
Preface

Advances in Quantitative Analysis of Finance and Accounting is an annual publication designed to disseminate developments in the quantitative analysis of finance and accounting. The publication is a forum for statistical and quantitative analyses of issues in finance and accounting as well as applications of quantitative methods to problems in financial management, financial accounting, and business management. The objective is to promote interaction between academic research in finance and accounting and applied research in the financial community and the accounting profession.

The chapters in this volume cover a wide range of topics including security analysis and mutual fund management, option pricing theory and application, interest rate spread, and electricity pricing.

In this volume there are 15 chapters, 9 of them focus on security analysis and mutual fund management: 1. *Testing of Nonstationarities in the Unit Circle, Long Memory Processes and Day of the Week Effects in Financial Data*; 2. *Equity Restructuring Via Tracking Stocks: Is there any Value Added?* 3. *Do Profit Warnings Convey Information About the Industry?* 4. *Are Whisper Forecasts more Informative than Consensus Analysts' Forecasts?* 5. *Earnings Forecast-Based Returns Predictions: Risk Proxies in Disguise?* 6. *The Long-Run Performance of Firms that Issue Tracking Stocks*; 7. *The September Phenomenon of U.S. Equity Market*; 8. *Identifying Major Shocks in Market Volatility and their Impact on Popular Trading Strategies*; 9. *Performance of Canadian Mutual Funds and Investors*.

Three of other six chapters are related to option pricing theory and application: 1. *The Least Cost Super Replicating Portfolio for Shot Puts and Calls in the Boyle-Vorst Model with Transaction Costs*; 2. *Stock Option Exercises and Discretionary Disclosure*; 3. *On Simple Binomial Approximations for Two Variable Functions in Finance Applications*. Two of other three chapters are related to interest rate spread: 1. *The Prime Rate-Deposit Rate Spread and Macroeconomic Shocks*; 2. *Differences in Underpricing Returns Between Reit Ipos and Industrial Company Ipos*. The remaining one chapter is related to electricity pricing: *Fundamental Drivers of Electricity Prices in the Pacific Northwest*.