

This PDF is a selection from a published volume from the National Bureau of Economic

Research

Volume Title: Risk and Capital Adequacy in Commercial Banks

Volume Author/Editor: Sherman J. Maisel, editor

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-50281-3 (cloth); 0-226-50282-1 (paper)

Volume URL: <http://www.nber.org/books/mais81-1>

Conference Date:

Publication Date: 1981

Chapter Title: References

Chapter Author(s): Sherman J. Maisel

Chapter URL: <http://www.nber.org/chapters/c13535>

Chapter pages in book: (p. 409 - 423)

References

- Aigner, D. J., and Bryan, W. R. 1971. A model of short-run bank behavior. *Quarterly Journal of Economics* 85(1):97–118.
- Altman, E. I. 1968. Financial ratios, discriminant analysis, and the prediction of corporate bankruptcy. *Journal of Finance* 23(4):589–609.
- . 1971. *Corporate bankruptcy in America*. Lexington, Mass.: Heath Lexington.
- Altman, E. I.; Haldeman, R. G.; and Narayanan, P. 1977. ZETA™ Analysis. *Journal of Banking and Finance* 1(1):24–54.
- Anderson, L. C., and Burger, A. E. 1969. Asset management and commercial bank portfolio behavior: Theory and practice. *Journal of Finance* 24(2):207–22.
- Anderson, P. E., and Knight, R. E. 1967. Bank loan losses, past and present. *New England Business Review*, May, pp. 2–7.
- Arrow, K. J. 1964. The role of securities in the optimal allocation of risk-bearing. *Review of Economic Studies* 31(2):91–96.
- Baltensperger, E. 1973. Optimal bank portfolios: The liability side. *Jahrbücher für Nationalökonomie und Statistik* 187(2):147–60.
- BANK COMPUSTAT, published June 1977 by Investors Management Sciences, Inc. (a subsidiary of Standard and Poor's Corp.), 7400 South Alton Court, Englewood, Colorado 80110.
- Barnett, R. E. 1976a. Deposit insurance. Address before the 82d Annual Convention, Kentucky Bankers Association, Galt House, Louisville, Kentucky, 13 September 1976. Reprinted in *FDIC Annual Report*, 1976, pp. 159–67.
- . 1976b. Six alternatives to the present deposit insurance system. Address before the Nebraska Correspondence Bank Conference, Lincoln, Nebraska, 24 September 1976, Reprinted in *FDIC Annual Report*, 1978, pp. 168–75.

- Barnett, R. E.; Horvitz, P. M.; and Silverberg, S. C. 1977. Deposit insurance: The present system and some alternatives. *Banking Law Journal* 45(4): 304–32.
- Baumol, W., and Malkiel, B. G. 1967. The firm's optimal debt-equity combination and the cost of capital. *Quarterly Journal of Economics* 81:547–78.
- Beaver, W. 1966. Financing ratios and predictors of failure. In *Empirical research in accounting*, pp. 71–111. Chicago: University of Chicago, Institute of Professional Accounting.
- . 1968. Market prices, financial ratios and prediction of failure. *Journal of Accounting Research*. 6(2):179–92.
- Beaver, W.; Kettler, P.; and Scholes, M. 1970. The association between market determined and accounting determined risk measures. *Accounting Review* 45:654–82.
- Benston, G. J. 1973. Bank examination. *Bulletin of the Graduate School of Business Administration* (New York University), no. 89–90 (May), pp. 3–73.
- Benston, G. J., and Marlin, J. T. 1974. Bank examiners' evaluation of credit: An analysis of the usefulness of substandard loan data. *Journal of Money, Credit, and Banking* 6(1):23–44.
- Bicksler, J. L., and Samuelson, P. A., eds. 1974. *Investment portfolio decision-making*. Lexington, Mass.: Lexington Books.
- Black, F. 1972. Capital market equilibrium with restricted borrowing. *Journal of Business* 44(3):444–55.
- Black, F.; Jensen, M.; and Scholes, M. 1972. The capital asset pricing model: Some empirical tests. In *Studies in the theory of capital markets*, ed. M. Jensen. New York: Praeger.
- Black, F.; Miller, M. H.; and Posner, R. A. 1978. An approach to the regulation of bank holding companies. *Journal of Business* 51(3):379–412.
- Black, F., and Scholes, M. 1973. The pricing of options and corporate liabilities. *Journal of Political Economy* 81(2):637–54.
- Blume, M. E. 1971. On the assessment of risk. *Journal of Finance* 26(1): 1–10.
- Board of Governors of the Federal Reserve System, Press Release, 11 May 1978.
- Boquist, J. A.; Racette, G. A.; and Schlarbaum, G. G. 1975. Duration and risk assessment for bonds and common stocks. *Journal of Finance* 30(5): 1360–65.
- Bosworth, B., and Duesenberry, J. 1973. A flow of funds model and its implications. *Issues in Federal Debt Management*, Federal Reserve Bank of Boston. no. 10, pp. 39–149.
- Bosworth, B., and Duesenberry, J. S. 1975. *Capital needs in the seventies*. Washington, D.C.: Brookings Institution.

