

# Murray Z. Frank

December 2020

---

Professor of Finance  
Piper Jaffray Endowed Faculty Fellow in Finance  
Carlson School of Management  
University of Minnesota  
Minneapolis, MN 55455  
phone: 612-625-5678  
e-mail: Murra280@umn.edu

Google Scholar (more than 13,000 cites):

<https://scholar.google.com/citations?user=iizj77oAAAAJ&hl=en&oi=sra>

SSRN Papers: [https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=59982](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=59982)

---

## Education

Ph.D., Economics, Queens University, 1985

M.A., Economics, University of Alberta, 1981

B.Sc., Zoology, University of Alberta, 1978.

## Academic Appointments

Professor of Finance, Carlson School of Management, University of Minnesota, 2005-present.

Special Term Professor, SAIF, Shanghai Jiao Tong University, 2014-present.

B.I. Ghert Family Foundation Chair, Sauder School of Business, University of British Columbia, 2001- 2006.

Full Professor with tenure, Sauder School of Business, University of British Columbia, July 2004 - 2006.

Associate Professor with tenure, Sauder School of Business, University of British Columbia, 1992- 2004.

Visiting Associate Professor, Finance Department, University of Maryland, 1997-98.

Visiting Associate Professor, Finance Department, Hong Kong University of Science and Technology, 1994-96.

Visiting Associate Professor, Management of Organizations Department, Hong Kong University of Science and Technology, 1992.

Assistant Professor, Faculty of Commerce, University of British Columbia, 1988-92.

Assistant Professor, Economics, University of Guelph, 1987-88.

Lecturer, Economics, University of Guelph, 1985-87.

### **Current Working Papers**

Hong Chen and Murray Z. Frank, 2020, Debt Financing Investment in the Long Run, work in progress.

Murray Z. Frank and Keer Yang, 2020, Measuring Expected Profits, work in progress.

Murray Z. Frank and Keer Yang, 2018, Does Finance Flow to High Productivity Firms?  
<https://ssrn.com/abstract=3295140>

### **Refereed Publications**

Murray Z. Frank and Ali Sanati, forthcoming, Financing Corporate Growth, **Review of Financial Studies**. <https://ssrn.com/abstract=3377665>.

Hong Chen and Murray Z. Frank, forthcoming, The Effect of Taxation on Corporate Finance and Investment, **Review of Corporate Finance Studies**. <https://ssrn.com/abstract=2878057>.

Hengjie Ai, Murray Z. Frank and Ali Sanati, forthcoming, The Trade-off Theory of Capital Structure, in Hamilton, J., A. Dixit, S. Edwards and K. Judd (eds.) **Oxford Research Encyclopedia of Economics and Finance**.

Murray Z. Frank, Vidhan K. Goyal, and Tao Shen, 2020, The Pecking Order Theory of Capital Structure, in Hamilton, J., A. Dixit, S. Edwards and K. Judd (eds.) **Oxford Research Encyclopedia of Economics and Finance**.

Murray Z. Frank and Tao Shen, 2019, Corporate Capital Structure Actions. **Journal of Banking and Finance**, 106, 284-402.

Murray Z. Frank and Mahdi (Pedram) Nezafat, 2019, Testing the Credit Market Timing Hypothesis Using Counterfactual Issue Dates, **Journal of Corporate Finance**. 58, October, 187-207.

Murray Z. Frank and Ali Sanati, 2018, How Does the Stock Market Absorb Shocks? **Journal of Financial Economics**, 129, 1, 136-153.

Murray Z. Frank, Tao Shen, 2016, Investment and the Weighted Average Cost of Capital, **Journal of Financial Economics**, 119, 2, 300-315.

Hong Chen and Murray Z. Frank, 2016, Are Direct Investments by the Federal Reserve a Good Idea? A Corporate Finance Perspective, **Quarterly Journal of Finance**, 6, 3.

Murray Z. Frank and Vidhan K. Goyal, 2015, Profits Leverage Puzzle Revisited, **Review of Finance**, 19, 4, 1415-1453.

