

## J. AUSTIN MURPHY

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### **Education:**

Ph.D. Finance, University of Georgia (1984)  
Masters in International Management, American Graduate School of Int'l Mgmt. (1979)  
BBA Finance, Emory University (1977)

### **Academic Experience:**

Assistant (1984-90), Associate (1990-96), and full Professor of Finance (1996- ) at Oakland University, teaching:

1. Portfolio and Investment Analysis (MBA and undergraduate), 1984-Present
2. Managerial Finance (MBA and undergraduate), 1984-88
3. Cases in Finance (MBA), 1986
4. International Financial Management (MBA and undergraduate), 1990-99

Visiting Lecturer at Massey University in New Zealand (1999)

### **Grants Received:**

Oakland University (1985, 1987, 1988, 1998, 1999, 2001, 2003, 2006)  
Chicago Board of Trade (1988)  
Federal Home Loan Bank Board (1988-89)  
Fulbright Kommission: Berlin, Germany (1989-90)

### **Published Research Articles:**

“An Empirical Analysis of Residential Mortgage Refinancing Decision-Making.” *Journal of Housing Research* 19 (2010), 129-138. Co-authored with Swati Virmani.

“The Mispricing of Credit Default Swaps: Institutional Causes and Effects.” *Banking and Finance Review* 2 (2010), 105-118.

“The Pricing of SAMs in the UK.” *Investment Management and Financial Innovation* 7 (2010), 89-102.

“Shorting Down Value: The Toxic Effect of Insufficient Internal Liquidity.” *Review of Pacific Basin Financial Markets and Policies* 10 (2010), 175-202. Co-authored with Joe Callaghan and Mohinder Parkash.

“The Empirical Relationship Between Stock Prices and Long-Term Earnings.” *Journal of Investing* (Fall 2009), 49-52. Co-authored with Hong Qian, Joe Callaghan, and Mohinder Parkash.

“Unravelling the Complex Interrelationships Between Exchange Rates and Fundamentals.” *Journal of Banking and Finance* 32 (2008), 1150-1160. Co-authored with Ellen Zhu.

“An Empirical Investigation of Investor Expectations in the Currency Market.” *International Review of Financial Analysis* 17 (2008), 108-133.

“History Without the Standard Patriarchal Bias.” *Journal of Interdisciplinary Social Sciences* 3 (2008), 75-84.

“Fynansovye i valjutnye krizisy: vozmozhnye puti preodolenija (Finanz- und Währungskrisen: Mögliche Wege der Vermeidung).” *Finansy i biznes* 5 (2006), 5-24. Co-authored with Zoltan Sabov.

“Sravnitelnyj analiz finansovykh sistem vostochnoj i zapadnoj Germanii.” *Finansy i biznes* 4 (2005), 22-39. Co-authored with Zoltan Sabov.

“An Empirical Analysis of the Structure of Credit Risk Premiums in the Eurobond Market.” *Journal of International Money and Finance* (2003), 865-885.

“Stocks May Earn Less than Bonds in the 21<sup>st</sup> Century.” *Journal of Investing* 11 (Summer 2002), 23-24.

“Market Equilibrium with Capital Loss Deduction Options.” *International Journal of Theoretical and Applied Finance* 4 (2001), 783-803.

“Hedging Fixed-Rate Preferred Stock Investments.” *Journal of Applied Corporate Finance* 14 (Spring 2001), 80-89.

“A Comparison of Taxable and Tax-Deductible Preferred Yields.” *Research in Finance* 18 (2001), 169-193.

“Empirical Evidence of a Positive Inflation Premium Being Incorporated into Stock Prices.” *Atlantic Economic Journal* 29 (2001), 177-185. Co-authored with Anandi Sahu.

“A Comparative Analysis of the Price-Process Model of Mortgage Valuation.” *Review of Financial Economics* 9 (2000), 65-82.

“An Empirical Examination of the Effect of Dividend Taxation on Asset Returns in Germany.” *Global Finance Journal* 10 (1999), 33-52. Co-authored with Christian Schlag.