- Box, G. E. P., and Jenkins, G. M. 1976. *Time series analysis, forecasting and control*. San Francisco: Holden Day.
- Bradley, S., and Crane, D. 1975. *Management of bank portfolios*. New York: John Wiley.
- Brennan, M. J. 1971. Capital market equilibrium with divergent borrowing and lending rates. *Journal of Financial and Quantitative Analysis* 6(5):1197-1205.
- Brick, J. R., and Thompson, H. E. 1978. Time-series analysis of interest rates; Some additional evidence. *Journal of Finance* 33(1):93-103.
- Cass, D., and Stiglitz, J. E. 1970. The structure of investor preferences and asset returns, and separability in portfolio allocation: A contribution to the pure theory of mutual funds. *Journal of Economic Theory* 2:122-60.
- Chase, S. B., and Mingo, J. J. 1975. The regulation of bank holding companies. *Journal of Finance* 30(2):281-93.
- Chipman, J. S. 1973. The ordering of portfolios in terms of mean and variance. *Review of Economic Studies* 40(122):167-90.
- Clarke, R. C. 1976. The soundness of financial intermediaries. *Yale Law Journal* 86(1):1-102.
- Cohen, K. J. 1970. Improving the capital adequacy formula. *Journal of Bank Research* 1(1):13-16.
- Cohen, K. J., and Elton, E. J. 1967. Inter-temporal portfolio analysis based on simulation of joint returns. *Management Science (Theory)* 14(1):5-18.
- Cohen, K. J., and Hammer, F. S., eds. 1966. *Analytical methods in banking*. Homewood, Ill.: Irwin.
- . 1967. Linear programming and optimal bank asset management decisions. *Journal of Finance* 22(2):147-68.
- Cohen, K. J., and Pogue, J. A. 1967. An empirical evaluation of alternative portfolio selection models. *Journal of Business* 40:166-93.
- Cohen, K. J., and Rotenberg, D. P. 1971. Toward a comprehensive framework for bank financial planning. *Journal of Bank Research* 1(4):41-57.
- Cohen, K. J. and Thore, S. 1970. Programming bank portfolios under uncertainty. *Journal of Bank Research* 1(1):42-61.
- Conte, S. D. 1965. *Elementary numerical analysis*. New York: McGraw Hill.
- Cootner, P. 1969. The liquidity of the savings and loan industry. In *Study of the savings and loan industry*, ed. I. Friend. Washington, D.C.: Federal Home Loan Bank Board.
- Cootner, P., and Holland, D. 1970. Rate of return and business risk. *Bell Journal of Economics and Management Science* 1(2):211-26.
- Cotter, R. V. 1966. Capital ratios and capital adequacy. *National Banking Review* 3(3):333-46.

- Cox, J. C.; Ross, G. A.; and Rubenstein, M. 1979. Option pricing: A simplified approach. *Journal of Financial Economics* 7:229–63.
- Cramer, R., and Miller, R. 1976. Dynamic modeling of multivariate time series for use in bank analysis. *Journal of Money, Credit and Banking* 8(1):85–96.
- Crane, D. B. 1971. A stochastic programming model for commercial bank bond portfolio management. *Journal of Financial and Quantitative Analysis* 6(3):955–76.
- Curley, A. J., and Guttentag, J. M. 1974. The yield on insured residential mortgages. *Explorations in Economic Research* (National Bureau of Economic Research) 1(3):114–61.
- Daellenbach, H. G., and Archer, S. H. 1969. The optimal bank liquidity: A multiperiod stochastic model. *Journal of Financial and Quantitative Analysis* 4(3):329–43.
- Dince, R. R., and Fortson, J. C. 1972. The use of discriminant analysis to predict capital adequacy of commercial banks. *Journal of Bank Research* 3(1): 54–62.
- Donaldson, G. 1961. *Corporate debt capacity*. Boston: Harvard University Press.
- Dothan, U., and Williams, J. 1980. Banks, bankruptcy and public regulations. *Journal of Banking and Finance* 4(1):65–87.
- Durand, D. 1957. *Bank stock prices and the bank capital problem*. Occasional Paper no. 54. New York: National Bureau of Economic Research.
- Edmister, R. O. 1972. An empirical test of financial ratio analysis for small business prediction. *Journal of Financial and Quantitative Analysis* 7(2):1477–94.
- Edwards, F. R., and Scott, J. H. 1977. Regulating the solvency of depository institutions: A perspective for change. Working Paper, Graduate School of Business, Columbia University.
- . 1979. Regulating the solvency of depository institutions: A perspective for deregulation. In *Issues in financial regulation*, ed. F. R. Edwards. New York: McGraw-Hill.
- Fair, R. C., and Jaffee, D. M. 1972. Methods of estimation for markets in disequilibrium. *Econometrica* 42(2):497–514.
- Fama, E. 1970. Efficient capital markets: A review of theory and empirical work. *Journal of Finance* 25:383–423.
- . 1971. Risk, return, and equilibrium. *Journal of Political Economy* 79(1):30–55.
- . 1975. Short-term interest rates as predictors of inflation. *American Economic Review* 65(3):269–82.
- Fama, E., and Laffer, A. B. 1971. Information and capital markets. *Journal of Business* 44(3):289–98.

