

## Curriculum Vitae

### ROBERT A. CONNOLLY

#### PERSONAL DATA

Office: Kenan-Flagler School of Business  
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University of North Carolina - Chapel Hill  
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(919) 923-7876 (cell)

Married, four daughters.

#### EDUCATION

December, 1982	Ph.D. in Economics, University of Maryland, College Park.
May, 1979	M.A. in Economics, University of Maryland, College Park.
May, 1977	B.A. in Economics (Honors), University of Maryland, College Park.

#### RESEARCH INTERESTS

Investments – Capital Markets  
International Finance and Economics  
Real Estate Markets and Finance  
Applied Industrial Economics and Corporate Finance

#### APPOINTMENTS HELD

2003 – present	Adjunct Associate Professor, Department of Economics, University of North Carolina, Chapel Hill
2002 – present	Senior Research Fellow, Center for the Study of the American South, University of North Carolina, Chapel Hill
1993 – present	Associate Professor of International Finance and Economics, Kenan-Flagler Business School, University of North Carolina, Chapel Hill.
1990 - 1993	Assistant Professor, Kenan-Flagler Business School, University of North Carolina, Chapel Hill.
1986 - 1990	Assistant Professor of Finance, Graduate School of Management, University of California, Irvine.
1981 - 1986	Assistant Professor, Economics Department, School of Business and Economics, University of North Carolina at Greensboro.

#### PROFESSIONAL SOCIETIES

American Economic Association, American Finance Association, Econometric Society, Society for Financial Studies, Western Finance Association.

## PUBLICATIONS

- "Is There More to Long Memory in Fixed-Income Excess Returns and Volatility than Structural Instability?" (with Nuray Güner and Ken Hightower), **Journal of Money, Credit and Banking**, forthcoming, 2006.
- "Firm-level Conditional Volatility: New Evidence of Explanatory Power from Cross-firm Information," (with Chris Stivers), **Journal of Empirical Finance**, forthcoming, 2005.
- "Firm Size and the Effect of R&D on Tobin's  $q$ ," (with Mark Hirschey), **R&D Management**, (March 2005), 217 – 223.
- "Macroeconomic News, Stock Turnover, and Volatility Clustering in Daily Stock Returns," (with Chris Stivers), **Journal of Financial Research**, (Summer 2005), 235 – 259.
- "Stock Implied Volatility, Stock Turnover, and the Stock-Bond Return Relation," (with Chris Stivers and Licheng Sun), **Journal of Financial and Quantitative Analysis**, 40 (March 2005), 161 – 194.
- "Momentum and Reversals in Equity Index Returns with Abnormal Turnover and Return Dispersion in Individual Firm Stocks" (with Chris Stivers), **Journal of Finance**, (August 2003), 1521 – 1556.
- "International Equity Market Co-Movements: Economic Fundamentals or Contagion?" (with F. Albert Wang), **Pacific-Basin Finance Journal**, 11 (January 2003), 23 – 44.
- "Economic News and Stock Market Linkages: Evidence from the U.S., U.K., and Japan," (with F. Albert Wang), **Proceedings of the Second Joint Central Bank Research Conference on Risk Management and Systemic Risk**, 1999.
- Connolly, Robert A., "Price and Trading Volume Effects of Introducing Foreign Exchange Futures Options Trading," **Advances in Econometrics**, Vol. 11B (1997).
- Connolly, Robert A. and William M. Taylor, "Volume and Intervention Effects on Yen/Dollar Exchange Rate Volatility, 1977 – 1979," **Advances in Financial Planning and Forecasting**, Vol. 5, (1994).
- Pringle, John J. and Connolly, Robert A., "The Nature and Causes of Foreign Currency Exposure," **Journal of Applied Corporate Finance**, 6 (Fall 1993), 61-72. [reprinted in *Corporate Risk: Strategies and Management*, Gregory W. Brown and Donald H. Chew, eds., (London: Risk Books, 1999).]
- Connolly, Robert A., "A Posterior Odds Analysis of the Weekend Effect," **Journal of Econometrics**, 49 (July-August 1991), 51 – 103.
- Connolly, Robert A., "An Examination of the Robustness of the Weekend Effect," **Journal of Financial and Quantitative Analysis**, 24 (June 1989), 133 – 171. (lead article)

