

**Accepted paper by Journal of Financial and Quantitative Analysis**  
**(JFQA) – Dr. Zilong Zhang**

Dr. Zilong Zhang, Assistant Professor in the Department of Accountancy, has received acceptance to publish a paper in the *Journal of Financial and Quantitative Analysis* (JFQA). This paper is titled “Bank Interventions and Trade Credit: Evidence from Debt Covenant Violations.”

The JFQA is one of the top four journals in financial studies. The topics this journal covers include corporate finance, investments, capital and security markets and quantitative methods of particular relevance to financial researchers. Using a regression discontinuity design, Dr. Zhang’s paper finds that the conflicts between a firms’ creditors (*i.e.*, banks and trade creditors) are indeed consequential. The interventions of banks in a borrowing firm cause the firm’s trade credit to decline dramatically. Such conflicts affect the design of *ex ante* loan contracts. Therefore, borrowing firms that rely on trade creditors should sign loan contracts that offer a lower probability of bank intervention.

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