- Fama, E., and Miller, M. H. 1972. *The theory of finance*. New York: Holt, Rhinehart and Winston.
- Fama, E., and Roll, R. 1968. Some properties of symmetric stable distributions. *Journal of the American Statistical Association* 63:817–36.
- . 1971. Parameter estimates for symmetric stable distributions. *Journal of the American Statistical Association* 66(335):331–38.
- Farrar, D. E. 1962. *The investment decision under uncertainty*. Englewood Cliffs, N.J.: Prentice-Hall.
- Federal Deposit Insurance Corporation. 1976. *Annual Report*.
- Federal Deposit Insurance Corporation. 1977. *Annual Report*.
- Federal Financial Institutions Examination Council. 1980. Staff study: Capital trends in federally regulated financial institutions. *Federal Reserve Bulletin*. Various issues.
- Feldstein, M. S. 1969. Mean-variance analysis in the theory of liquidity preference and portfolio selection. *Review of Economic Studies* 36:5–12.
- Fisher, L., and Lorie, J. H. 1964. Rates of return on investments in common stocks. *Journal of Business* 37(11):1–21.
- Fisher, L., and Weil, R. L. 1971. Coping with the risk of interest rate fluctuations: Returns to bondholders from optimal strategies. *Journal of Business* 44(4):111–18.
- Flannery, M. J., and Guttentag, J. M. 1979. Identifying problem banks. *Bank Structure and Competition* (Federal Reserve Bank of Chicago), 3–4 May.
- Fraser, D. R., and Rose, P. S. 1973. Short-run bank portfolio behavior: An examination of selected liquid assets. *Journal of Finance* 28(2):531–37.
- Fried, J. S. 1970. Bank portfolio selection. *Journal of Financial and Quantitative Analysis* 5(2):203–27.
- Friend, I., and Blume, M. 1970. Measurement of portfolio performance under uncertainty. *American Economic Review* 60:561–75.
- Gable, L. C. 1974. Bank capital: We are being misled. *Journal of Commercial Bank Lending* 57(4):2–14.
- Gibson, W. E. 1971. Deposit insurance in the U.S.: Evaluation and reform. Working Paper no. 71–14. Federal Deposit Insurance Corporation.
- Goldfeld, S. M. 1966. *Commercial bank behavior and economic activity*. Amsterdam: North-Holland.
- Goldfeld, S. M., and Quandt, R. E. 1965. Some tests for homoscedasticity. *Journal of the American Statistical Association* 60:539–54.
- . 1975. Estimation in a disequilibrium market and the value of information. *Journal of Econometrics* 3(3):325–48.