- Allen, Stuart D. and Robert A. Connolly, "Financial Market Influences on Aggregate Money Demand: A Bayesian Analysis" **Journal of Money, Credit and Banking**, 21 (May 1989), 158 – 175.
- Connolly, Robert A. and Mark Hirschey, "Firm Size and R&D Effectiveness: A Value-Based Test," **Economics Letters**, 32 (1990), 277 – 281.
- Connolly, Robert A. and Mark Hirschey, "Structure and Performance: A Test of the Accounting Bias Hypothesis," **Journal of Accounting and Public Policy**, 7 (Winter 1988), 313 – 334.
- Connolly, Robert A. and Mark Hirschey, "Market Value and Patents: A Bayesian Approach," **Economics Letters**, 27 (1988), 83 – 87.
- Hirsch, Barry T. and Robert A. Connolly, "Do Unions Capture Monopoly Profits?" **Industrial and Labor Relations Review**, 41 (October 1987), 118 – 135.
- Connolly, Robert A., Barry T. Hirsch, and Mark Hirschey, "Union Rent-Seeking, Intangible Capital, and Market Value of the Firm," **Review of Economics and Statistics**, 68 (November 1986), 567 – 577.
- Connolly, Robert A., "Assessing the Importance of Measurement Error in Capital Investment Models," **Managerial and Decision Economics**, 7 (September 1986), 177 – 186.
- Connolly, Robert A. and Steven Schwartz, "The Intertemporal Behavior of Economic Profits," **International Journal of Industrial Organization**, 3 (December 1985), 379 – 400.
- Connolly, Robert A. and C.J. LaCivita, "A Note on the Statistical Properties of Aggregate  $q$  Measures," **Economics Letters**, 19 (1985), 177 – 181.
- Connolly, Robert A. and Mark Hirschey, "R&D, Market Structure, and Profits: A Value-Based Approach," **Review of Economics and Statistics**, 66 (November 1984), 682 – 686.

#### **RESEARCH PAPERS UNDER REVISION**

- "How Skill and Luck Interact in Determining Golf Scores on the PGA Tour," (with Carl Ackermann and Richard Rendleman), invited revision for **Journal of the American Statistical Association**, under review, July 2005.
- "Commonality in the Time-Variation of Stock-Bond and Stock-Stock Return Co-Movements," (with Chris Stivers and Licheng Sun), invited revision for **Journal of Financial Markets**, under review, September 2005.

#### **RESEARCH PROJECTS IN PROCESS**

- "Trade Shocks, Risk, and the Cost of Equity Capital for U.S. Industries," October 2003.

"Asymmetries in Real Estate Return Betas and Correlations" (with David Hartzell), July 2004.

"Institutional Ownership, Firm Governance and Market Valuation of Firm R&D Investments (with Mark Hirschey), November 2004.

"Local vs. Global Factors in Urban Rents," February 2005.

### **OTHER RESEARCH PAPERS**

"Performance and Perception: Results from a Survey of US. Textile Manufacturers," (with Patrick Conway), October 2004.

"Cointegration Modeling of Expected Exchange Rates," (with Paisan Limratanamongkol), January 2002.

"Foreign Market Cash Flow Exposure: A Multi-Country, Firm-Level Study," (with David Ravenscraft and Arzu Ozoguz), August 2001.

"On Stock Market Return Co-Movements: Macroeconomic News, Dispersion of Beliefs, and Contagion" (with F. Albert Wang), July 2001.

"Asset Pricing Models: Estimation and Diagnostics of Discount-Rate Processes," (with Jennifer Conrad and Karl Snow), March 1995.

"Hysteresis, Real Options, and Equity Market Pricing of Currency Risk," (with Steve Christophe), March 1994.

### **RESEARCH AWARDS**

April 2000 Best Investments paper at Global Finance Conference, Chicago, Illinois.

