Lingnan University 嶺南大學 香港 Hong Kong | Faculty of Business 嶺南大學商學院 | 會計學系 Department of Accountancy | 香港商學研究所 Hong Kong Institute of Business Studies | Liberal Arts Education • Transformation For Life 博雅教育 成就一生

ACADEMIC SEMINAR

CEO Overconfidence and the Level of Short-selling Activity

This study examines the impact of CEO overconfidence on the level of short-selling activity, as proxy by short interest ratio. This research employs 19,300 listed firm-year observations from the US market during the two decades between 1992–2017. After controlling firm and institutional characteristics, empirical results show that short interest is positively associated with CEO overconfidence. The findings further reveals that this positive correlation is more pronounced when the product market competition is high or when the dividend payout ratio is low. An overconfident CEO may adapt a higher dividend payout policy to reduce short interest. This study is the first of its kind that comprehensively investigate the correlation between CEO overconfidence and short interest. The findings serves as valuable references for corporate governors with insights on the overconfidence effect of management. Information on this overconfidence effect will likewise allow investors to better determine those firms that match with their financial directions and goals.

Dr. LAM Mo Brian

Lecturer of BNU-HKBU United International College

Dr. LAM Mo Brian is a lecturer of BNU-HKBU United International College. He received his Ph.D. in accountancy from University of Macau and PgDA, MAcc, M.Phil. Degrees in Accountancy from Lingnan University. His research interests include capital market, strategy, quantum finance, and deep Learning.

Date: 17 March 2021 (Wednesday)

Time: 15:00 - 16:30

Venue: Zoom meeting
Please join Zoom Meeting, ID: 920 4823 2957 (password: classroom)
link: https://lingnan.zoom.us/j/92048232957?pwd=NzN5ZytLNDFRQmJFZGVHSnI2cHdndz09

Language: English

*** All are Welcome ***

For enquiries, please contact 2616-8373 or email to hkibs@Ln.edu.hk

Due date: 18 March 2021