- Goodman, L., and Sharpe, W. 1978. Perspective on bank capital adequacy: A time series analysis. Working Paper 247, National Bureau of Economic Research.
- Graham, D. R., and Humphrey, D. B. 1976. Predicting net loan losses using disclosed and undisclosed bank data: A comparison. In *Conference on Bank Structure and Competition*. Chicago, Ill.: Federal Reserve Bank of Chicago.
- Granger, C. W. S. 1969. Investigating causal relations by econometric models and cross-spectral methods. *Econometrica* 37(3):424–38.
- Granger, C. W. S., and Newbold, P. 1977. *Forecasting economic time series*. New York: Academic Press.
- Greenbaum, S. I. 1975. Economic instability and commercial banking. In *Compendium of major issues in bank regulation* ed. Committee on Banking, Housing and Urban Affairs, U.S. Senate, 94th Congr. 1st sess. pp. 281–309.
- Grove, M. A. 1974. On “duration” and the optimal maturity structure of the balance sheet. *Bell Journal of Economics and Management Science* 5(2):696–709.
- Hakansson, N. H. 1971a. Capital growth and the mean-variance approach to portfolio selection. *Journal of Financial and Quantitative Analysis* 6:517–57.
- . 1971b. Multiperiod mean-variance analysis: Toward a general theory of portfolio choice. *Journal of Finance* 26(4):857–84.
- . 1971c. Optimal entrepreneurial decisions in a completely stochastic environment. *Management Science*, March, pp. 427–49.
- Haugen, R. A., and Pappas, J. L. 1971. Equilibrium in the pricing of capital assets, risk-bearing debt instruments, and the question of optimal capital structure. *Journal of Financial and Quantitative Analysis* 6(3):943–53.
- Haugh, L. D. 1972. The identification of time series interrelationships with special reference to dynamic regression. Ph.D. diss., University of Wisconsin.
- Henderschott, P. H., and Winder, J. P. 1979. Commercial bank asset portfolio behavior in the United States. *Journal of Banking and Finance* 3(2):113–32.
- Hester, D., and Pierce, J. 1975. *Bank management and portfolio behavior*. New Haven: Yale University Press.
- Hester, D., and Zoellner, J. 1966. The relationship between bank portfolios and earnings: An econometric analysis. *Review of Economics and Statistics* 48(4):372–86.
- Hicks, J. R. 1939. *Value and Capital*. London: Oxford University Press.
- Hildreth, G., and Lu, J. Y. 1960. Demand relations with autocorrelated disturbances. Technical Bulletin 276. Michigan State University Agricultural Experiment Station.

- Hillier, F. S. 1969. The evaluation of risky interrelated investments. In *Studies in mathematical and managerial economics*, vol. 9, ed. H. Theil. Amsterdam: North-Holland.
- Hillmer, S. C., and Tiao, G. C. 1977. Likelihood function of stationary multiple autoregressive moving average models. Technical Report. Department of Statistics, University of Wisconsin, Madison.
- Hirshleifer, J. 1970. *Investment, interest and capital*. Englewood Cliffs, N.J.: Prentice-Hall.
- Hodges, S. 1975. Some thoughts on the pricing of default-free bonds. Working Paper, Research Program in Finance, Institute of Economic Research, University of California, Berkeley.
- Hoening, T., and Spong, K. Examiner loan classifications and their relationship to bank loan charge-offs and economic conditions. Working Paper, Federal Reserve Bank of Kansas City.
- Hopewell, M. H., and Kaufman, G. G. 1973. Bond price volatility and term to maturity: a generalized respecification. *American Economic Review* 63(4):749-53.
- Horvitz, P. J. 1975. Failures of large banks: Implications for banking supervision and deposit insurance. *Journal of Financial and Quantitative Analysis* 10(4):589-601.
- Hsiao, Cheng. 1977. Money and income causality detection. Working Paper 167, National Bureau of Economic Research.
- Hunt, L. H. 1976. *Dynamics of forecasting financial cycles*. Greenwich, Conn.: JAI Press.
- Jaffee, D. M. 1971. *Credit rationing and the commercial loan market*. New York: John Wiley.
- Jensen, M. C. 1969. Risk, the pricing of capital assets, and the evaluation of investment portfolios. *Journal of Business* 42:167-247.
- . 1972. Capital markets: Theory and evidence. *Bell Journal of Economics and Management Science* 2:357-98.
- , ed. 1972. *Studies in the theory of capital markets*. New York: Praeger.
- Johnson, C. G. 1970. Ratio analysis and the prediction of firm failure. *Journal of Finance* 25(5):1166-68.
- Kaiser, H. F. 1960. The application of electronic computers to factor analysis. *Educational and Psychological Measurement* 20:141-51.
- Kane, E. J. 1975. Direct cross-section tests of alternative term-structure theories. Working Paper, College of Administrative Science, Ohio State University.
- . 1978. The three faces of commercial bank liability management. Working Paper Series 78-66, College of Administrative Science, Ohio State University.
- Karaken, J. H., and Wallace, N. 1977. Deposit insurance and bank regulation: A partial equilibrium exposition. Staff Report no. 15, Research Department, Federal Reserve Bank of Minneapolis.