October 1995 Kenan Institute Fellow, University of North Carolina – Chapel Hill.

June 1988 American Association of Individual Investors Award for Best Investments paper at Western Finance Association Meetings, Napa, California.

### **RESEARCH GRANTS**

2003-2005 Wachovia Center for Corporate Finance (\$2,000, "Marginal Impact of the Corporate Governance on Company Performance in a Changing Market Environment").

2002-2003 Sloan Foundation grant (\$45,000) for "Profiting from Globalization: Winning (and Losing) Strategies in US Production of Textiles and Apparel," joint with Pat Conway and Al Field, UNC-CH Department of Economics)

1996-1997 Hoechst-Celanese Corporation (\$5,000, Computing Support)

1995-1996 Hoechst-Celanese Corporation, joint with Curt McLaughlin (\$3,000 Real Options for R&D)

- 1995-1996 Cato Center for Applied Research, Kenan-Flagler Business School, UNC-CH (\$2,000, Exchange Rate Expectation Formation and Revision)
- 1993 - 1994 UNC-CH University Research Council Small Grant Program (\$1,000, Bayesian VAR Modeling of Bond and Foreign Exchange Trading Returns)
- 1988 - 1989 Irvine Faculty Research Fellowship (\$8,000, Calendar Effects in U.S. Asset Returns)
- 1987 - 1988 American Express Foundation Grant (\$5,000, Mortgage Banking Course Development)
- 1986 - 1988 Academic Senate Committee on Research, University of California, Irvine.
- 1981 - 1983 Center for Applied Research Fellow, University of North Carolina at Greensboro.

## **TEACHING**

### **Graduate Courses**

*Executive MBA:* Applied Microeconomics, Trade and Commercial Policy Seminar, Open-Economy Macroeconomics, Financial Management, International Finance, Global Capital Markets, International Business, International Business Study Trip (Turkey/Germany-1997).

*MBA Program:* Applied Microeconomics, Industry Economic Analysis, Summer Economics Preparation Course, International Finance, Capital Markets, Mortgage Finance, Integrative Exercise (2003), International Business Study Trip (Thailand/China-1998).

*Ph.D.:* International Financial Economics, Capital Markets, Empirical Investments.

*Economics (MA):* Financial Economics, Advanced Econometrics, Monetary Economics, Advanced Macroeconomic Theory.

### **Undergraduate Courses**

*Business:* Applied Microeconomics, International Finance, International Finance and Business Seminar, Global Scholars Program (China/Korea/Thailand).

*Economics:* Money and Banking, Quantitative Methods, Intermediate Microeconomics, Principles of Macroeconomics.

### **Undergraduate Honors Thesis Advisor (BSBA Program)**

2002: Arvind Gopal.

2003: Taena Kim, Christie Ulman, Lauren Gingerich, Ting Li, Brandon Price.

2004: Melissa Anderson, Sung-Wook Kim.

## **Distance Delivery Courses**

*Introduction to Microeconomics: Analytical Building Blocks for Business*, Television/Internet-based microeconomics course produced with University Access, Inc. and distributed nationally in the United States by the Public Broadcasting System's (PBS) Adult Learning Service (1998).

*Introduction to Macroeconomics: Mastering the Global Economy*, Television/Internet-based macroeconomics course produced with University Access, Inc. and distributed nationally in the United States by the Public Broadcasting System's (PBS) Adult Learning Service (1999).

## **Ph.D. Student Committees**

Steve Christophe (1992), Gary Patterson (1994), Ji-Won Lim (1995, Economics Department), Pat Dennis (1996), Nuray Güner (1996), Bill Marcum (1997), Lisa Zingaro (1997, Chair), Chris Stivers (1998), Paisan Limratamongkol (2000), Michael Cliff (2000), Liang Ding (2005, Economics Department).

Ph.D. Summer paper advisor for 10 papers, 1991- 2000.

## **TEACHING AWARDS AND RECOGNITION**

### **Traditional Degree Courses**

MBA Class of 2006 Teaching Award for Outstanding Dedication, Kenan-Flagler Business School, University of North Carolina – Chapel Hill (April 2005).

