



Nanyang Technological University  
**DIVISION OF ECONOMICS**  
Seminar Series

The Division of Economics invites you to a seminar by Dr Wing-Keung Wong

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- Speaker** : **Dr Wing-Keung Wong**  
*Professor, Hong Kong Baptist University*
- Topic** : **"A New Pseudo-Bayesian Model of Investors' Behavior in Financial Crises"**
- Chairperson** : **Assistant Professor Feng Qu**  
*Division of Economics*  
*School of Humanities & Social Sciences*
- Date** : **Wednesday, 1 April 2015**
- Time** : **2:30 pm to 4.00 pm**
- Venue** : **Meeting Room 5 (HSS-04-89)**  
*Nanyang Technological University*  
*School of Humanities and Social Sciences*  
*14, Nanyang Drive*  
*Singapore 637332*

**About the Speaker:**

Professor WONG, Wing Keung obtained his PhD from the University of Wisconsin-Madison, USA with major in Business Statistics and obtained his Bachelor degree from the Chinese University of Hong Kong, Hong Kong, with a major in Mathematics and a double minor in Economics and Statistics. He is a Professor at the Department of Economics, Hong Kong Baptist University, teaching Finance, Economics, and Econometrics courses at the graduate level and undergraduate level.

Professor WONG appears in "Who's Who in the World." His Erdos Number is 3. He is ranked top 1% by Social Science Research Network and in the list of top Hong Kong economists and Asian economists and top 7% economists by RePEc. He is also in the list of top 5% authors by RePEc according to number of works, number of distinct works, number of journal pages, and some other criteria. He got more than 3000 citations by google scholar and got hundreds citations from Web of Sciences.

He has published more than hundred papers including papers published in Contemporary Accounting Research, Annals of Applied Probability, Mathematical Finance, European Journal of Operational Research, Journal of Business and Economic Statistics, Economic Theory, Journal of Empirical Finance, Journal of Financial Markets, Journal of Economic Behavior and Organization, Economics Letters, Econometrics Journal, Quantitative Finance, Economic Inquiry, Energy Economics, Statistics and Probability Letters, Journal of Risk, Journal of Operational Research Society, Journal of Financial Econometrics, Journal of Forecasting, Journal of International Financial Markets, Institutions & Money, Transport Policy, Personality and Individual Differences, Journal of Time Series Analysis, Applied Economics, Journal of Multinational Financial Management, Journal of Behavioral Finance, Pacific-Basin Finance Journal, Global Finance Journal, Annals of Finance, Mathematics and Computers in Simulation, IMA Journal of Management Mathematics, Review of Quantitative Finance and Accounting, North American Journal of Economics and Finance, Accounting & Finance, Economic Modelling, Energy Policy, Applied Mathematics Letters, Journal of International Consumer Marketing, Statistical Papers, Japanese Economic Review, Global Economic Review, Multinational Finance Journal, Central European Journal of Mathematics, Journal of Asian Economics, Mathematical Scientist, Applied Mathematics Letters, Journal of Retailing and Consumer Services, International Review of Financial Analysis, Current Issues in Method and Practice, etc.

He has been serving international academies, Government, society and universities, providing consultancy to several Government departments and corporations, and giving lectures and seminars to several universities. For example, he has been serving as editor, guest leading editor, advisor, associate editor for some international journals, appointed as an advisor/member of various international associations/institutes, serving as referee for many journals/conferences, supervising solely or jointly several overseas graduate students, appointed as external reviewer and external examiner by other universities, and invited by many universities/institutions to present papers or conduct seminars.

**Abstract:**

In this paper, we introduce a new pseudo-Bayesian model to incorporate the impact of a financial crisis and establish some properties of stock returns and investors' behavior during a financial crisis and subsequent recovery. Our approach provides a quantitative description for investors' representative and conservative heuristics by assuming that the earnings shock of an asset follows a modified random walk model to incorporate the impact of a financial crisis on the earnings of a firm. By using this model setup, we first establish some properties on the expected earnings shock and its volatility. Thereafter, we derive some properties of investors' behavior on the stock price and its volatility during a financial crisis and subsequent recovery. Last, we develop properties to explain some market anomalies, including short-term underreaction, longterm overreaction, and excess volatility during a financial crisis and subsequent recovery.

**Reservation:**

Admission is free. Please reply to [d-egc@ntu.edu.sg](mailto:d-egc@ntu.edu.sg) to confirm your attendance.