- Kaufman, G. 1975. Preventing bank failures. In *Compendium on major issues in bank regulation*, ed. Committee on Banking, Housing, and Urban Affairs, U.S. Senate 94th Congr., 1st sess.
- Keefe Bank Stock Manual*. 1970–75. New York: Keefe, Bruyette and Woods.
- Kessel, R. 1965. *The cyclical behavior of the term structure of interest rates*. Occasional Paper no. 91. New York: National Bureau of Economic Research.
- King, B. F. 1966. Market and industry factors in stock price behavior. *Journal of Business* 39:139–91.
- Klein, M. A. 1970. Imperfect asset elasticity and portfolio theory. *American Economic Review* 60(3):491–94.
- . 1971. A theory of the banking firm. *Journal of Money, Credit, and Banking* 3(2):205–18.
- Kraus, A., and Litzenberger, R. H. 1973. A state-preference model of optimal and financial leverage. *Journal of Finance* 28(4):911–22.
- Kreps, C. H., and Wacht, R. F. 1971. A more constructive role for deposit insurance. *Journal of Finance* 26(2):605–14.
- Lanstein, R., and Sharpe, W. F. 1978. Duration and security risk. Research Paper no. 451, Graduate School of Business, Stanford University.
- Lemke, K. W. 1970. The evaluation of liquidity: An analytical study. *Journal of Accounting Research* 8(1):47–77.
- Lintner, J. 1965a. Security prices, risks, and maximal gains from diversification. *Journal of Finance* 20:587–615.
- . 1965b. The valuation of risk assets and the selection of risky investments in stock portfolios and capital budgets. *Review of Economics and Statistics* 47:13–37.
- . 1975. Presidential address. Inflation and security returns. *Journal of Finance* 30(2):259–80.
- Macaulay, F. R. 1938. *Some theoretical problems suggested by the movements of interest rates, bond yields, and stock prices in the United States since 1856*. National Bureau of Economic Research, General Series no. 33. New York: Columbia University Press.
- McCulloch, J. H. 1971. Measuring the term structure of interest rates. *Journal of Business* 44(1):19–31.
- . 1975a. The tax-adjusted yield curve. *Journal of Finance* 30(3):811–30.
- . 1975b. An estimate of the liquidity premium. *Journal of Political Economy* 83(1):95–119.
- . 1978a. Continuous time processes with stable increments. *Journal of Business* 51(4):601–19.
- . 1978b. The pricing of short-lived options when price uncertainty is log-symmetric stable. Working Paper no. 264, National Bureau of Economic Research.

- . 1980. The ban on indexed bonds, 1933–77. *American Economic Review* 70:1018–21.
- Maisel, S. J. 1973. *Managing the dollar*. New York: W. W. Norton.
- Mandelbrot, B. 1963. The variation of certain speculative prices. *Journal of Business* 36(4):394–419.
- Markowitz, H. M. 1971. *Portfolio selection: Efficient diversification of investments*. New York: Wiley (1st ed. 1959).
- Martin, D. 1977. Early warning of bank failure: A logit regression approach. *Journal of Banking and Finance* 1:249–76.
- Mayer, T. 1965. A graduated deposit insurance plan. *Review of Economics and Statistics* 47(1):114–16.
- . 1975. Preventing the failure of large banks. In *Compendium on major issues in bank regulation, 1975*, ed. Committee on Banking, Housing, and Urban Affairs, U.S. Senate, 94th Congr., 1st Sess.
- Mayne, L. S. 1972. Supervisory influence on bank capital. *Journal of Finance* 27(3):637–51.
- . 1973. The deposit reserve requirement recommendations of the Commission on Financial Structure and Regulation: An analysis and critique. *Journal of Bank Research* 4(1):41–51.
- Mehta, D. R.; Eisemann, P. C.; Moses, E. A.; and Deschamps, B. 1979. Capital structure and capital adequacy of bank holding companies. *Journal of Banking and Finance*. 3(1):5–22.
- Meltzer, A. H. 1967. Major issues in the regulation of financial institutions. *Journal of Political Economy* 75(4):482–500.
- Merton, R. C. 1971. Optimum consumption and portfolio rules in a continuous-time model. *Journal of Economic Theory* 3:373–413.
- . 1973. An intertemporal capital asset pricing model. *Econometrica* 41(5):867–87.
- . 1974. On the pricing of corporate debt: The risk structure of interest rates. *Journal of Finance* 29(2):449–70.
- . 1977a. An analytic derivation of the cost of deposit insurance and loan guarantees: An application of modern option pricing theory. *Journal of Banking and Finance* 1(1):3–11.
- . 1977b. *On the cost of deposit insurance when there are surveillance costs*. Working Paper, Massachusetts Institute of Technology.
- . 1979. Discussion. In *The regulation of financial institutions*. Boston: Federal Reserve Bank of Boston.
- Meyer, P. A., and Pifer, H. W. 1970. Prediction of bank failures. *Journal of Finance* 25(4):853–68.
- Modigliani, F., and Miller, M. H. 1958. The cost of capital, corporation finance, and the theory of investment. *American Economic Review* 48:261–97.
- Modigliani, F., and Shiller, R. J. 1973. Inflation, rational expectations and the term structure of interest rates. *Economica* 40(157):12–43.