MBA Master Teacher Designation, Kenan-Flagler Business School, University of North Carolina – Chapel Hill (September 2003).

Executive MBA Teaching Award, Kenan-Flagler Business School, University of North Carolina – Chapel Hill (September 1997).

MBA Teaching Award, Kenan-Flagler Business School, University of North Carolina – Chapel Hill (April 1992).

Teaching Excellence Award, Executive MBA Program, University of California, Irvine (June 1990).

Teaching Excellence Award, Executive MBA Program, University of California, Irvine (June 1989).

Department of Economics Outstanding Teaching Citation for Undergraduate Instruction, University of Maryland (Fall 1978).

### **Distance Learning Courses**

Gold Award for *Introduction to Macroeconomics: Mastering the Global Economy* in Worldfest International Film Festival, Interactive-Educational-Adult Category (December 1999).

Silver Award for *Introduction to Macroeconomics: Mastering the Global Economy* in Worldfest International Film Festival, Educational-Instructional-Adult Category (December 1999).

United States Distance Learning Association First Prize Award in Higher Education Category for *Introduction to Macroeconomics: Mastering the Global Economy* (November 1999).

Bronze Awards for *Introduction to Microeconomics: Analytical Building Blocks for Business*, presented at the 40th Annual International Cinema in Industry Competition (CINDY Award, March 1999).

United States Distance Learning Association Second Prize Award in Higher Education Category for *Introduction to Microeconomics: Analytical Building Blocks for Business* (October 1998).

United States Distance Learning Association Third Prize Award in Continuing Education Category for *Introduction to Microeconomics: Analytical Building Blocks for Business* (October 1998).

### **Other Teaching Recognitions**

Most Popular Professors – Kenan-Flagler Business School (1998 ed. of Business Week Guide to MBA Programs).

Faculty Other Best Bets – Kenan-Flagler Business School (1994 ed. of Business Week Guide to MBA Programs).

Outstanding Faculty - Kenan-Flagler Business School (1992 ed. of Business Week Guide to MBA Programs).

### **EXECUTIVE PROGRAMS**

Financial Management for Monsanto and Society of Human Resource Managers (September 2000, August 2000, July 2001, October 2001, February 2002, April 2002, July 2002, October 2002, April 2003, July 2003, October 2003, April 2004, July 2004, October 2004, April 2005, July 2005, and November 2005).

Finance for Marketing Managers (Mexico City, November 2005)

Finance for Non-Financial Managers (October 2003)

Real Options for Monsanto and Novartis (September 1999, August 2000, October 2000, and October 2001)

Globalization and Capital Markets for Mortgage Banker's Association (September 2000)

Corporate MBA Program faculty development team (June 1998 – March 2001)

Managing Innovation for National Gypsum Company Leadership Institute (April-May 1994)

Securitization for Bank Administration Institute, UNC-CH (October 1991, October 1992, May 1994).

Securitization for American Financial Services Academy, UNC-CH (June 1991 - 1994)

Exchange Rate Analysis for Glaxo Latin America (August 1991)

Financial Analysis for Program for Technology Managers, UNC-CH (April - July 1991)

Financial Analysis for Burroughs-Wellcome Management Institute, UNC-CH (March-April 1991, March-April 1992, March-April 1993, March-May 1994, March 1995)

International Financial and Strategic Management for Allergan, Inc. (November 1989)

## **ACADEMIC SERVICE**

### **Administrative Appointments**

1998-1999 Director of Information Technology and Learning Innovation (KFBS, UNC-CH)

