

## CURRICULUM VITAE

### Mustafa Caglayan

#### Office Contact

School of Social Sciences  
Heriot-Watt University  
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#### Education

PhD in Economics (1997) Boston College, MA, USA  
MSc in Economics (1991) Boğaziçi Üniversitesi, Türkiye  
BSc in Electrical Engineering (1987) Boğaziçi Üniversitesi, Türkiye

#### Fields of Specialization

Financial Economics; International Finance; Applied Finance; Macroeconomics.

#### Professional Experience

2013 Professor of Finance, Heriot-Watt University, UK  
2006-2012 Professor of Economics, University of Sheffield, UK  
2005-2006 Professor of Economics, University of Glasgow, UK  
2003-2005 Reader, University of Leicester, UK  
2000-2003 Senior Lecturer, University of Liverpool, UK  
2000 (January-September) Lecturer, University of Durham, UK  
1998-2000 Assistant Professor, Koç Üniversitesi, İstanbul, Türkiye  
1996-1998 Visiting Assistant Professor, Fletcher School, Tufts University, USA  
1990-1997 Research and teaching assistant, Boston College, USA  
1994-1996 Instructor, Northeastern University, USA

Research Associate, World Bank, Policy and Research Department, Summer 1994,  
Topic: "Effects of term finance on firm performance"

#### Teaching

*Current teaching:* Financial Markets Theory, International Bond and Currency Markets, Research in Finance (contributor), Current Topics in Investment Management (contributor)

*Past teaching:* (*Undergraduate UK*) Theory of Banking and Finance, Principles of Finance, Macroeconomics; (*Postgraduate UK*) Modern Theory of Banking and Finance, Introduction to Finance, Corporate Finance, International Money and Finance, Advanced Macroeconomics; (*PhD, USA*) Macroeconomics, Statistics, Econometrics and Mathematics for Economists

## Awards and Fellowships

- 2017–2020 ESRC and National Natural Science Foundation of China (Developing financial systems to support sustainable growth in China); ES/P004741/1 (PI). Proposal Title: “Peer-to-peer lending market in China: pricing, risk management and regulation”, with O. Talavera (Swansea University), L. Xiong (Robert Gordon University) J. Maltby (University of Sheffield). (£396,949)
- 2017 School of Social Sciences, Heriot-Watt University. Proposal Title: “Policy Uncertainty on the Efficient Functioning of Banks”, with B. Xu (Heriot-Watt University) (£2,850)
- 2010–12 The British Academy (PI). Proposal Title: “The Impact of Uncertainty on Research and Development Investment”, with C. F. Baum (Boston College). (£5,189)
- 2007–08 The British Academy (PI). Proposal Title: “Effects of Exchange Rate Volatility on the Volume and Volatility of Bilateral Exports: The Case for Developing Countries”, with C. F. Baum (Boston College). (£3,397)
- 2005–06 The British Academy (PI). Proposal Title: “The effects of Exchange rate movements on international trade flows: a bivariate GARCH approach”, with C. F. Baum (Boston College). (£2,723)
- 1999 (July-August) Harvard-Koç Üniversitesi Visiting Fellow. (\$2,500)
- 1994 Summer Dissertation Fellowship Boston College Graduate School of Arts and Sciences. (\$2,000)
- 1990-1996 Tuition remission and teaching assistantship, Department of Economics, Boston College

## Refereed Journal Articles since 2014

41. “Financial Depth and the Asymmetric Impact of Monetary Policy”, with O. K. Kocaaslan and K. Mouratidis, 2017. *Oxford Bulletin of Economics and Statistics*, in press.
40. “Capital Structure Adjustments: Do Macroeconomic and Business Risks Matter?”, with C. F. Baum and A. Rashid, 2017. *Empirical Economics*, in press.
39. “Inflation Volatility Effects on the Allocation of Bank Loans”, with B. Xu, 2016. *Journal Financial Stability*, 24, 27-39.

