

1st Annual Emerging Financial Markets and Policy Conference - EFMP 2021

“Challenges and Opportunities Facing Emerging Financial Markets”

Sri Lanka Finance Association

26th June 2021, Colombo, Sri Lanka

Conference Program (Virtual Conference)

08.00 AM - 08.10 AM Commencement

Welcome Address

*Manjula Wanniarachchige, University of Ruhuna, Sri Lanka
Secretary-Conferences, Sri Lanka Finance Association*

Address by the President

*Lalith Samarakoon, University of St. Thomas, Minnesota, USA
President, Sri Lanka Finance Association*

08.10 AM - 08.40 AM Keynote Address: *The Challenge of Meeting Sustainable Development Goals (SDG) while Fostering Green Finance*

Jonathan A. Batten

Professor of Finance, RMIT University, Australia



Jonathan A. Batten is Professor of Finance at RMIT University, Melbourne, Australia, an Honorary Professor in the Discipline of Management at the University of Science Malaysia, and an Honorary Chair Professor at the East China University of Science & Technology, Shanghai, China. Prior to these positions he worked as a Professor in Finance at the Hong Kong University of Science & Technology, Monash University, Australia, Seoul National University, Korea, the University of Sydney, Australia and University Utara Malaysia.

He is the Managing Editor of Elsevier's Journal of International Financial Markets, Institutions & Money (JIFMIM), Co-Editor of Finance Research Letters, and Senior Editor of Emerging Markets Review. Prof. Batten also serves on the Editorial Advisory Board of the Journal of Emerging Financial Markets and Policy.

Prior to working in academia, Prof. Batten held senior treasury and risk management consulting positions with several institutions including Bank of Tokyo, Credit Lyonnais, IBM Consulting and Reuters Ltd.

Prof. Batten's published research crosses several disciplines: firstly, in the business area on insider trading and market manipulation, bond pricing and corporate foreign exchange risk management; secondly, in energy and applied mathematics on complexity in financial time series and market integration; and thirdly, in economic policy on financial market development and the societal impacts of foreign direct investment. His current research is based on assessing the impact on banking and financial markets of the expected worldwide shift to renewable energy and adjusting to the effects of climate change.

Chair: *Hareendra Dissabandara, University of Sri Jayewardenepura, Sri Lanka*

Executive Secretary, Sri Lanka Finance Association

08.40 AM - 10.10 AM

Concurrent Sessions A1 & B1

Session A1: Corporate Finance, Capital Markets & Private Equity

Chair: *P.D. Nimal, University of Sri Jayewardenepura, Sri Lanka*

Convener: *K.D.T.N. Weerasinghe, University of Ruhuna, Sri Lanka*

1 Do Investors Listen? Exploring the Effectiveness of Investor Relationship Management on Firm-Specific Information Content

Author(s): *Paramita Gupta, California State University - Long Beach, USA*
Dan He, Southwestern University of Finance and Economics, China
Yulong Ma, California State University - Long Beach, USA
Jasmine Yur-Austin, California State University - Long Beach, USA

Presenter: *Yulong Ma*

Discussant: *Mohan Fonseka, Xi'an Jiaotong University, Xi'an, China*

2 Factors Contributing to the Changes in Broker Credit Directives; Evidence from Sri Lanka

Author(s): *Kaushalya Gayani, University of Sri Jayewardenepura, Sri Lanka*
Hareendra Dissabandara, University of Sri Jayewardenepura, Sri Lanka

Presenter: *Kaushalya Gayani*

Discussant: *T.U.I. Peiris, Sabaragamuwa University of Sri Lanka*

3 Determinants of Private Equity: Review of Empirical Studies

Author(s): *Vrinda Rawal, Indian Institute of Foreign Trade, India*
Sheeba Kapil, Indian Institute of Foreign Trade, India

Presenter: *Vrinda Rawal*

Discussant: *Rathnasiri Ranasinghe, Wayamba University of Sri Lanka*

Session B1: Money Laundering, Micro Finance & Real Estate

Chair: *Suresh De Mel, University of Peradeniya, Sri Lanka*

Convener: *Indunil Ediriweera, Wayamba University of Sri Lanka*

4 An Index to Assess Risk of Money Laundering in Designated Non-Financial Institutions, Challenges faced by Emerging Market Economies and a Case Study for Sri Lanka