### **Committee Service**

2005-	MBA Academic Appeals Committee (KFBS, UNC-CH)
2002-	Faculty Advisory Board, Center for the Study of the American South (UNC-CH)
2002-2003	Undergraduate International Programs Committee (KFBS, UNC-CH)
1999-2001	CIBER Advisory Board (KFBS, UNC-CH)
1999	MBA Core Redesign Committee (KFBS, UNC-CH)
1997-2000	International Programs Committee (KFBS, UNC-CH)
1997-2001	EMBA Advisory Committee (KFBS, UNC-CH)
1997	Dean's Search Committee (KFBS, UNC-CH)
1996-1997	Chair, Technology Committee (KFBS, UNC-CH)
1994	Chair, MBA Quantitative Methods Study Committee (KFBS, UNC-CH)
1992-1994	Teaching Task Force (KFBS, UNC-CH)
1992-1994	MBA Enterprise Corps Interview Team (KFBS, UNC-CH)
1993-1994	Chair, EMBA Expansion Committee (KFBS, UNC-CH)
1991-1992	MBA International Business Studies Committee (KFBS, UNC-CH)
1989-1990	Supercomputing Policy Committee (UC-Irvine)
1987-1990	GSM MBA Program Committee (UC-Irvine)
1987-1988	Chair, GSM Computing Committee (UC-Irvine)
1987-1988	GSM Dean's Search Committee (UC-Irvine)
1987-1988	Academic Senate Faculty Retreat Committee (UC-Irvine)

Additional service assignments include four reappointment or promotion/tenure committees (1994-2000), member of Bank of America University Advisory Council (2000), recruiting liaison for Salomon Smith Barney (1998), member of committee assessing merit of faculty technology application grants (1998-2000), and headed economics recruiting (1994-2000).

### **Service Awards**

May 1990 Faculty Service Award, Graduate School of Management, University of California, Irvine.

### **Recent Contributions to Academic Meetings**

"Commonality in the Time-Variation of Stock-Bond and Stock-Stock Return Co-Movements," (with Chris Stivers and Licheng Sun), presented at European Central Bank – Center for Financial

Studies Conference on Capital Markets and Financial Integration in Europe, Frankfurt am Main, Germany, May 2004.

"Institutional Ownership and R&D Effectiveness" (with Mark Hirschey), presented at Allied Social Sciences Conference, San Diego, California, January 2004.

"An International Analysis of Stock-to-Bond and Stock-to-Stock Return Comovements with Time-Varying Uncertainty," (with Chris Stivers and Licheng Sun) presented at Financial Management Association, Denver, Colorado, October 2003.

Program Committee for European Finance Association (2001, 2003).

"Firm-level Conditional Volatility: New Evidence of Explanatory Power from Cross-firm Information," (with Chris Stivers) presented at Financial Management Association, Toronto, Canada, October 2001.

"Is There More to Long Memory in Fixed-Income Excess Returns and Volatility than Structural Instability?" (with Ken Hightower and Nuray Güner) presented at Society for Computational Economics meetings, New Haven, Connecticut, June 2001.

"On Stock Market Return Co-Movements: Macroeconomic News, Dispersion of Beliefs, and Contagion," (with F. Albert Wang), presented at Western Finance Association meetings, Tucson, Arizona, June 2001.

"On Stock Market Return Co-Movements: Macroeconomic News, Dispersion of Beliefs, and Contagion," (with F. Albert Wang), presented at 7th Mitsui Life Symposium on Global Financial Markets, Ann Arbor, Michigan, November 2000.

"Evidence on the Economics of Equity Return Volatility Clustering," (with Chris Stivers), presented at European Finance Meetings, London, England, August 2000.

"Evidence on the Economics of Equity Return Volatility Clustering," (with Chris Stivers), presented at World Congress of the Econometric Society, Seattle, WA, August 2000.

"International Equity Market Comovements: Economic Fundamentals or Contagion?," (with F. Albert Wang), presented at Global Finance Conference, Chicago, IL., April 2000.

"Long Memory Characteristics of the Distribution of Treasury Security Yields, Returns, and Volatility" (with Nuray Güner), presented at Econometric Society meetings, Boston, MA., January 2000.

"Conditional Stock Market Return Autocorrelation and Price Formation: International Evidence from Six Major Equity Markets," (with Chris Stivers), presented at American Finance Association, Boston, MA., January 2000.