“An Empirical Evaluation of the Forecasting Power of Fundamental Stock Analysis Models Over Time.” *Journal of Research in Finance* 2 (1999), 138-157. Co-authored with Joe Callaghan.

"The Relationship Between Bond Returns and Inflation in a Controlled Economy." *Economics of Planning* 32 (1999), 89-101. Co-authored with Zoltan Sabov.

"Enhancing the Motivation for Good Teaching with an Improved System of Evaluation." *Financial Practice and Education* 9 (Fall/Winter 1999), 100-104.

"The Effect of an Unobservable Portfolio on Bias in Beta Estimation: An Empirical Investigation." *New York Economic Review* 29 (Fall 1999), 18-24.

"An Empirical Test of a Stochastic Cash Flow Theory of Evaluating Credit." *Advances in Financial Planning and Forecasting* 8 (1998), 31-51. Co-authored with Joe Callaghan.

"A Note on Economic Growth in Eastern Europe." *Journal of Economic Issues* 32 (1998), 1150-1152.

"A Possible Adverse Effect of Needing to Issue New Equity in the Future." *Quarterly Review of Economics and Finance* 38 (Winter 1998), 129-136.

"An Empirical Investigation into the Components of Long-Term Municipal Bond Yields." *Journal of Private Portfolio Management* 1 (Spring 1998), 27-36. Summarized in the Winter 1999 *CFA Digest* (pp. 27-28).

"The Value of Convertible Preferred Stock in Transactions with 'Relationship Investors' Like Warren Buffett." *International Review of Financial Analysis* 6 (1997), 241-256. Co-authored with Robert Kleiman and Kevin Nathan.

"Buying Put Options to Insure Against Bankruptcy." *Journal of Financial Engineering* 6 (1997), 307-320.

"An Examination of the Relationship between Professional Investment Recommendations and Stock Prices in a Developing Eastern European Stock Market." *Journal of East-West Business* 2 (1996), 197-208. Co-authored with Zoltan Sabov.

"The Determinants of Exchange Rates between Two Major Currencies." *Multinational Business Review* 4 (1996), 107-111.

"An Analysis of Intermarket Pricing in an Embryonic Environment." *Journal of International Financial Markets, Institutions & Money* 5 (1995), 57-72. Co-authored with Zoltan Sabov.

"A Preliminary Note on the Newly Created Budapest Commodity Exchange." *International Review of Economics and Finance* 3 (1994), 233-237. Co-authored with Zoltan Sabov.

"Ein empirischer Vergleich betrieblicher Finanzstrukturen Westdeutschlands und der

ehemaligen DDR." *Zeitschrift fuer Unternehmensgeschichte* 38 (1993), 261-268. Co-authored with Egon Mueller and Zoltan Sabov.

"An Analysis of the Cost of Paying for Thrift Deposits Insured by the Government." *Journal of Bank Cost & Management Accounting* 6 (1993), 60-68.

"An Empirical Analysis of the Market for Inconvertible Currency." *Journal of International Financial Markets, Institutions & Money* 2 (1992), 51-75.

"An Empirical Comparison of Alternative Models of Capital Asset Pricing in Germany." *Journal of Banking and Finance* 16 (1992), 183-196. Co-authored with Andreas Sauer.

"An Empirical Analysis of Pricing Efficiency in the Hungarian Capital Markets." *Applied Financial Economics* 2 (1992), 63-78. Co-authored with Zoltan Sabov.

"The Valuation of Interest Rate Swaps." *American Business Review* 10 (June 1992), 37-41.

"An Analysis of Terms of Trade Problems." *Economic Systems* 16 (1992), 149-160.

"More Empirical Evidence on the Relationship between Current Cost Data and Stock Prices." *Southern Business and Economic Journal* 15 (1992), 147-153. Co-authored with Sadi Bazaz.

"An Empirical Investigation of Business Financial Structures in a Regulated Economy." *Soviet Studies* 44 (1992), 333-341. Co-authored with Zoltan Sabov.

"Hedging Fixed-Rate Mortgage Investments against Interest-Rate Risk." *Advances in Futures and Options Research* 5 (1991), 309-321.

