

Maria G. Schutte

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EDUCATION	University of Missouri - Columbia		
	<ul style="list-style-type: none">• PhD Business Administration - Finance <i>Thesis: Essays in Idiosyncratic Risk</i>	Expected 2007	
	University of Notre Dame		
	<ul style="list-style-type: none">• M.B.A., Finance	1995	
	Catholic University of Ecuador, Quito, Ecuador		
	<ul style="list-style-type: none">• B.S., Economics	1992	
RESEARCH INTERESTS	Capital Markets, portfolio management, and international issues in financial economics		
TEACHING INTERESTS	Investments, International Finance, Financial Management		
JOB MARKET PAPER	Creative Destruction Intensity and the Idiosyncratic Risk of the World - <i>in progress</i>		
WORKING PAPER	Does Size Erode Mutual Fund Performance? Evidence From Bond Funds (with Xuemin (Sterling) Yan)		
WORK IN PROGRESS	Noise, The Link Between Stock Visibility and Price Informativeness: Results From Analyst Initiations (with Emre Unlu)		
TEACHING EXPERIENCE	University of Missouri – Columbia		
	<ul style="list-style-type: none">• Graduate Instructor: Management of Financial Institutions (FIN4130)	2005 - 2006	
		Corporate Financial Management Policy (FIN326)	Winter 2004
	<ul style="list-style-type: none">• Teaching Assistant: Corporate Finance – Writing Intensive Lab (FIN203WI)		Fall 2003
	University of Wisconsin - Eau Claire		
	<ul style="list-style-type: none">• Lecturer, Principles of Microeconomics (ECON405)		2001 - 2002
ACADEMIC SERVICE	<ul style="list-style-type: none">• Public Relations Officer, KPMG Doctoral Student Association		2005 – 2006
	<ul style="list-style-type: none">• Discussant, 2005 Financial Management Association Meetings		2005
PAPER PRESENTATIONS	Does Size Erode Mutual Fund Performance? Evidence From Bond Funds		
	<ul style="list-style-type: none">• 2005 University of Missouri Finance Department, Seminar Speaker Series		

PAPER
PRESENTATIONS
(continued)

- 2005 KPMG Doctoral Student Association Conference, Portland, OR. June 2005

PUBLICATION IN
SPANISH

- The Supply Response Of Export Roses To Changes In International Prices: A Case Study
- *Technical Document N.53, published by the Institute for Agricultural Strategies (IDEA), Quito, Ecuador, 1993*

COMPUTING
EXPERIENCE

SAS, R, RATS, COMPUSTAT, CRSP, Compact Disclosure, SDC Platinum

PROFESSIONAL
EXPERIENCE

- Research Assistant, University of Missouri – Columbia 2004 – 2005
- Reviewed literature, data collection, data processing on payout policy and mutual fund research projects
- Economic Analyst, Minneapolis Grain Exchange 1995 - 1996
- Conducted seminars on futures and options trading
 - Studied and improved contract rules
- Research Assistant, University of Notre Dame 1994 - 1995
- Data collection and data analysis for investments and portfolio management projects

HONORS AND
AWARDS

- Ponder Scholarship (\$1,500/semester) 2003 – 2006
- Greenberg Scholarship (\$3,000) *Summer 2004*
- University of Missouri Competitive Research Fellowship (\$3,700) *Summer 2005*

REFERENCES

Name	Telephone	Email
Dr. Paul Brockman (chair)	(573) 884 - 1562	brockmanp@missouri.edu
Dr. Stephen Ferris	(573) 882 - 9905	ferriss@missouri.edu
Dr. John Howe	(573) 882 - 5357	howej@missouri.edu

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CITIZENSHIP

Ecuador
Permanent Resident of the United States since 1996

Paper Abstracts

Creative Destruction Intensity and the Idiosyncratic Risk of the World (Job Market Paper)- *in progress*

The objective of this study is to determine to what extent cross-country differences in stock price synchronicity are reflections of cross-country differences in the intensity of the creative destruction process. Using measures derived from the entry and exit of firms in and out of the equity markets, such as firm turnover, average firm age and average firm growth, I identify patterns in the intensity of the creative destruction process of countries in the Compustat Global Vantage database. I propose that countries with a more intense creative destruction processes also have more efficient capital allocations, more heterogeneous cash flows and, consequentially, more heterogeneous stock returns. Additionally, I propose that cross-country differences in return synchronicity depend on how easy it is for new firms to enter the economy and how easy it is for already established firms to leave it. Markets with low return synchronicity should have institutions that encourage the entry of more technologically advanced firms into the economy. Similarly, economies where the creative destruction process is more intense should also have institutions conducive to the exit of old firms once they become obsolete.

Does Fund Size Erode Mutual Fund Performance? Evidence from Bond Funds

Previous studies (e.g., Chen, et. al. (2004)) document a significant inverse relation between fund size and fund performance among equity mutual funds, and attribute this finding to illiquidity and organizational diseconomies. Using a comprehensive sample of bond mutual funds for the period 1993-2004, we examine whether fund size erodes performance for bond mutual funds. Contrary to previous findings on equity funds, we find no evidence of performance erosion in bond funds. Furthermore, inconsistent with the liquidity hypothesis, we find evidence of economies of scale in funds holding illiquid bonds. Our results are consistent with transaction costs increasing with trade sizes as bonds become more illiquid and with bond funds not suffering from organizational diseconomies from processing soft information as bond funds become larger and more hierarchical.

Noise, the Link between Visibility and Price Informativeness: Results from Analyst Initiations

In this paper we propose that analysts provide a valuable service by increasing investor awareness of previously neglected stocks, resulting in higher firm values, improved liquidity, and less price fluctuations occurring because of noise. These three changes in stock characteristics have a positive effect on price informativeness. Consistent with this hypothesis, we find a 22.4% increase in the market model R^2 within one year of a *first-time* analyst initiation, a significant increase in stock's ability to forecast future earnings. Also in support of our prediction, we find that the increase in price informativeness is caused by a higher sensitivity of the stock's excess returns to market-level earnings innovations as opposed to firm-level earnings. We interpret this result as indication of analysts making recommendations based on inferences on the firm's future cash flows from the performance of other, better known stocks with similar fundamentals immediately after the initiation.