



Call for Research Proposals NSE - NYU Stern Initiative on the Study of Indian Capital Markets (2012-13)

The NSE-NYU Stern Initiative on the Study of Indian Capital Markets is a newly-formed joint venture of the National Stock Exchange of India (NSE) and the Salomon Center for the Study of Financial Institutions at NYU Stern School of Business. The Initiative invites academics and scholars to submit research proposals for projects, including early-stage projects that are relevant for understanding the Indian financial sector and macro-economy. Around 5-6 projects will be approved and awarded a grant of \$7,500 each.

TOPICS: The topics of interest to the Initiative include but are not limited to:

- Liquidity and efficiency of stock markets
- The pros and cons of high frequency trading (HFT)
- The role and functioning of Initial and Secondary Public Offerings
- Capital structure and cost of capital for corporations including small and medium-sized enterprises (SMEs)
- The role of private equity and family-owned firms in the economy
- The market for government securities
- Banks (private-sector and public-sector) and non-bank financial corporations (NBFCs), and their interactions with markets
- Commodities markets and their linkages to other capital markets
- Role and impact of financial sector regulation and government restrictions on markets
- Macroeconomic risks including inflation and fiscal risks and how they impact markets
- Studies of other emerging markets relevant for India
- Trading behavior of retail and institutional investors (including FIIs) and their impact on markets
- Market for takeovers and other governance mechanisms
- Missing and failed markets (e.g., corporate bonds, interest rate futures, credit

derivatives)

The NSE generally provides two types of data: (a) data relating to trades and (b) corporate data such as company fundamentals, corporate announcements and shareholding pattern); trading data can be made available as Real Time Data, Snapshot Data, End-of-day Data, and Historical Data. The NSE would provide this data if required for the approved projects at a highly subsidized rate.

PAPER SUBMISSION PROCEDURE: Each research proposal should consist of at most three single-spaced pages, and must include the project title, information on the principal investigator (PI) and institution where the PI is affiliated, information on any co-PIs, a one-paragraph summary of the project, the project's intended contribution relative to the literature, the data to be employed, research methodology, and preliminary results (if any). Projects that are already in an advanced stage are unlikely to be funded.

The deadline for submissions of the proposal is 1st October, 2012. Research proposal plus the cv of the principal investigator should be mailed in pdf format as a single file to nse-nyu-call-2012@stern.nyu.edu. Project approval decisions will be made and emailed by 15th October, 2012.

GRANT DETAILS: 50% of the grant will be made available upon approval and the remaining 50% will be made available if the following conditions are met: Principal investigator of the approved projects must each:

- Submit a preliminary draft by 1st June 2013; feedback on which will be provided within three weeks after the deadline.
- Present (or have a co-author present) the revised draft at a research conference to be organized by the NSE in Mumbai, India in July or August, 2013 (dates to be confirmed).
- Submit second draft incorporating discussion at the Conference by middle of October, 2013, on which a final set of comments will be provided by the middle of November.
- Submit by 1st December 2013 a final draft that gives due consideration to all comments and feedback for inclusion in the Working Paper series of the NSE and the Salomon Center.

SELECTION COMMITTEE: The committee that will screen and approve the projects consists of Professors Viral V. Acharya, Joel Hasbrouck, and Rangarajan K. Sundaram.

ABOUT THE NATIONAL STOCK EXCHANGE (NSE) OF INDIA: NSE is the largest exchange in India that has brought about unparalleled transparency, speed, efficiency and safety in the Indian securities market. As part of its thought leadership efforts, NSE conducts various workshops and seminars. It also conducts training programs and certification programs in the area of securities market.

ABOUT THE SALOMON CENTER FOR THE STUDY OF FINANCIAL INSTITUTIONS: The Salomon Center for the Study of Financial Institutions is a research Institute founded in 1972 as part of the Stern School of Business, New York University, by a grant from the partners of Salomon Brothers, and specializes in the study of financial institutions, including commercial banks, investment banks, managed funds and insurance companies.

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