38. “Sentiment Volatility and Bank Lending Behavior”, with B. Xu, 2016. *International Review of Financial Analysis*, 45, 107-120.
37. “Asymmetric Monetary Policy Rules For An Open Economy: Evidence From Canada and the UK”, with Z. Jehan and K. Mouratidis, 2016. *International Journal of Finance and Economics*, 21(3), 279-293.
36. “Real Effects of Inflation Uncertainty in the US”, with O. Kandemir and K. Mouratidis, 2016. *Scottish Journal of Political Economy*, 63(2), 135-155.
35. “R&D Expenditures and Export Sales Diversification”, with C. F. Baum and O. Talavera, 2016. *The Manchester School*, 84(2), 197-221.
34. “Price Dynamics and Market Segmentation”, with A. Filiztekin, 2015. *Economics Letters*, 134, 94-97.
33. “The Response of Firms’ Leverage to Risk: Evidence from UK Public *versus* Non-Public Manufacturing Firms”, with A. Rashid, 2014. *Economic Inquiry*, 52(1), 341-363.
32. “Firm Productivity, Exchange Rate Movements, Sources of Finance and Export Orientation”, with F. Demir, 2014. *World Development*, 54, 204-219.
31. “Allocation Effects of Uncertainty on Resources in Japan”, with B. Xu, 2014. *Economics Letters*, 122(1), 23-26.

### **Earlier Publications**

30. “The Effects of Future Capital Investment and R&D Expenditures on Firms’ Liquidity”, with C. F. Baum and O. Talavera, 2013. *Review of International Economics*, 21(3), 459-474.
29. “Trade Flows, Exchange Rate Uncertainty and Financial Depth: Evidence from 28 Emerging Countries”, with O. Dahi and F. Demir, 2013. *Southern Economic Journal*, 79(4), 905-927.
28. “The Role of Uncertainty in the Transmission of Monetary Policy Effects on Bank Lending”, with C. F. Baum and N. Ozkan, 2013. *The Manchester School*, 81(2), 202-225.
27. “Inventories, Sales Uncertainty, and Financial Strength”, with S. Mateut and S. Maioli, 2012. *Journal of Banking and Finance*, 36(9), 2512-2521.

26. "The Effect of the Exchange Rates on Investment in Mexican Manufacturing Industry", with R. Munoz-Torres, 2011. *Open Economies Review*, 22(4), 669-683.
25. "Parliamentary Election Cycles and the Turkish Banking Sector", with C. F. Baum and O. Talavera, 2010. *Journal of Banking and Finance*, 34, 2709-2719.
24. "On the Sensitivity of Firms' Investment to Cash Flow and Uncertainty", with C. F. Baum and O. Talavera, 2010. *Oxford Economic Papers*, 62, 286-306.
23. "On the Investment Sensitivity of Debt under Uncertainty", with C. F. Baum and O. Talavera, 2010. *Economics Letters*, 106, 25-27.
22. "Does Real Exchange Rate Volatility Affect Sectoral Trade Flows?", with J. Di, 2010. *Southern Economic Journal*, 77 (2), 313-335.
21. "On the Sensitivity of the Volume and Volatility of Bilateral Trade Flows to Exchange Rate Uncertainty", with C. F. Baum, 2010. *Journal of International Money and Finance*, 29(1), 79-93.
20. "Do Institutions, Inequality and Cultural Differences Affect Cadaveric versus Live Kidney Harvesting?", with N. Anbarci, 2010. *Economics Bulletin*, 30(1), 10-19.
19. "The Second Moments Matter: The Response of Bank Lending Behavior to Macroeconomic Uncertainty", with C. F. Baum and N. Ozkan, 2009. *Economics Letters*, 102, 87-89.
18. "Market Structure and the Link Between Inflation and Price Dispersion", with A. Filiztekin and M. T. Rauh, 2008. *European Economic Review*, 52(7), 1187-1208.
17. "Political Patronage in Ukranian Banking", with C. F. Baum, D. Schaefer and O. Talavera, 2008. *Economics of Transition*, 16(3), 537-557.
16. "Uncertainty Determinants of Corporate Liquidity" (with C. F. Baum, A. Stephan and O. Talavera, 2008. *Economic Modeling*, 25, 833-849.
15. "Uncertainty Determinants of Firm Investment", with C. F. Baum and O. Talavera, 2008. *Economics Letters*, 98(3), 282-287.