Author(s): *Theja Samarasinghe, Central Bank of Sri Lanka*

Presenter: *Theja Samarasinghe*

Discussant: *David Shannon, Asia-Pacific Group on Money Laundering*

5 Impact of Microfinance Program on Micro-Enterprises Development: A Case of Gandaki Province, Nepal

Author(s): *Bharat Ram Dhungana, Pokhara University, Nepal*

Deepesh Ranabhat, Pokhara University, Nepal

Presenter: *Deepesh Ranabhat*

Discussant: *Ruwan Abeysekera, University of Kelaniya, Sri Lanka*

6 Determinants of Profitability in the Real Estate Industry: A Comparative Study between Sri Lanka and Japan

Author(s): *N.D. Kaluarachchi, Ritsumeikan Asia Pacific University, Japan*

Presenter: *N.D. Kaluarachchi*

Discussant: *R.M.N.C. Swarnapali, Rajarata University of Sri Lanka*

10.10 AM - 10.20 AM

Break

10.20 AM - 11.50 AM

Concurrent Sessions A2 & B2

Session A2: Behavioral Finance

Chair: Anup Basu, *Queensland University of Technology, Australia*

Convener: Navini Perera, *University of Kelaniya, Sri Lanka*

7 Who Gets Believed? Trust and Investor Reaction to Earnings Announcements

Author(s): Q.N. Ahmed, Sindh Madressatul Islam University, Pakistan

S. Sharif, Institute of Business Administration, Pakistan

Presenter: S. Sharif

Discussant: A.L. Abdul Rauf, South Eastern University of Sri Lanka

8 Influence on Psychological Biases in Financial Investment Behavior: Evidence from Selected Sri Lankan Investors

Author(s): Chamika Chandrasiri, University of Kelaniya, Sri Lanka

Uththara Dissanayake, University of Kelaniya, Sri Lanka

Susima Weligamage, University of Kelaniya, Sri Lanka

Presenter: Uththara Dissanayake

Discussant: Barat Ram Dhungana, Pokhara University, Nepal

9 Structural Equation Modeling Approach of Measuring Perceived Behavioral Factors Affecting an Investor's Decision in the Stock Market of Nepal

Author(s): Bibek Karmacharya, Pokhara University, Nepal

Ramkrishna Chapagain, Pokhara University, Nepal

Bharat Ram Dhungana, Pokhara University, Nepal

Kanhaiya Singh, GLA University, India

Presenter: Ramkrishna Chapagain

Discussant: Lingesiya Kengatharan, University of Jaffna, Sri Lanka

Session B2: Corporate Governance

Chair: Roshan Ajward, *University of Sri Jayewardenepura, Sri Lanka*

Convener: Suminda Bogamuwa, *Wayamba University of Sri Lanka*

10 An Evaluation of the Compliance of Sri Lankan Companies with Corporate Governance Principles and Best Practices: Empirical Evidence from Sri Lanka

Author(s): D.H.S.W. Dissanayake, University of Sri Jayewardenepura, Sri Lanka

Hareendra Dissabandara, University of Sri Jayewardenepura, Sri Lanka

Roshan Ajward, University of Sri Jayewardenepura, Sri Lanka

Presenter: D.H.S.W. Dissanayake

Discussant: Emil Sudath Kumara, Wayamba University of Sri Lanka

11 Corporate Governance Practices and Intellectual Capital Disclosure: Evidence from Non Financial Institutions in Sri Lanka

Author(s): Dimon Ford Jeyan Suganya, University of Jaffna, Sri Lanka

Presenter: Dimon Ford Jeyan Suganya

Discussant: Roshan Ajward, University of Sri Jayewardenepura, Sri Lanka

12 Can Ownership Concentration Reduce Firm Performance? Evidence from Firms Listed in Colombo Stock Exchange under Banks, Diversified Financials and Insurance Sectors

Author(s): Dhanushika Samarawickrama, University of Ruhuna, Sri Lanka

Manjula K. Wanniarachchige, University of Ruhuna, Sri Lanka

K.D.T.N. Weerasinghe, University of Ruhuna, Sri Lanka

Presenter: Dhanushika Samarawickrama

Discussant: Hareendra Dissabandara, University of Sri Jayewardenepura, Sri Lanka

11.50 AM - 12.20 PM

Lunch Break

12.20 PM - 12.50 PM

Special Session: Publishing Research in Finance

*Jonathan Batten, Professor of Finance, RMIT University, Australia
Managing Editor of Journal of International Financial Markets, Institutions & Money,
Co-Editor of Finance Research Letters, Senior Editor of Emerging Markets Review*

