

## Sample of PhD dissertation English editing

Field of research: Finance – trading and securities

### Introduction

Microstructure research ~~has~~es mainly focused ~~on~~ the—transaction mechanics in the financial market—~~all the time~~. In recent years, scholars ~~have been~~ ~~are~~—mainly concerned about ~~—such the—~~issues, ~~such—~~as liquidity and asymmetric information. Nowadays, people generally accept the concept of the influence of liquidity on ~~the~~ asset-pricing (Amihud and Mendelson (1986); Acharya (2005)), but the sources of ~~the—~~liquidity which influences ~~the—~~asset pricing have always been ambiguous. However, the liquidity of stocks partly originate from the information asymmetry. There ~~is~~are some supports ~~o n~~ ~~in~~ the side of asset-pricing ~~that it is~~ affected by ~~the—~~information asymmetry. The asymmetric information ~~describes when is~~—some traders hav~~ing~~ private information and use ~~ing~~—it to profit. Today, corporations separate their rights into management rights and proprietary rights, ~~with~~ the managers ~~are~~—in charge of the operation of ~~the~~ firm, and resulting in the information asymmetries between man—~~agements~~s and investors. Beaver (1998) divided the information asymmetries into two parts: one ~~being is~~ the asymmetric information between investors, ~~and~~ the other ~~being is~~—between investors and managers of ~~the~~ firm. However, the existence of ~~the—~~informed trading or insider trading will interfere ~~with~~ the efficiency and ~~the—~~fairness of the securities—~~y~~ market, and harm the liquidity of ~~the~~ capital market. Therefore, the discussion ~~ion~~ and comprehension of ~~the—~~information asymmetry are ~~very—~~crucial issues ~~for—~~not only ~~for~~ general investors, but also financial institutions.

In the past, scholars ~~investing of~~ microstructure ~~have~~ wanted to ~~know—determine~~ the scale of the asymmetric information, thus focusing on ~~finding—determining~~ the measure of information asymmetries. The most not~~able~~ed is a series of papers of Easley and O'Hara. They created a quantifiable measurement of asymmetric information, ~~being the~~called probability of informed trading (PIN) in Easley et al. (1996). Before the presentence of PIN, researchers

~~have~~ always used the spread as the indirect measurement of informed trading because of the difficulty of ~~observing the~~ informed trading. ~~In addressing~~ ~~When the PIN is addressed,~~ ~~a group of~~ scholars ~~have presented~~ different models of ~~the~~ PIN in auction markets (Handa et al. (1997)). ~~After~~ ~~Since then that,~~ PIN ~~has been is~~ generally regarded as the measurement of informed trading. ~~Besides~~ ~~In addition,~~ Easley et al. (1997) showed that the PIN measure is useful in explaining ~~the~~ asset returns, and even Aslan et al. (2008) suggested ~~that there existed the~~ ~~evidences~~ of the relationship between PIN and other firm's characteristics related to information asymmetry.

## Final text

### Introduction

Microstructure research has mainly focused on transaction mechanics in the financial market. In recent years, scholars have been mainly concerned about such issues as liquidity and asymmetric information. Nowadays, people generally accept the concept of the influence of liquidity on asset-pricing (Amihud and Mendelson (1986); Acharya (2005)), but the sources of liquidity which influences asset pricing have always been ambiguous. However, the liquidity of stocks partly originate from the information asymmetry. There is some support on the side of asset-pricing that it is affected by information asymmetry. The asymmetric information describes when some traders have private information and use it to profit. Today, corporations separate their rights into management rights and proprietary rights, with the managers in charge of the operation of the firm, and resulting in the information asymmetries between management and investors. Beaver (1998) divided the information asymmetries into two parts: one being the asymmetric information between investors, and the other being between investors and managers of the firm. However, the existence of informed trading or insider trading will interfere with the efficiency and fairness of the securities market, and harm the liquidity of the capital market. Therefore, the discussion and comprehension of information asymmetry are crucial issues not

only for general investors, but also financial institutions.

In the past, scholars investigating microstructure have wanted to determine the scale of the asymmetric information, thus focusing on determining the measure of information asymmetries. The most notable is a series of papers of Easley and O'Hara. They created a quantifiable measurement of asymmetric information, being the probability of informed trading (PIN) in Easley et al. (1996). Before the presentence of PIN, researchers have always used the spread as the indirect measurement of informed trading because of the difficulty of observing informed trading. In addressing the PIN, scholars have presented different models of the PIN in auction markets (Handa et al. (1997)). Since then, PIN has been generally regarded as the measurement of informed trading. In addition, Easley et al. (1997) showed that the PIN measure is useful in explaining asset returns, and even Aslan et al. (2008) suggested that there existed evidence of the relationship between PIN and other firm's characteristics related to information asymmetry.