"Foreign Market Exposure, International Risk, and Global Economic Crises: A Multi-Country, Firm-Level Study," (with Arzu Ozoguz and David Ravenscraft), presented at European Finance Association, Helsinki, Finland, August 1999.

"International Equity Market Comovements: Economic Fundamentals or Contagion?" (with F. Albert Wang) presented at 1999 WFA meetings in Santa Monica, June 1999.

"International Equity Market Comovements: Economic Fundamentals or Contagion?" (with F. Albert Wang) presented at Fifth International Finance Conference, Atlanta, Georgia, May 1999.

"Cointegration Modeling of Expected Exchange Rates" (with Paisan Limratanamongkol), presented at the Society for Computational Economics, Boston, MA., June 1999.

"Long Memory Characteristics of the Distribution of Treasury Security Yields, Returns, and Volatility" (with Nuray Güner), presented at the Society for Computational Economics, Boston, MA., June 1999.

"Economic News and Stock Market Linkages: Evidence from the U.S., U.K., and Japan," (with F. Albert Wang), presented at the Second Joint Central Bank Research conference on Risk Management and Systemic Risk, Tokyo, Japan, October 1998.

"Time-Varying Lead-Lag of Equity Returns in a World of Incomplete Information," (with Chris Stivers), presented at American Finance Association meetings, New Orleans, LA, January 1997.

"Can Economic News Explain the U.S.-Japan Stock Market Return and Volatility Linkages," (with F. Albert Wang), presented at First Annual National Taiwan University Conference on International Money and Finance, June 1994, and at Financial Management Association meetings, St. Louis, MO., October 1994.

"Asset Pricing Models: Estimation and Diagnostics of Discount-Rate Processes," (with Jennifer Conrad and Karl Snow), presented at American Finance Association meetings, Boston, MA, January 1994.

### **Other Recent Invited Presentations**

"Trade and the South," presented at Transnational South Seminar Series sponsored by the University Center for International Studies (UCIS), October 2001.

"Is There More to Long Memory in Fixed-Income Excess Returns and Volatility than Structural Instability?" (with Ken Hightower and Nuray Güner) presented in the UNC-CH Economics Department Financial Econometrics workshop, April 2001.

"Cointegration Modeling of Expected Exchange Rates" (with Paisan Limratanamongkol), presented in UNC-CH Economics Department International Economics/Economic Development workshop, October 1999.

"Cointegration Modeling of Expected Exchange Rates" (with Paisan Limratanamongkol), presented in NCSU Economics Department International Economics workshop, November 1999.

Presentation to North Carolina Accounting Educators Conference in Greensboro, N.C., on technology-enabled learning issues, February 1999.

Presentation on technology-enabled learning to the Proctor and Gamble Teaching Conference at Notre Dame University, March 1999.

### **Academic Reviews**

Journal article referee for the following journals:

<b>Economics Bulletin</b>	<b>European Financial Management</b>
<b>Financial Management</b>	<b>Financial Practice and Education</b>
<b>Financial Review</b>	<b>International J. of Industrial Organization</b>
<b>Journal of Business and Economic Statistics</b>	<b>Journal of Empirical Finance</b>
<b>Journal of Finance</b>	<b>J. of Financial and Quantitative Analysis</b>
<b>Journal of Financial Research</b>	<b>Journal of Financial Services Research</b>
<b>Journal of Futures Markets</b>	<b>Journal of Labor Economics</b>
<b>Journal of International Money and Finance</b>	<b>Journal of Money, Credit, and Banking</b>
<b>Management Science</b>	<b>Managerial and Decision Economics</b>
<b>Pacific-Basin Finance Journal</b>	<b>Review of Economics and Statistics</b>
<b>Review of Financial Studies</b>	<b>Review of International Economics</b>

### **DISSERTATION**

"A Simultaneous Equations Approach to the Short-Run Demand for Money by Firms" - Financial constraints are integrated into a model for short-run production factors and liquid asset demand by firms. The role of current assets in the firm's real activity is analyzed and a model is estimated using firm-level data for the 1976-1980 period. (unpublished, Advisor: Paul A. Meyer)