*Moderator: Athula Ekanayake, University of Peradeniya, Sri Lanka
Vice President, Sri Lanka Finance Association and
Managing Editor, Journal of Emerging Financial Markets and Policy*

12.50 PM - 01.00 PM Break

01.00 PM - 02.30 PM

Concurrent Sessions A3 & B3

Session A3: Capital Structure, Working Capital & Taxation

Chair: *Yasushi Suzuki, Ritsumeikan Asia Pacific University, Japan*
Convener: *Nishani Ekanayake, University of Colombo, Sri Lanka*

13 Static Trade-off and Pecking Order Models of Capital Structure: An Empirical Testing in Sri Lankan Listed Companies

*Author(s): K. Kalainathan, Vavuniya Campus of the University of Jaffna, Sri Lanka
L. Kengatharan, University of Jaffna, Sri Lanka
Presenter: K. Kalainathan
Discussant: Indunil Dayaratne, Sabaragamuwa University of Sri Lanka*

14 Impact of Working Capital Management on Firm's Profitability: Evidence from Listed Insurance Companies in the Colombo Stock Exchange

*Author(s): M.M.S.K.B. Bogamuwa, Wayamba University of Sri Lanka
H.G.N. Sewwandi, Wayamba University of Sri Lanka
Presenter: M.M.S.K.B. Bogamuwa
Discussant: R.P.C.R. Rajapakse, University of Sri Jayewardenepura, Sri Lanka*

15 The Impact of Taxation on Investment Decisions of the CSE Listed Manufacturing Companies in Sri Lanka

*Author(s): O.D. Peiris Pulle, Eastern University of Sri Lanka
T. Paranathan, Eastern University of Sri Lanka
Presenter: O.D. Peiris Pulle
Discussant: Saqib Sharif, Institute of Business Administration, Pakistan*

02.30 PM - 02.40 PM Break

Session B3: Monetary Policy & Banking

Chair: *Chandranath Amarasekara, Central Bank of Sri Lanka*
Convener: *K.J.T. Perera, Uva Wellassa University, Sri Lanka*

16 Dynamics of Banking Performance and Economic Growth: Long Run Financial Development in Sri Lanka

*Author(s): Tharangi Jayamali Wanigasuriya, University of Peradeniya, Sri Lanka
Presenter: Tharangi Jayamali Wanigasuriya
Discussant: K.V. Aruna Shantha, Rajarata University of Sri Lanka*

17 Monetary Policy Rules and Zero Lower Bound on Nominal Interest Rates in a Cost Channel Economy

*Author(s): Lasitha R.C. Pathberiya, Central Bank of Sri Lanka
Presenter: Lasitha R.C. Pathberiya
Discussant: Siddhartha Chattopadhyay, Indian Institute of Technology – Kharagpur, India*

18 The Impact of Social Capital on Operational Performance: Evidence from Domestic Licensed Commercial Banks in Sri Lanka

*Author(s): D.M. Nuwangani, Uva Wellassa University, Sri Lanka
Y.M.C. Gunaratne, Uva Wellassa University, Sri Lanka
Presenter: D.M. Nuwangani
Discussant: Chandana Gunathilaka, University of Sri Jayewardenepura, Sri Lanka*

02.40 PM - 04.10 PM

Concurrent Sessions A4 & B4

Session A4: Corporate Governance & Behavioral Finance

Chair: *Suba Menike, Sabaragamuwa University of Sri Lanka*

Convener: *R. Kajanathan, University of Jaffna, Sri Lanka*

19 Institutional Adoption of Principle-Based Corporate Governance Practices: Study on the Listed Food, Beverage and Tobacco Industry in Sri Lanka

Author(s): *Imalka Lewliyadda, Uva Wellassa University of Sri Lanka*
K.M.M.C.B. Kulathunga, Uva Wellassa University of Sri Lanka
K. Charith, Uva Wellassa University of Sri Lanka

