



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

The Division of Economics invites you to a seminar by Professor Cheolboem Park

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- Speaker** : **Cheolbeom Park**  
*Professor, Department of Economics, Korea University*
- Topic** : **"Dominant Shareholder, Minority Shareholders, and Stock Market Predictability: A Cross-country Evidence"**
- Chairperson** : **Associate Professor Eko Riyanto**  
*Division of Economics  
School of Humanities & Social Sciences*
- Date** : **20th April 2016 (Wednesday)**
- Time** : **2.30pm to 3.30pm**
- Venue** : **Meeting Room 6 (HSS-04-91)**  
*Nanyang Technological University  
School of Humanities and Social Sciences  
14, Nanyang Drive  
Singapore 637332*

**About the Speaker:**

Cheolbeom Park is a Professor of Economics at Korea University. He received his B.A. and M.A. in economics from Seoul National University and Ph.D. in economics from the University of Michigan – Ann Arbor. He was an Assistant Professor at National University of Singapore for seven years and a visiting scholar at the University of Washington and the University of Michigan. He has published widely on the subjects of financial economics, international finance and macroeconomics in a number of academic journals including *International Economic Review*, *Journal of Applied Econometrics*, *Journal of Business*, *Journal of International Money and Finance*, and *Journal of Money, Credit and Banking*

**Abstract:**

When a firm with a dominant shareholder is publicly traded, then the dominant shareholder determines cash-flow policy whereas the stochastic discount factor contained in the stock price may reflect the minority shareholders'. Therefore, as the disparity between voting rights and cash-flow rights increases, the relation between cash-flow and stochastic discount factor becomes loose, the stock price becomes more dependent on expected dividends than expected stock returns, and the dividend-price ratio has a stronger predictive power for dividend growth, and vice versa. Consistent with our model, we find a strong positive (negative) relation between dividend growth (stock return) predictability and the control-ownership disparity.

Key Words: Control-Ownership Disparity, Dividend-price ratio, Stock returns, Dividend growth, Predictability

JEL Classification: G12, E44, G32a

**Reservation:**

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