- Morrison, G. R. 1967. *Liquidity preferences of commercial banks*. Chicago: University of Chicago Press.
- Morrison, J. 1977. Interest rate risk in commercial banking: Some implications for capital adequacy. Dissertation, Graduate Division, University of California, Berkeley.
- Mossin, J. 1966. Equilibrium in a capital asset market. *Econometrica* 34:768–83.
- . 1969. Security pricing and investment criteria in competitive markets. *American Economic Review* 59(5):749–56.
- Murphy, N. B., and Weintrob, H. 1970. Evaluating liquidity under conditions of uncertainty in mutual savings banks. *Journal of Financial and Quantitative Analysis* 4(5):559–68.
- Nadauld, S. 1977. The interest rate elasticity of networth in savings institutions. Ph.D. diss., University of California, Berkeley.
- Nelson, C. R. 1972. *The term structure of interest rates*. New York: Basic Books.
- Nelson, C. R., and Schwert, G. W. 1977. On testing the hypothesis that the real rate of interest is constant. *American Economic Review* 67(3):478–86.
- Orgler, Y. E., and Wolkowitz, B. 1976. *Bank Capital*. New York: Van Nostrand Reinhold.
- Peltzman, S. 1968. Bank stock prices and the effects of regulation of the banking structure. *Journal of Business* 41(4):413–30.
- . 1970. Capital investment in commercial banking and its relationship to portfolio regulation. *Journal of Political Economy* 78(1):1–26.
- . 1972. The costs of competition: An appraisal of the Hunt Commission report. *Journal of Money, Credit, and Banking* 4:1001–4.
- Pendyck, R., and Rubinfeld, D. 1976. *Econometric models and economic forecasts*. New York: McGraw-Hill.
- Phillips, L., and Pippenger, J. 1976. Preferred habitat vs. efficient market: A test of alternative hypotheses. *Federal Reserve Bank of St. Louis Review* 58 (May):11–19.
- Pierce, D. A. 1977. Relationships—and the lack thereof—between economic time series, with special reference to money, reserves, and interest rates. *Journal of the American Statistical Association* 72(357):11–26.
- Pierce, J. L. 1967. An empirical model of commercial bank portfolio management. In *Studies in portfolio behavior*, ed. D. D. Hester and J. Tobin. New York: Wiley.
- Pogue, C. A. 1970. An extension of the Markowitz portfolio selection model to include variable transactions' costs, short sales, leverage policies, and taxes. *Journal of Finance* 25(5):1005–28.

- Pogue, T. F., and Soldofsky, R. M. 1969/70. What's in a bond rating? *Journal of Financial and Quantitative Analysis* 4:201–28.
- Pringle, J. J. 1974a. The capital decision in commercial banks. *Journal of Finance* 29(3):779–95.
- . 1974b. The imperfect-markets model of commercial bank financial management. *Journal of Financial and Quantitative Analysis* 9(1):131–36.
- Pyle, D. H. 1968. On the theory of financial intermediation. Ph.D. diss., Massachusetts Institute of Technology.
- . 1971. On the theory of financial intermediation. *Journal of Finance* 26(3):737–49.
- Ramaswamy, K. 1978. The loan operations of financial intermediaries and the valuation of secondary financial claims. Ph.D. diss., Stanford University.
- Robinson, R. I., and Pettway, R. H. 1967. *Policies for optimum bank capital: A study prepared for the trustees of the banking research fund*. Chicago: Association of Reserve City Banks.
- Robinson, R. S. 1973. BANKMOD: An interactive simulation aid for bank financial planning. *Journal of Bank Research* 4(3):212–24.
- Roll, R. 1970. *The behavior of interest rates: Application of the efficient market model to United States Treasury bill rates*. New York: Basic Books.
- . 1971. Investment diversification and bond maturity. *Journal of Finance* 26(1):51–66.
- Rosenberg, B. 1974. Extra-market components of covariance among security prices—I. *Journal of Financial and Quantitative Analysis* 9:263–74.
- Rosenberg, B., and Guy, J. 1975. The prediction of systematic risk, Research Program in Finance, no. 33, Graduate School of Business Administration, University of California, Berkeley.
- Rosenberg, B.; Houglet, M.; Marathe, V.; and McKibben, W. 1973. Extra-market components of covariance among security prices—II. Presented at the Western Finance Association Meetings, August. (Under revision.)
- Rosenberg, B., and McKibben, W. 1973. The prediction of systematic and specific risk in common stocks. *Journal of Financial and Quantitative Analysis* 8:317–33.
- Rosenberg, B., and Marathe, V. 1975. The prediction of investment risk: Systematic and residual risk. In *Proceedings of the Seminar on the Analysis of Security Prices*, pp. 85–225. Chicago: University of Chicago.
- . 1979. Tests of capital asset pricing hypotheses. In *Research in finance*, ed. Haim Levy, 1:115–223. Greenwich, Conn.: JAI Press.