- Murray Z. Frank and Vidhan K. Goyal, 2009, Capital Structure Decisions: Which Factors are Reliably Important? **Financial Management**, 38, Spring, 1-37.
- Murray Z. Frank and Vidhan K Goyal. "Trade-off and Pecking Order Theories of Debt" 2008 in Espen Eckbo (editor) **Handbook of Corporate Finance: Empirical Corporate Finance**, Volume 2, 135-202 (Elsevier Science/North-Holland).
- Hong Chen, Murray Z. Frank and Owen Wu, "U.S. Retail and Wholesale Inventory Performance from 1981 to 2004" **Manufacturing & Service Operations Management**, Fall 2007, 9, 4, 430-456.
- Hong Chen, Murray Z. Frank and Owen Wu, "What Actually Happened to the Inventories of American Companies Between 1981 and 2000?" **Management Science**, 51, 7, 1015-1031, 2005.
- Werner Antweiler and Murray Z. Frank "Is all That Talk Just Noise? The Information Content of Internet Stock Message Boards", **Journal of Finance**, 52, 1259-1294, 2004. Nominated for the 2004 Smith-Breeden Prize for the Best Paper published in the Journal of Finance in areas other than corporate finance.
- Murray Z. Frank and Vidhan K. Goyal, "The Effect of Market Conditions on Capital Structure Adjustment," **Finance Research Letters**, 1, 47-55, 2004.
- Hong Chen and Murray Frank, "Monopoly pricing when customers queue," **IIE Transactions**, 36, 569-581, 2004.
- Murray Z. Frank and Vidhan K. Goyal, "Testing the Pecking Order Theory of Capital Structure," **Journal of Financial Economics**, 67, 2, 217-248, 2003. 2003 Jensen Prize for the Best Paper Published in the Journal of Financial Economics in the Areas of Corporate Finance and Organizations (Second place)
- Hong Chen and Murray Frank "State Dependent Pricing with a Queue". **IIE Transactions**, 33, 10, pages 847-860, 2001.
- Murray Frank and Ravi Jagannathan, "Why do Stock Prices Drop by Less Than the Value of the Dividend? Evidence From a Country without Taxes," **Journal of Financial Economics**, 47, pages 161-188, 1998.
- C. Bram Cadsby, Murray Frank, and Vojislav Maksimovic "Equilibrium Dominance in Experimental Financial Markets," **Review of Financial Studies**, 11, 1, 189-232, 1998.
- Robert Forsythe, Murray Frank, Vasu Krishnamurthy and Thomas Ross "Markets as Predictors of Election Outcomes: Campaign Events and Judgement Bias in the 1993 UBC Election Stock Market," **Canadian Public Policy**, XXIV, 3, pages 329-351, 1998.
- Murray Frank and Thanasis Stengos "Chaotic Dynamics in Economic Time-Series," **Journal of Economic Surveys** 2, 2, pages 103-133, 1988. Reprinted in W. D. Dechert (ed.), *Chaos Theory in Economics: Methods, Models and Evidence*, The International Library of Critical Writing in Economics, Edward Elgar Publishing, Cheltenham, U.K. 1996. Also

reprinted in O. Hamouda and J. Rowley (eds.), *Foundations of Probability, Econometrics and Economic Games*, Edward Elgar Publishing, Cheltenham, U.K., 1997.

Murray Frank, Ramazan Gencay and Thanasis Stengos, "International Chaos?" **European Economic Review** 32, pages 1569-1584, 1988. Reprinted in W. D. Dechert (ed.), *Chaos Theory in Economics: Methods, Models and Evidence*, The International Library of Critical Writing in Economics, Edward Elgar Publishing, Cheltenham, U.K., 1996.

Murray Frank and Thanasis Stengos, "Some Evidence Concerning Macroeconomic Chaos," **Journal of Monetary Economics** 22, pages 423-438, 1988. Reprinted in W. D. Dechert (ed.), *Chaos Theory in Economics: Methods, Models and Evidence*, The International Library of Critical Writing in Economics, Edward Elgar Publishing, Cheltenham, U.K., 1996.

Murray Frank and Thanasis Stengos, "Measuring the Strangeness of Gold and Silver Rates of Return," **Review of Economic Studies** 56, 1989, pages 553-567, 1989. Reprinted in R.R. Trippi (ed.), *Chaos and Nonlinear Dynamics in Financial Markets*, Probus Publishing Company, 1995.

Robert Forsythe, Murray Frank, Vasu Krishnamurthy and Thomas Ross "Using Market Prices to Predict Election Results: the 1993 UBC Election Stock Market," **Canadian Journal of Economics**, 28, 4a, pages 770-793, 1995.

Murray Frank, Chera Sayers and Thanasis Stengos, "Evidence Concerning Nonlinear Structure in Provincial Unemployment Rates", **Structural Change and Economic Dynamics**, 4, 2, pages 333-343, 1993.

C. Bram Cadsby and Murray Frank, "Experimental Tests of Ricardian Equivalence," **Economic Inquiry**, pages 645-664, 1991.

C. Bram Cadsby, Murray Frank, and Vojislav Maksimovic, "Pooling, Separating and Semiseparating Equilibria in Financial Markets: Some Experimental Evidence," **Review of Financial Studies**, 3, pages 315-342, 1990.

Murray Frank and Thanasis Stengos, "The Stability of Canadian Macroeconomic Data as Measured by the Largest Lyapunov Exponent," **Economics Letters**, 27, pages 11-14, 1988.

Murray Z. Frank "An Intertemporal Model of Industrial Exit," **Quarterly Journal of Economics** CIII, pages 333-345, 1988.