"Financial Institution Structures in a Developing 2-Tier Banking System: An Empirical Perspective from Eastern Europe." *Journal of Banking and Finance* 15 (1991), 1131-1142. Co-authored with Zoltan Sabov.

"Evaluating Diversification Adequacy with Different Asset Risk Estimates." *New York Economic Review* 21 (Fall 1991), 50-55.

"A Technical Analysis of the Efficiency of the T-bond Futures Market." *Kentucky Journal of Economics and Business* 11 (Fall 1991), 97-102.

"An Empirical Examination of the Intertemporal Capital Asset Pricing Model." *Business Insights* 10 (Fall 1991), 19-21.

"An Empirical Analysis of Thrift Futures Market Activity." *Journal of Futures Markets* 11 (1991), 491-503.

"Using Statistics to Manage Portfolio Risk in a Financial Plan." *Journal of Business and Economic Perspectives* 17 (Spring 1991), 38-43.

"An Inventory Model With Non-Constant Prices and Demand." *Modelling, Simulation & Control* 24 (1991), 27-33. Co-authored with Sadik Cokelez.

"An Empirical Test of an Option Pricing Model of Mortgage-Backed Securities Pricing" *Journal of Economics and Business* 43 (1991), 37-48.

"A Practical Analysis of Shared Appreciation Mortgages." *Housing Policy Debate* 2 (1990), 43-48.

"Using the CAPM as a General Framework for Asset Pricing Analysis." *Journal of Financial Research* 13 (1990), 233-241.

"A Modification and Re-Examination of the Bachelier Option Pricing Model." *American Economist* 34 (Fall 1990), 34-41.

"Using Bayesian Betas to Estimate Risk-Return Parameters: an Empirical Investigation." *Journal of Business Finance and Accounting* 17 (1990), 471-477.

"Estimating the Risk and Return Attributes of American Puts." *American Business Review* 8 (June 1990), 12-19.

"An Empirical Note on Hedging Mortgages with Puts." *Journal of Futures Markets* 10 (1990), 75-78. Co-authored with Doug Gordon.

"A Note on the Effect of Personal Taxes on Capital Market Equilibrium." *Akron Business and Economic Review* 20 (Winter 1989), 119-125.

"An Analysis of Merger Financing." *Financial Review* 24 (1989), 551-566. Co-authored with Kevin Nathan.

"The Inflation-Hedging Characteristics of Equity REITs: An Empirical Study." *Quarterly Review of Economics and Business* 29 (Autumn 1989), 95-101. Co-authored with Robert Kleiman.

"A Mechanical Procedure for Incorporating Detailed Forecasts and Accounting Data into the Stock Price Model." *Midwestern Journal of Business and Economics* 4 (Fall 1989), 15-30.

"A Large-Scale Cross-Sectional Test of the Risk-Return Implications of the Consumption Risk Model." *Southern Business Review* 15 (Fall 1989), 43-52.

"Mortgage Instruments and Interest-Rate Volatility." *Housing Finance Review* 9 (1989), 165-173.

"A Discounted Cash-Flow Model of Convertibles Subject to Multiple Calls in a World of Refunding Costs and Stochastic Interest Rates." *Southern Economic Journal* 56 (1989), 87-104.

"An Empirical Test of Stochastics Trading Systems." *American Business Review* 7 (June 1989), 58-62.

"Analyzing Sub-Classes of General Motors Common Stock." *Financial Management* 18 (Spring 1989), 64-71.

"An Empirical Examination of the Demand for Risky Assets under Uncertain Inflation." *Journal of Business and Economic Perspectives* 15 (Spring 1989), 79-87.

"Calling Convertibles 'Late': A Note." *New York Economic Review* 19 (Spring 1989), 41-45. Co-authored with Barbara Theisen.

"An Empirical Investigation into the Equilibrium Structure of the Commodity Futures Anomaly." *Financial Review* 24 (1989), 1-18. Co-Authored with Jimmy Hilliard. Summarized in the Fall 1989 *CFA Digest* (pp. 37-39).

"The Performance of Alternative Real Estate Investment Vehicles: An Empirical Investigation." *American Business Review* 7 (January 1989), 63-66. Co-authored with Robert Kleiman.