- Rosenberg, B., and Perry, P. R. 1978. The fundamental determinants of risk in banking. Working Paper no. 265, National Bureau of Economic Research.
- Ross, S. A. 1977. The determination of financial structure: The incentive-signalling approach. *Bell Journal of Economics* 8(1):23–40.
- Rothschild, M., and Stiglitz, J. E. 1970. Increasing risk: 1. A definition. *Journal of Economic Theory* 2(3):225–43.
- Rubinstein, M. E. 1973a. A mean-variance synthesis of corporate financial theory. *Journal of Finance* 28(1):167–82.
- . 1973b. Corporate financial policy in segmented securities markets. *Journal of Financial and Quantitative Analysis* 8(5):749–61.
- . 1975. The valuation of uncertain income streams and the pricing of options. Research Program in Finance, Working Paper no. 37, Berkeley Institute of Business and Economic Research, University of California.
- Russell, W. R. 1964. Commercial bank portfolio adjustments. *American Economic Review* 54(2):544–53.
- Salomon Brothers. 1974. *An analytical record of yields and yield spreads*. New York: Salomon Brothers.
- Samuelson, P. A. 1945. The effect of interest rate increases on the banking system. *American Economic Review* 35(1):16–27.
- . 1970. The fundamental approximation theorem of portfolio analysis in terms of means, variances, and higher moments. *Review of Economic Studies* 37:537–42.
- . 1972. Proof that properly anticipated prices fluctuate randomly. In *Collected scientific papers of Paul A. Samuelson*, ed. R. C. Merton. Cambridge: MIT Press.
- Samuelson, P. A., and Merton, R. C. 1974. Generalized mean-variance tradeoffs for best perturbation corrections to approximate portfolio decisions. *Journal of Finance* 29(1):27–40.
- Santomero, A. M., and Watson, R. D. 1977. Determining an optimal capital standard for the banking industry. *Journal of Finance* 32(4):1267–81.
- Sargent, T. J. 1972. Rational expectations and the term structure of interest rates. *Journal of Money, Credit and Banking* 4(1), part 1:74–97.
- . 1978. A note on maximum likelihood estimation of the rational expectations model of the term structure. Working Paper, University of Minnesota.
- Scott, K. E., and Mayer, T. 1971. Risk and regulation in banking: Some proposals for FDIC reform. *Stanford Law Review* 23:857–902.
- Sharpe, W. F. 1963. A simplified model for portfolio analysis. *Management Science* 9:277–93.

- . 1964. Capital asset prices: A theory of market equilibrium under conditions of risk. *Journal of Finance* 19(3):325–442.
- . 1966. Mutual fund performance. *Journal of Business* 39(2):119–38.
- . 1970. *Portfolio theory and capital markets*. New York: McGraw-Hill.
- . 1977. Bank capital adequacy, deposit insurance and security values (part I). Working Paper no. 209, National Bureau of Economic Research.
- Sherman, L. F. 1977. Measurement of banking risk and capital adequacy: A linear structural relations approach. M.S. thesis, University of Illinois at Urbana-Champaign.
- Shiller, R. J. 1973. Rational expectations and the term structure of interest rates. *Journal of Money, Credit and Banking* 5(3):856–60.
- Shoven, J. B., and Bulow, J. I. 1978. The bankruptcy decision. Discussion Paper no. 16, Inflation Workshop, Department of Economics, Stanford University.
- Silverberg, S. C. 1973. Deposit costs and bank portfolio policy. *Journal of Finance* 28(4):881–96.
- Sims, C. A. 1972. Money, income and causality. *American Economic Review* 62(4):540–52.
- . 1977. Exogeneity and causal ordering in macroeconomic models. In *New methods in business cycle research: Proceedings from a conference*, ed. C. A. Sims. Minneapolis: Federal Reserve Bank of Minneapolis.
- Sinkey, J. F. 1975. A multivariate statistical analysis of the characteristics of problem banks. *Journal of Finance* 30(1):21–36.
- . 1981. A comparative analysis of the portfolio and performance operations of problem commercial banks. FDIC Working Paper, forthcoming.
- Skelton, J. 1978. A model of tax effects in coupon bonds. Mimeographed. Graduate School of Business, University of Chicago.
- Smith, J. E. 1974. Assessing the capital needs of banking. *Journal of Commercial Bank Lending* 56(5):14–21.
- Smith, K. V. 1968. Alternative procedures for revising investment portfolios. *Journal of Financial and Quantitative Analysis* 3:371–403.
- Smith, K. V., and Tito, D. A. 1969. Risk-return measures of ex post portfolio performance. *Journal of Financial and Quantitative Analysis* 4:449–70.
- Spong, K., and Hoenig, T. 1978. Bank examiner classifications and loan risk. Working Paper, Federal Reserve Bank of Kansas City.
- Stiglitz, J. E. 1970. A consumption-oriented theory of the demand for financial assets and the term structure of interest rates. *Review of Economic Studies* 37:321–51.