14. "The Impact of Macroeconomic Uncertainty on Cash Holdings For Non-Financial Firms", with C. F. Baum, N. Ozkan and O. Talavera, 2006. *Review of Financial Economics*, 15(4), 289-304.
13. "Incompletely Informed Policymakers and Trade Policy in Oligopolistic Industries", with M. Usman, 2004. *The Manchester School*, 72(3), 283-297.
12. "Nonlinear Effects of Exchange Rate Volatility on the Volume of Bilateral Exports", with C. F. Baum and N. Ozkan, 2004. *Journal of Applied Econometrics*, 19(1), 1-23.
11. "Sectoral Fluctuations in U.K. Firms' Investment Expenditures", with C. F. Baum and N. Ozkan, 2003. *Economics Bulletin*, 5(13), 1-10.
10. "Nonlinear Impact of Inflation on Relative Price Variability", with A. Filiztekin, 2003. *Economics Letters*, 79(2), 213-218.
9. "Exchange Rate Effects on the Volume and Variability of Trade Flows", with J. T. Barkoulas and C. F. Baum, 2002. *Journal of International Money and Finance*, 21(4), 481-496.
8. "Exchange Rate Uncertainty and Firm Profitability", with J. T. Barkoulas, C. F. Baum, 2001. *Journal of Macroeconomics*, 23(4), 565-576.
7. "Monetary Instability, the Predictability of Prices and the Allocation of Investment: An Empirical Investigation Using UK Panel Data", with P. Beaudry and F. Schiantarelli, 2001. *American Economic Review*, 91(3), 648-662.
6. "Nonlinear Adjustment to Purchasing Power Parity in the Post-Bretton Woods Era", with J. T. Barkoulas and C. F. Baum, 2001. *Journal of International Money and Finance*, 20(3), 379-399.
5. "Costly Signal Extraction and Profit Differentials in Oligopolistic Markets", with M. Usman, 2000. *Economics Letters*, 69(3), 359-363.
4. "Uncertainty Resolution and the Strategic Trade Policy in Oligopolistic Industries" 2000. *Review of International Economics*, 8(2), 311-318.
3. "Persistence in International Inflation Rates", with J. T. Barkoulas and C. F. Baum, 1999. *Southern Economic Journal*, 65(4), 900-913.

2. “Long Memory or Structural Breaks: Can Either Explain Nonstationary Real Exchange Rates under the Current Float?”, with J. T. Barkoulas and C. F. Baum, 1999. *Journal of International Financial Markets, Institutions, 9*, 359-376.
1. “Fractional Monetary Dynamics”, with J. T. Barkoulas and C. F. Baum, 1999. *Applied Economics, 31*, 1393-1400.

### **Chapters in Books**

“A Disaggregated Analysis of Price Dynamics”, with A. Filiztekin, 2006. In *The Turkish economy: The Real Economy, Corporate Governance, and Reform*, S. Altug and A. Filiztekin (eds.), London: Routledge, 128-146.

“Persistent Dependence in Foreign Exchange Rates? A Reexamination”, with J. Barkoulas, C. F. Baum, and A. Chakraborty, 2004. In *Global Financial Markets: Issues and Strategies*, D. K. Ghosh and M. Ariff (eds.), Praeger Publishers, 2004, 153-164.

