

401-029

Modeling the Retailer Profitability in the Electricity
Market for Strategic Financial Planning
A. Gandelli, A. Gianaschi, S. Marchi, and R.E. Zich
(Italy)

401-035

Hedging through Multi-resolution Analysis Methods in
the Wholesale Electricity Market
A. Gandelli, S. Marchi, and R.E. Zich (Italy)

10:15 – 10:45 COFFEE BREAK

10:45 – SESSION 1 CONTINUED

12:00 – 14:00 LUNCH BREAK

14:00 – SESSION 2 – SECURITIES AND RISK

Chairs: TBA
Room: TCPL Room 201

401-016

Micro Finance Determinants of Non-traditional Debt
Financing
L.V.L.N. Sarma (Malaysia), M. Thenmozhi, and
S.K. Preeti (India)

401-036

The Valuation of Corporate Liabilities
J. Ericsson (Canada) and J. Reneby (Sweden)

401-020

Volatility Forecasting and Value at Risk
P. Sadorsky (Canada)

401-032

The Effect of Shock Events on Shareholders Value
M. Ferretti and E. Ziccardi (Italy)

15:00 – 15:30 COFFEE BREAK

15:30 – SESSION 2 CONTINUED

17:00 – 22:00 EVENING TOUR: BANFF'S BEST – A LOOK AT MOUNTAIN LIFE

(Optional)
Cost: \$75.00 USD
Meeting Place: Foyer

Welcome to Banff! This tour features the spray of cool waterfalls, an ascent up a mountain, a taste of local history, and a chance to spy on wildlife – complete in one evening! To start, feel the power of the Bow Falls and the beauty that surrounds it just below the Banff Springs Hotel. Continue exploring from some of the best views in town – Surprise Corner on Tunnel Mountain Drive, the Hoodoos (oddly shaped pillars of glacial rock), Mount Norquay's winding road, and Sulphur Mountain's peak. Your guide will provide interesting tidbits on Banff's rich natural and human history. Experience the history of Banff National Park at the birthplace of Canada's National Park system – the Cave and Basin – where you will be surrounded by the beauty of the mountain scenery and the reflective sulphur hot springs pool. You will also have time to view the many indoor and outdoor interpretive exhibits at this National Historic Site. Next, take a journey to the "top of the world" for a dinner at the summit of Sulphur Mountain! The eight-minute gondola ride to the top is only a preview of what is waiting for you at the peak. From 7,500 feet up, everyone has a first class seat to this amazing view of the entire Bow Valley and the town below and the 360-degree panoramic views will allow for many photo opportunities. Once at the top, you will enjoy a delicious dinner before returning to the town of Banff.

THURSDAY, JULY 3, 2003

09:00 – SESSION 3 – DERIVATIVES

Chairs: TBA

Room: TCPL 201

401-005

A Frequency Distribution Approach to Valuing Mortgage Commitment Risk

E.H. Neave and S. Slavinsky (Canada)

401-022

The Term Structure of Interest Rates in a Markov Setting

R.J. Elliott and C.A. Wilson (Canada)

401-023

Convertible Bonds with Call Notice Periods

A.J. Grau, P.A. Forsyth, and K.R. Vetzal (Canada)

401-025

Selfsimilar Additive Processes and Financial Modeling

C.A. Nolder (USA)

10:00 – 10:30 COFFEE BREAK

10:30 – SESSION 3 CONTINUED

12:00 – 14:00 LUNCH BREAK

14:00 – ROUND TABLE DISCUSSION

Chairs: TBA

Room: TCPL 201

15:00 – 15:30 COFFEE BREAK

15:30 – SESSION 4 – FINANCE AND VALUATION

Chairs: TBA

Room: TCPL Room 201

401-024

The Determinants of Foreign Direct Investment: An Empirical Examination

B.N. Jeon (USA) and S.S. Rhee (Korea)

401-800

Screen Trading and the Link between Cash and Future Prices: Evidence from UK Index Markets

A. Frino and M.D. McKenzie (Australia)

401-034

Complexity of the Ritchken-Trevor-Cakici-Topyan

GARCH Option Pricing Algorithm

Y.-D. Lyuu and C.-N. Wu (Taiwan)

19:30 DINNER BANQUET

Room: Main Dining Room

The staff at IASTED would like to thank you all for attending this year's FEA 2003 conference. Your participation has helped to make this international event a success, and we look forward to seeing you at upcoming IASTED events.