"An Econometric Procedure for Estimating and Testing Parameters in the CAPM and Other Financial Models." *Midwestern Journal of Business and Economics* 3 (Fall 1988), 1-9.

"A Discounted Cash-Flow Model of Fixed-Income Securities Subject to Multiple Calls." *Southern Economic Journal* 55 (1988), 21-36.

"Consumption Risk in Futures Markets: A Test." *American Business Review* 6 (January 1988), 55-57.

"The Seasonality of Risk and Return on Agricultural Futures Positions." *American Journal of Agricultural Economics* 69 (1987), 639-646.

"The Effect of Portfolio Insurance on the Probability Distribution of Return." *Journal of Financial Education* 13 (Fall 1987), 6-11.

"Stable Distributions, Futures Prices, and the Measurement of Trading Performance: A Reply." *Journal of Futures Markets* 7 (1987), 103-107.

"The Recent Performance of Commodity Futures Investments." *Business Insights* 5 (Fall 1986), 24-25.

"An Empirical Analysis of Risk-Return Tradeoffs in the Futures Market." *Southern Business Review* 11 (Fall 1986), 17-26.

"Futures Fund Performance: A Test of the Effectiveness of Technical Analysis." *Journal of Futures Markets* 6 (1986), 175-185 (reprinted on pages 239-253 of *Managed Futures*, which was edited by Carl Peters and published by Probus in 1992).

**Papers Presented at Professional Meetings:**

1. "An Empirical Test for a Structural Break in the Commodity Futures Market", presented at the 1986 Financial Management Association meeting (co-authored).
2. "PREPs vs. REITs: An Empirical Comparison", presented at the 1986 Financial Management Association meeting (co-authored).
3. "Financial Risk Seasonality in Commodity Futures", presented at the 1986 Midwest Finance Association meeting.
4. "A Model of Callable Convertibles Subject to Refunding Costs", presented at the 1987 Southwestern Finance Association meeting.
5. "Evaluating Call Options on Assets with Truncated Normal Distributions", presented at the 1987 Southwestern Finance Association meeting.
6. "A Specification of the Conditions under Which the Capital Asset Pricing Model will be Valid", presented at the 1987 Southwestern Finance Association meeting.
7. "Estimating the Risk and Return Attributes of American Puts", presented at the 1987 Midwest Finance Association meeting.
8. "Risk, Return, and Spreads between Commodity and Financial Futures", presented at the 1987 Midwest Finance Association meeting.
9. "A Discounted Cash-Flow Approach to Valuing Fixed-Income Securities Subject to Call", presented at the 1987 Midwest Finance Association meeting.
10. "An Econometric Solution to Testing the CAPM", presented at the 1987 Eastern Finance Association meeting.
11. "An Empirical Examination of the Intertemporal Capital Asset Pricing Model", presented at the 1987 Financial Management Association meeting.
12. "A Mechanical Procedure for Incorporating Detailed Forecasts and Accounting Data into the Stock Price Model", presented at the 1988 Midwest Accounting Society meeting.
13. "An Analysis of the Financing of Mergers", presented at the 1988 Financial Management Association meeting (co-authored).
14. "Using Statistics to Manage Portfolio Risk in a Financial Plan", presented at the 1988 Academy of Financial Services meeting.
15. "An Empirical Investigation of Business Financial Structures in a Centrally Planned Economy," presented at the 1991 Midwest Finance Association meeting (co-authored).
16. "An Analysis of Terms of Trade Problems," presented at the 1991 Midwest Economics Association meeting.

