



JFOQA

<https://doi.org/10.1017/S0022109900020342> Published online by Cambridge University Press

JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

VOL. 19, NO. 3, SEPTEMBER 1984

UNIVERSITY OF WASHINGTON GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
PUBLISHED JOINTLY WITH THE WESTERN FINANCE ASSOCIATION

JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

A JOINT PUBLICATION OF THE
UNIVERSITY OF WASHINGTON
GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
AND THE WESTERN FINANCE ASSOCIATION

VOL. 19, NO. 3, SEPTEMBER 1984

A New Approach to Estimation of the Term Structure of Interest Rates	233
Donald R. Chambers, Willard T. Carleton, and Donald W. Waldman	
Pitfalls in Smoothing Interest Rate Term Structure Data: Equilibrium Models and Spline Approximations	253
Gary S. Shea	
A Pure Financial Explanation for Trade Credit	271
Gary W. Emery	
Consumption Basket, Exchange Risk, and Asset Demand	287
Jongmoo Jay Choi	
Firm Size and the Informational Content of Financial Statements	299
Daniel Zeghal	
Difference Equation Solutions to the Valuation of Lease Contracts	311
Anthony Steele	
Gini's Mean Difference and Portfolio Selection: An Empirical Evaluation	329
Roger P. Bey and Keith M. Howe	
The Transactions Velocity of Money and Its Efficiency	339
R. J. Sweeney	

EDITORIAL STAFF

Alfred N. Page, Managing Editor
 Martha M. Auvil, Editor

Barbara S. Pearson, Office Manager
 John Sandoz, Editorial Assistant
 University of Washington

ASSOCIATE EDITORS

Gordon Alexander, University of Minnesota
 Richard H. Bernhard, North Carolina State University
 Roger Bey, University of Tulsa
 Gerald O. Bierwag, University of Arizona
 Stephen J. Brown, Yale University
 George Constantinides, University of Chicago
 Louis H. Ederington, Washington University
 Robert A. Eisenbeis, University of North Carolina, Chapel Hill
 Thomas W. Epps, University of Virginia
 Peter A. Frost, University of Washington
 Michael R. Gibbons, Stanford University
 Christopher James, University of Oregon
 Robert A. Jarrow, Cornell University
 George Kaufman, Loyola University
 Paul Malatesta, University of Washington

Ronald Masulis, University of California, Los Angeles
 John G. McDonald, Stanford University
 Richard Pettit, University of Houston
 George E. Pinches, University of Kansas
 Gary G. Schlarbaum, Purdue University
 Eduardo Schwartz, University of British Columbia
 Jay Shanken, University of California, Berkeley
 Bruno H. Solnik, CESA, Jouy-en-Josas, France
 Eric H. Sorensen, University of Arizona
 Rene M. Stulz, Ohio State University
 Robert Taggart, Boston University
 James Van Horne, Stanford University
 Joseph Vinso, University of Southern California

**WESTERN FINANCE ASSOCIATION
 1983/84 Executive Committee**

Seha Tinic, President	University of Alberta
Alan Kraus, President-elect	University of British Columbia
Gerald Bierwag, Vice President	University of Arizona
Michael Joehnk, Secretary-Treasurer	Arizona State University
Nils Hakansson, Past President	University of California, Berkeley
Alfred Page, Managing Editor, <i>JFQA</i>	University of Washington
Michael Hopewell, Director	University of Oregon
Robert Litzenberger, Director	Stanford University
Ronald Lease, Director	University of Utah
Terence Langetieg, Director	University of California, Los Angeles

Copyright 1984, Graduate School of Business Administration, University of Washington

Journal of Financial and Quantitative Analysis—ISSN 0022-1090/USPS 872-260

The *Journal of Financial and Quantitative Analysis* is published by the Graduate School of Business Administration, University of Washington, Seattle, Washington 98195, in conjunction with the Western Finance Association. Regular issues are published in March, June, September, and December. Second-class postage is paid at Seattle, Washington.

The views and opinions expressed are those of the authors and do not necessarily reflect those of the Graduate School of Business Administration of the University of Washington nor of the Western Finance Association.

Subscription rates are as follows:

Individual	\$25.00/yr.	\$60.00/3 yrs.
Outside U.S.A., add for foreign mail (U.S. funds)	\$ 5.00/yr.	\$15.00/3 yrs.
 Firm or Library	 \$38.00/yr.	 \$105.00/3 yrs.
Outside U.S.A., add for foreign mail (U.S. funds)	\$ 5.00/yr.	\$15.00/3 yrs.
 Student (with letter from Department Chairman)	 \$20.00/yr.	

Subscriptions will not be accepted for less than a full year. Some back issues are in stock and are available at \$9.00 per copy. Out-of-print issues may be obtained from Xerox University Microfilms International, 300 North Zeeb Road, Ann Arbor, Michigan 48106. Claims for missing issues must be made within six months of the date of publication. A subscription to the *Journal of Financial and Quantitative Analysis* automatically entitles the subscriber to membership in the Western Finance Association.

Manuscripts submitted for publication and correspondence relating to editorial matters should be addressed to Professor Alfred N. Page, Managing Editor, *Journal of Financial and Quantitative Analysis*, Graduate School of Business Administration, Mackenzie Hall, DJ-10, University of Washington, Seattle, Washington 98195. Manuscripts are to be sent in triplicate with a \$30 submission fee for Western Finance Association members (\$45 for nonmembers).

Correspondence relating to advertising, subscriptions, billing, single-copy orders, missing issues, permission to reprint, and change of address should be addressed to Ms. Barbara S. Pearson, Office Manager, *Journal of Financial and Quantitative Analysis*, Graduate School of Business Administration, Mackenzie Hall, DJ-10, University of Washington, Seattle, Washington 98195.

Correspondence pertaining to the Western Finance Association should be sent to Professor Michael Joehnk, College of Business, Arizona State University, Tempe, Arizona 85281.

POSTMASTER: Send address changes to *Journal of Financial and Quantitative Analysis*, Graduate School of Business Administration, Mackenzie Hall, DJ-10, University of Washington, Seattle, Washington 98195.