### **Other Academic Contributions**

Murray Z. Frank, 2018, "Presidential Address: Machine Learning For Finance," Midwest Finance Association Meetings, San Antonio, March 2018  
<https://midwestfinance.org/files/meetings/2018/presidential-address-march18.pdf>

Murray Z. Frank, "Japanese Economic Performance During the 1990s: Comments on Morck and Nakamura," 2000, pages 350-363 in M. Nakamura (ed.), **The Japanese Business and Economic System**, Palgrave.

Murray Z. Frank, "Review of Varian, ed. Economic and Financial Modeling with Mathematica," in **Canadian Journal of Economics**, 1994, XXCVII, 1, 248-250.

Murray Z. Frank and Ron Giammarino, "Identifying Financially Distressed Credit Unions" report to the Ministry of Finance and Corporate Relations, Province of British Columbia, 1989.

### **Working Papers: Older**

Murray Z. Frank, Tao Shen, Common Factors in Corporate Capital Structure, April 2014. Presented at Econometric Society Summer Meetings June 2014, China International Conference in Finance July 2014, Northern Finance Association meetings September 2014.

Murray Z. Frank, Bank Loan Search, August 2011.

Boissay, F., M. Z. Frank, and R. Gropp, The Effect of Stock Market Fluctuations On Corporate Cash Flows, revised August 2011

Murray Z. Frank, Raj Singh, Tracy Wang, Personal Income Tax and Corporate Investment, December 2010.

Murray Z. Frank and Vidhan K. Goyal, Corporate Leverage Adjustment: How Much Do Managers Really Matter? revised December 2007.

Werner Antweiler and Murray Z. Frank Do US Stock Markets Typically Overreact to Corporate News Stories? revised November 2006.

Murray Z. Frank and Vojislav Maksimovic, Trade Credit, Collateral and Adverse Selection, Revised January 2005.

### **Professional Service**

Founder and Organizer (together with Gordon Phillips and Vojislav Maksimovic): **Virtual Corporate Finance Fridays**, May 2020 - now. More than 20 seminars held in 2020, and 15 more currently scheduled for the Spring 2021. <https://sites.google.com/site/uscfof/weekly-virtual-seminar>

**Minnesota Corporate Finance Conference.** Organized (together with colleagues) in 2010, 2012, 2014, 2016, 2018, 2020.

Advisory Board: **Journal of Risk and Financial Management**, 2018 - now.

Associate Editor: **The Quarterly Journal of Finance**, 2011 - now.

Associate Editor: **Review of Financial Studies**, 2005 - 2008.

Editorial Advisor: **Canadian Journal of Economics**, 2005 - 2008.

Associate Editor: **Finance Research Letters**, 2003 - 2014.

Nominating Committee Member, **American Finance Association**, 2007.

Second Year Past President, Board Member (2019-2020), Chair of the Advisory Board and Past President (2018-2019), President (2017-2018), First Vice-President and 2016 Program Chair, Second Vice-President. **Midwest Finance Association**.

Program Committee member (many years): Cavalcade, Cavalcade Asia, CICF, FIRS, NFA, WFA, and various smaller conferences

## Awards

“Capital Structure Decisions: Which Factors are Reliably Important?”, **Citations of Excellence Awards for 2014**. Over the past 15 years 50 papers a year (750 articles total) were selected as annual Citations of Excellence winners out of about 15,000 papers published annually in management and business. For 2014 a total of 35 papers were chosen from the 750 annual award winners, to receive this honor.

“Capital Structure Decisions: Which Factors are Reliably Important?”, **Citations of Excellence Awards for 2013**. “one of the top 50 articles with proven impact since its publication date (2009 in this case to allow for citation impact to be accurately measured) from the top 300 management journals in the world”. Joint with Vidhan Goyal.

“Capital Structure Decisions: Which Factors are Reliably Important?” This paper won a **2004 Best Paper Award at the NTU International Conference** on Finance organized by National Taiwan University. Joint with Vidhan Goyal.

“Is All That Talk Just Noise? The Information Content of Internet Stock Message Boards”, *Journal of Finance*, 52, 1259-1294, 2004. **Nominated for the 2004 Smith-Breeden Prize** for the Best Paper published in the *Journal of Finance* in areas other than corporate finance. Joint with Werner Antweiler.

**2003 Jensen Prize** for the Best Paper Published in the *Journal of Financial Economics* in the Areas of Corporate Finance and Organizations (Second place). Joint with Vidhan Goyal.

**Financial Executives of Canada Award, 1990**, for the best paper in corporate finance presented at the Northern Finance Association Meetings. Joint with C. B. Cadsby and V. Maksimovic.

**C.A. Curtis Award, 1986**, for the best doctoral thesis in economics at Queen’s University.