17. "An Empirical Comparison of Alternative Models of Capital Asset Pricing in Germany," presented at the 1991 Eastern Finance Association meeting (co-authored).
18. "More Empirical Evidence on the Relationship Between Current Cost Data and Stock Prices," presented at the 1991 American Accounting Association meeting (co-authored).
19. "New Equity Issues by Existing Thrift Stock Companies," presented at the 1991 Academy of Financial Services meeting.
20. "An Empirical Analysis of Pricing Efficiency in the Hungarian Capital Markets," presented at the 1992 Eastern Finance Association meeting (co-authored).
21. "An Analysis of Intermarket Pricing in an Embryonic Environment," presented at the 1992 Financial Management Association meeting (co-authored).
22. "The Relationship Between Security Prices and Inflation in a Controlled Environment," presented at the 1993 Northern Finance Association meeting (co-authored).
23. "The Effect of Dividend Taxation on Asset Pricing and Returns in Germany," presented at the 1994 Eastern Finance Association meeting (co-authored).
24. "A Comparative Test of the Explanatory Power of Alternative Mortgage Pricing Models," presented at the 1994 Financial Management Association meeting.
25. "An Empirical Test of a Stochastic Cash Flow Theory of Evaluating Credit," presented at the 1997 Midwest Finance Association meeting (co-authored).
26. "Buying Put Options to Insure Against Bankruptcy," presented at the 1997 Conference on Quantitative Methods in Finance in Australia.
27. "An Empirical Comparison of Taxable and Tax-Deductible Preferred Yields," presented at the 1998 Southern Finance Association meeting.
28. "The Stock Market Outlook for the 21<sup>st</sup> Century: Relatively Poor Long-Term but Mixed Shorter-Term" presented at the 2001 Midwest Decision Sciences Institute meeting.
29. "Hedging Fixed-Rate Preferred Stock Investments" presented at the 2001 Financial Management Association meeting.
30. "Shorting Down Value: The Toxic Effect of Insufficient Internal Liquidity" presented at the 2005 Southern Finance Association meeting and at the 2006 WHU Conference in Germany.
31. "An Analysis of SAM Pricing in the UK" presented at the 2007 European Financial Management Association meeting.
32. "Unraveling the Complex Relationships between Exchange Rates and Fundamentals" presented at the 2007 European Financial Management Association meeting.
33. "History Without the Standard Patriarchal Bias" presented at the 2008 International Conference on Interdisciplinary Social Sciences.
34. "An Empirical Analysis of Residential Mortgage Refinancing Decision-Making" presented at the 2010 Midwest Finance Association Conference.
35. "Psychological Causes of Financial Market Cycles and their Effects on Market Efficiency" presented at the 2010 Global Finance Association Conference.

**Published Books:**

*Research Solutions to the Financial Problems at Depository Institutions* (Quorum Books: 1992).  
*Scientific Investment Analysis* (Orchises Press: 1994; first edition).  
*The Last Year of a Country That Never Existed: the Truth Behind the Collapse of the Berlin Wall* (Northwest Publishing, 1995).

*The Triumph of Evil: the Reality of the USA's Cold War Victory* (European Press Academic Publishing, 2000).

*Scientific Investment Analysis* (Quorum Books: 2000; second edition).

*Practical Financial Economics: A New Science* (Praeger: 2003, editor); which includes the editor's own articles that were double blind reviewed:

1. "Valuation: A Case Study of Scientifically Valuing Enron Using the Historical Financial Statements." *Practical Financial Economics* (2003), 33-46.
2. "A Modern Financial Analysis of the *Titanic* Disaster: A Timeless Case Study of Excessive Risk-Taking." *Practical Financial Economics* (2003), 133-149. Co-authored with Don Bloomquist.
3. "The Outlook for Equity Values." *Practical Financial Economics* (2003), 1-12.
4. "A Possible Solution to Excessive Risk-Taking." *Practical Financial Economics* (2003), 151-154.
5. "A Financial Analysis of the Economic Effects of Having to Reverse Current Account Deficits." *Practical Financial Economics* (2003), 177-223.

*Scientific Investment Analysis* (SIA: 2006, third edition).

*Scientific Investment Analysis* (SIA: 2007, fourth edition)

*Scientific Investment Analysis* (SIA: 2008, fifth edition).

*Scientific Investment Analysis* (SIA: 2009, sixth edition).

*Scientific Investment Analysis* (SIA: 2010, seventh edition).

*SIA Users Guide* (SIA, 2006, first edition).

*SIA Users Guide* (SIA, 2007, second edition).