### **Current Work in Progress**

8. “Dollarization, Liquidity and Performance: Evidence from Turkish Banking Sector”, with O. Talavera, manuscript, submitted.
7. “Exchange Rate Movements, Skill-Content of Products and Direction of Trade”, with F. Demir, manuscript, submitted.
6. “Uncertainty Effects on Functioning of Financial Intermediaries: International Evidence”, with B. Xu, first draft available.
5. “The Risk Taking Channel: A GVAR Approach”, with R. Alzuabi and K. Mouratidis, first draft available.
4. “Organized Crime and Technology in Northern Italian provinces”, with A. Flamini and Babak Jahanshahi, first draft available.
3. “Interest Rates and the Closed-end Fund Puzzle”, with A. Adams, work in progress.
2. “An Empirical Examination on the Resource Allocation Problem of Firms: Evidence from International Data”, with C. F. Baum, work in progress.
1. “Policy Uncertainty on the Efficient Functioning of Banks”, with B. Xu, work in progress.

### **Conference Presentations since 2014**

“Sentiment Volatility and Bank Lending Behavior”, with B. Xu, *EcoMod Conference*, July 6-8, 2016 Lisbon, Portugal.

“Dollarization, Liquidity and Performance: Evidence from Turkish Banking”, with O. Talavera, *IFABS Conference*, 1-3 June 2016, Barcelona.

“Financial Depth and the Asymmetric Impact of Monetary Policy”, with O. K. Kocaaslan and K. Mouratidis, *EcoMod Conference*, July 15-17, 2015 Boston, USA; *1st International Conference in Applied Theory, Macro and Empirical Finance; AMEF* April 2015, Thessaloniki, Greece.

“Capital Structure Adjustments: Do Macroeconomic and Business Risks Matter?”, with C. F. Baum and A. Rashid, *European Financial Management Association 2014 Annual Meetings*, June 25–28, 2014 Rome, Italy.

### **PhD Supervision**

10. Machokoto, Michael, Heriot Watt University, 2016, defended.
9. Jenny Chen, Heriot Watt University, 2016, defended.
8. Zainab Jehan, University of Sheffield, 2013.
7. Elham Saeidinezhad, University of Sheffield, 2013.
6. Muhammad Akram, University of Sheffield, 2013
5. Ozge Kandemir, University of Sheffield, 2012.
4. Abdul Rashid, University of Sheffield, 2012.
3. Jing Di, University of Sheffield, 2011.
2. Simeon Coleman, University of Leicester, 2007.
1. Rebeca Munoz-Torres, University of Leicester, 2006.

Except for Elham Saeidinezhad who working as a consultant in the US, all my PhD students have gained academic positions in the UK (4), Pakistan (3), China (1) and Turkey (1).

### **Workshops**

Macroeconomic Management: New Methods and Current Policy Issues, Organized by the World Bank at Bilkent University. Topic: “Time Series Analysis” Ankara, Turkiye, July 7-17, 1998.

## Professional Services

External examining

*Taught courses*

BA in Economics: Queen Mary University of London (2016-2019)

BSc in Finance: University of Edinburgh (2013-2017)

BSc in Economics: City University London (2009-2011); University of Strathclyde (2006-2009)

MSc in Finance: University of York (2011-2014)

*PhD theses*

Glasgow (2013), Nottingham (2012), Oxford (2011)

Referee Activity

*Refereeing for Academic Journals*

Canadian Journal of Economics, China Economic Review, Economics Letters, Economic Modeling, Economica, Empirical Economics, Journal of Applied Econometrics, Journal of Financial Stability, Economic Inquiry, Journal of International Economics, Journal of International Money and Finance, Journal of Macroeconomics, Journal of Money, Credit, and Banking, Oxford Bulletin of Economics and Statistics, Oxford Economic Papers, Pacific Economic Review, Quarterly Review of Economics and Finance, Recherches Economiques De Louvain, Scottish Journal of Political Economy, World Economy.

*Refereeing for Research Grants*

Academy of Finland, ESRC, BA.

*Reviewer for*

Addison Wesley Publishing Company, Elsevier, Oxford University Press, MIT Press, Pearson.

*Member of*

European Economic Association