- . 1974. On the irrelevance of corporate financial policy. *American Economic Review* 64(6):851–66.
- Tinsley, P. A. 1970. Capital structure, precautionary balance, and the valuation of the firm: The problem of financial risk. *Journal of Financial and Quantitative Analysis* 5(1):33–62.
- Tobin, J. 1958. Liquidity preference as behavior towards risk. *Review of Economic Studies* 25:65–86.
- Treynor, J. L. 1965. How to rate management of investment funds. *Harvard Business Review* 43 January/February: 63–75.
- Treynor, J. L., and Black, F. 1973. How to use security analysis to improve portfolio selection. *Journal of Business* 46(1):66–86.
- Tussing, A. D. 1967. The case for bank failure. *Journal of Law and Economics* 10:129–47.
- . 1970. Meaningful bank failure: A proposal. *Journal of Industrial Economics* 18(3):242–54.
- Tuttle, D. L., and Litzenberger, R. H. 1968. Leverage, diversification and capital market effects on a risk-adjusted capital budgeting framework. *Journal of Finance* 23(3):427–43.
- United States Code, Title Twelve.
- United States House of Representatives. 1975. *Hearings before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Currency and Housing on H.R. 8024 Part 2*, 94th Congr., 1st Sess., Washington, D.C.: U.S. Government Printing Office.
- United States Senate Committee on Banking, Housing and Urban Affairs. 1975. *Compendium of Major Issues in Bank Regulation*. 94th Congr. 1st Sess., Washington, D.C.: U.S. Government Printing Office.
- United States Treasury. *Bulletin*. various issues.
- Van Horne, J. J. 1977. *Fundamentals of financial management*. 3d ed. Englewood Cliffs, N.J.: Prentice-Hall.
- Vasicek, O. A. 1973. A note on using cross-sectional information in Bayesian estimation of security betas. *Journal of Finance* 28:1233–39.
- . 1976. The term structure of interest rates. Working Paper. Wells Fargo Bank, San Francisco.
- . 1977. Liquidity premia and market implicit forecasts. Mimeographed. Wells Fargo Bank.
- Vojta, G. J. 1973. *Bank capital adequacy*. New York: First National City Bank.
- Wall, K. D. 1976. FIML estimation of rational distributed lag structural form models. *Annals of Social and Economic Measurement* 5(1):53–63.
- Wallich, H. C. 1975. The foundations of lasting recovery. Federal Reserve press release, 6 May.

- Weaver, A. S., and Herzig-Marx, Chayim. 1978. A comparative study of the effect of leverage on risk premiums for debt issues of banks and bank holding companies. Staff Memoranda, Federal Reserve Bank of Chicago, Research Paper no. 78-1.
- Weil, R. L. 1973. Macauley's duration: An appreciation. *Journal of Business* 46(4):589-92.
- White, J. J. 1976a. *Teaching materials on banking law*. St. Paul, Minn.: West Publishing Company, pp. 715-911.
- . 1976b. *Statutory supplement to teaching materials on banking law*. St. Paul, Minn.: West Publishing Company.
- Wold, H. 1948. On prediction in stationary time series. *Annals of Mathematical Statistics* 19:558-67.
- Woodworth, G. W. 1967. *The management of cyclical liquidity of commercial banks*. Boston: Bankers Publishing.
- Wu, H.-K. 1972. Bank examiner criticism, bank loan defaults, and bank loan quality. *Journal of Finance* 25(4):637-51.
- . 1977. Effectiveness of bank examiners' loan criticism: Some new evidence. Comptroller of the Currency Research Paper no. 77-5.
- Yawitz, J. W.; Hempel, G. H.; and Marshall, W. J. 1975. Average maturity as a risk proxy in investment decisions. *Journal of Finance* 30(2):325-33.
- Zellner, A. 1962. An efficient method of estimating seemingly unrelated regressions and tests for aggregation bias. *Journal of the American Statistical Association* 5:348-68.