*Supplement to Scientific Investment Analysis* (SIA, 2008, third edition)

*Supplement to Scientific Investment Analysis* (SIA, 2009, fourth edition)

*Supplement to Scientific Investment Analysis* (SIA, 2010, fifth edition)

### **Software Developed:**

*SIA* software (an early version of which accompanied the first edition of the textbook *Scientific Investment Analysis*, and which now accompanies the *Supplement to Scientific Investment Analysis* to permit advanced investment analysis).

### **Service:**

1. Finance Recruiting Committee (1984-2008)
2. CPA Continuing Education Lecturer (1985-88, 1993- )
3. Coordinator for the Finance Area (1985-88)
4. MBA Admissions and Probation Committee (1985-88)
5. Library Committee (1985-88, 1992- ) and Library Council (1992-96)
6. Interviewed for various articles printed in newspapers and magazines such as the *Oakland Press* (USA), *Insider Business Journal* (USA), *Dominion* (New Zealand), and *Neues Deutschland* (Germany). (1985- )
7. Advisor to the Finance Club (1986-88, 1990-98)
8. Committee on Appointments and Promotion (1987, 2000, 2002-2005)
9. Manuscript reviewer (1987- ) for: *American Journal of Agricultural Economics*, *Journal of Futures Markets*, *International Economic Review*, *Southern Economic Journal*,

- Applied Economics, Journal of Business Research, Applied Financial Economics, Journal of the Midwest Finance Association, Financial Practice and Education, Midwestern Journal of Business and Economics, Review of Business Studies, Multinational Business Review, Real Estate Economics, Quarterly Review of Economics and Finance, Journal of Financial Engineering, Managerial Economics, Journal of Investing, and Financial Analysts Journal).*
10. Writer of editorials and articles (1987- ) for leading trade journals (such as *Credit Research Digest, The AAI Journal, and The New Palgrave Dictionary of Money and Finance*) and newspapers (such as the *Detroit Free Press, the People's Tribune, and the Oakland Press*).
  11. Writer of book reviews, including of *Financial Economics: Essays in Honor of Paul Cootner* (published in 1988 in the *Southern Economic Journal*), *Capitals of Capital*, and *A Colossal Failure in Common Sense: The Inside Story of the Collapse of Lehman Brothers* (published in *Journal of Applied Finance*).
  12. Served as a guest speaker on various special conference panels (1990- ), such as at the 1991 Financial Management Association meeting, and presented 3 papers at the Michigan Academy of Science Arts and Letters: "Communism is the Natural Order of Humanity", "The Use of Sexual Repression to Facilitate Rule by an Elite" and "History of the Relations between the Sexes" (2009).
  13. University Research Committee (1990-92, 1998-2000).
  14. MBA Curriculum Committee (1992-98).
  15. Served as paper discussant at finance conferences, and as reviewer of papers for consideration for presentation at finance conferences (1992- ).
  16. SBA Planning Committee (1993-96).
  17. Accounting and Finance Seminar Committee (1994-95).
  18. Speaker at various functions, such as at Rotary Club and *International Roundtable* luncheons (1994- ).
  19. University Teaching and Learning Committee (1996-98; Chair 1997-98, 2007- 2009).
  20. Editor, Teaching and Learning Committee Newsletter (1996-97).
  21. SBA Research Committee, Chair (2000-2002).
  22. University Senate Budget Committee (2000-2003, 2005; Chair 2002-2003, 2006-2007).
  23. Column Writer for *Financial Engineering News* (2003-2006)
  24. Finance Assessment Committee (Chair, 2000-2008; Member, 2009- )
  25. Special SBA Task Forces such as on external relations with the business community and on assessment (2006-7)
  26. MBA Curriculum Committee (Chair, 2007-2008)
  27. SBA Executive Committee (2008-2009)
  28. University Assessment Committee (2009- )
  29. Writer of article "The Making and Ending of the Financial Crisis of 2008-?????" in Kolb, Robert W. (ed.), *Lessons from the Financial Crisis: Causes, Consequences, and Our Economic Future*, Hoboken, NJ: John Wiley & Sons, Inc., 2010.

### **Foreign Languages:**

Fluent in German

Very limited reading knowledge of French