Presenter: *Imalka Lewliyadda*

Discussant: *Nishani Ekanayake, University of Colombo, Sri Lanka*

20 Impact of Ownership Structure on Financial Performance: With Special Reference to Commercial Banks in Sri Lanka

Author(s): *P.S.M. Perera, University of Ruhuna, Sri Lanka*
K.D.T.N. Weerasinghe, University of Ruhuna, Sri Lanka

Presenter: *P.S.M. Perera*

Discussant: *P.A.N.S. Anuradha, University of Sri Jayewardenepura, Sri Lanka*

21 The Impact of Behavioral Factors on Individual Investment Decisions of Equity Investors: with Special Reference to Kurunegala Area

Author(s): *Ravihari Gamage, Rajarata University, Sri Lanka*
Nishantha Wijekumara, Rajarata University, Sri Lanka
Kaushalya Sugathadasa, Rajarata University, Sri Lanka

Presenter: *Ravihari Gamage*

Discussant: *C. Pathirawasam, University of Kelaniya, Sri Lanka*

Session B4: Debt Markets, Corporate Governance & Investments

Chair: *Sohrab Uddin, University of Chittagong, Bangladesh*

Convener: *D. Samarawickrama, University of Ruhuna, Sri Lanka*

22 Indian Corporate Bond Yield Spreads, Credit Rating and Its Determinants

Author(s): *Thadavillil Jithendranathan, University of St. Thomas, USA*
Mary S. Daugherty, University of St. Thomas, USA
T. Guru Sant, GLA University, India
Rekha Bawa, GLA University, India

Presenter: *Guru Sant*

Discussant: *Prakash Singh, Indian Institute of Management - Lucknow, India*

23 Do Firms with Better Corporate Governance Yield Higher Stock Returns? Evidence from Firms Listed in Colombo Stock Exchange

Author(s): *Manjula K. Wanniarachchige, University of Ruhuna, Sri Lanka*
Dinukee De Silva, University of Ruhuna, Sri Lanka

Presenter: *Dinukee De Silva*

Discussant: *Maduranga Kulathunga, Uva Wellassa University of Sri Lanka*

24 The Effect of Size on Stock Returns in an Emerging Financial Exchange

Author(s): *M. Farhan, Pakistan Navy School of Logistics, Pakistan*
S. Sharif, Institute of Business Administration, Pakistan

Presenter: *S. Sharif*

Discussant: *S.M. Sohrab Uddin, University of Chittagong, Bangladesh*

04.10 PM - 04.20 PM

Break

04.20 PM - 05.20 PM

Industry Panel Discussion

Challenges and Opportunities Facing Sri Lanka and Emerging Markets



Rajeeva Bandaranaike
Chief Executive Officer
Colombo Stock Exchange



Nandika Buddhipala
Chief Financial Officer
Commercial Bank of Ceylon



Manil Jayasinghe
President
CA Sri Lanka



Maninda Wickramasinghe
Managing Director/CEO
Fitch Ratings Lanka Ltd.

Moderator: Lalith Samarakoon, President, Sri Lanka Finance Association

Convener: *K.A.V. Aruna Shantha, Rajarata University of Sri Lanka; Co-Secretary, EFMP 2021*

05.20 PM - 05.45 PM

Conclusion

Convener: *Emil Sudath Kumara, Wayamba University of Sri Lanka; Co-Secretary, EFMP 2021*

Presentation of Major Events and Activities of SLFA - 2021

International Undergraduate Finance Research Conference

*D.A.I. Dayarathne, Sabaragamuwa University of Sri Lanka
Director – Student Affairs, Sri Lanka Finance Association*

Seminars

*Y.K. Weerakoon Banda, University of Sri Jayewardenepura, Sri Lanka
Secretary – Seminars, Sri Lanka Finance Association*

Financial Education

*R. Yogendrarajah, University of Jaffna, Sri Lanka
Director – Financial Education, Sri Lanka Finance Association*

Presentation of Best Paper Awards

*Suzuki Yasushi, Ritsumeikan Asia Pacific University, Japan
Chair, Best Paper Selection Committee*

Presentation of Service Appreciation and Achievement Awards

*Lalith Samarakoon, The President, Sri Lanka Finance Association
Hareendra Dissabandara, Executive Secretary, Sri Lanka Finance Association*

Vote of Thanks

K.M.M.C.B. Kulathunga, Uva Wellassa University of Sri Lanka; Co-Secretary, EFMP 2021