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Current Position:

2014.8-Present	Peking University HSBC Business School (PHBS) Assistant Professor of Finance
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Previous Appointments:

2012.8-2014.8	Assistant Professor of Finance, Renmin University of China
2016.10	Visiting Scholar, University of New South Wales (UNSW)
2016.8-2016.9	Visiting Scholar, Nanyang Technological University (NTU)
2016.1-2016.2	Visiting Scholar, Nanyang Technological University (NTU)
2015.7-2015.8	Visiting Scholar, University of New South Wales (UNSW)
2014.1-2014.2	Visiting Scholar, Nuffield College and Saïd Business School, University of Oxford

Education:

2006.9-2012.7	University of Oxford DPhil & MSc in Financial Economics <ul style="list-style-type: none">◆ Thesis title: <i>Essays in Corporate Finance</i>◆ Advisors: Steve Bond and Oren Sussman◆ Examiners: Thomas Noe (Internal) and Stefano Rossi (External)◆ DPhil degree awarded: July 2012◆ MSc degree awarded with <i>Distinction</i>: July 2007
2004.7-2006.7	University of Sydney MCom (Hons) in Finance and Economics (with <i>First Class Honours</i>)
1993.3-1999.2	Korea University Bachelor of Economics (<i>Major: Statistics, Minor: Economics</i>)

Research Interests:

Corporate Finance

- Capital Structure and Corporate Financing Decisions
- Corporate Investment Decisions
- Corporate Innovation
- Corporate Cash Holdings

- Corporate Payout Decisions
- Macroeconomic Implications of Corporate Finance
- Dynamic Econometrics in Corporate Finance

Stock Markets

- Cross-section of Stock Returns
- Stock Return Predictability
- Stock Return Volatility
- Stock Liquidity
- Effects of Stock Markets on Real Economy

Published Papers:

1. "Product Market Competition and the Value of Innovation: Evidence from US Patent Data"

(with Young Joon Park and Janghoon Shon), *Economics Letters*, 137, 78-82, December 2015

This study investigates the relationship between product market competition and the market value of innovation using firm-level patent data of US firms over the period 1977-2005. We find that there is an inverted U-shaped relationship between competition and the value of innovation. Furthermore, we show that there is an asymmetric causal effect of intensifying product market competition on the market value of innovation, using a quasi-natural experiment based on tariff-cut events for US manufacturing firms between 1977 and 2006: a firm's incentive to innovate tends to get stronger in response to a tariff cut when product market competition is very mild, while it tends to get weaker when very severe.

2. "Uncertainty and the Value of Cash Holdings" (with Heungju Park and Gege Zhao), *Economics Letters*, Forthcoming, 2017

We find that a firm facing higher uncertainty has a higher value of cash. This effect is attributed to the increased value of the option to wait and see as well as the aggravated financial constraints and mitigated agency conflicts.

Working Papers:

1. "Sticky Dividends: A New Explanation" (with Chang Y. Ha and Ya Kang)

- *Revise and Resubmit, Finance Research Letters*

This paper investigates dividend dynamics using a generalized partial adjustment model. A novel feature of our model is that it allows managers to consider the earnings history via adaptive expectation formation of future earnings for their payout decisions. We show that firms adjust dividends to their target payouts much faster than previously documented. We also show that target dividends are predominantly driven by firm-specific effects, and tend to become significantly more stable when managers form future earnings prospects adaptively. Thus, sticky dividends could arise from their attempts to conform to the target payouts, thereby leading to higher dividend adjustment speeds.

2. "Investment Spike Financing" (with Colin Mayer and Oren Sussman)

- *Accepted for presentation at the 2017 Financial Intermediation Research Society (FIRS) Conference, Hong Kong*
- *Accepted for presentation at the 2017 Financial Management Association (FMA) European Conference, Lisbon, Portugal*
- *Accepted for presentation at the 2017 PKU-NUS Annual International Conference on Quantitative Finance and Economics, Suzhou, China*
- *China Finance Review International Conference, Shanghai, China, 2015*
- *Australasian Finance and Banking Conference, Sydney, Australia, 2014*
- *China Economic Association Conference, Shenzhen, China, 2014*
- *Oxford-Cambridge-Warwick Spring Doctoral Conference, Cambridge, UK, 2010, Winner of the Best Paper Award*

- *Oxford Saïd Business School Winter Doctoral Conference, Oxford, UK, 2010, Winner of the Best Paper Award*
- *Seoul National University, College of Business Administration*
- *Based on Chapters 3 and 4 of my doctoral dissertation at the University of Oxford titled ["Essays in Corporate Finance"](#)*

This is one of the most comprehensive studies to date to employ filtering techniques to distinguish between routine and "investment spike" financing. It records marked differences in how US publicly traded firms finance the two types of investments. The funding of investment spikes depends particularly on external, predominantly debt, finance. Smaller, less profitable firms with greater growth opportunities, fewer tangible assets, and larger R&D expenditures use more equity finance. Results are consistently observed across industries, but vary over business cycles, by firm types, and between acquisitions and capital expenditures. The results have important implications for existing corporate finance theories.

3. "The Effect of Stock Liquidity on Debt-Equity Choices" (with William Cheung and Bohui Zhang)

- *Accepted for presentation at the 2017 Financial Management Association (FMA) European Conference, Lisbon, Portugal*
- *Accepted for presentation at the 2017 PKU-NUS Annual International Conference on Quantitative Finance and Economics, Suzhou, China*
- *Financial Management Association (FMA) Annual Meeting, Chicago, USA, 2013*
- *Australasian Finance and Banking Conference, Sydney, Australia, 2013*
- *Oxford-Cambridge-Warwick Spring Doctoral Conference, Coventry, UK, 2011*
- *University of Oxford, Saïd Business School*
- *BI Norwegian Business School*
- *Renmin University of China, Hanqing Advanced Institute of Economics and Finance*
- *Renmin University of China, School of Business*
- *Korea University Business School*
- *Korea University, Department of Economics*
- *Seoul National University, College of Business Administration*
- *Yonsei University, School of Business*
- *Australian National University, College of Business and Economics*
- *University of Melbourne, Faculty of Business and Economics*
- *Peking University HSBC Business School*
- *Based on the working paper titled ["Does Share Liquidity Increase the Propensity to Raise Debt Finance?"](#) and Chapters 5 and 6 of my doctoral dissertation at the University of Oxford titled ["Essays in Corporate Finance"](#)*

We examine the effect of stock liquidity on a firm's choice between debt and equity when funding its investment activities. Using decimalization regulations and Russell index reconstitutions as shocks to liquidity, we show that stock liquidity increases the firm's propensity to raise debt capital rather than equity capital. We also find support for two economic mechanisms underlying the positive impact of stock liquidity on debt financing: a higher sensitivity of the cost of debt capital to stock liquidity than that of the cost of equity capital and an exposure to hostile takeovers. These findings provide new insights into the effect of stock liquidity on capital structure.

4. "Uncertainty, Major Investments, and Capital Structure Dynamics" (with Chang Y. Ha, Ya Kang, and Janghoon Shon)

- *Financial Management Association (FMA) Annual Meeting, Las Vegas, USA, 2016*
- *Financial Management Association (FMA) Asia-Pacific Conference, Sydney, Australia, 2016*
- *World Finance Conference, New York, USA, 2016*

This study examines the effects of uncertainty on firms' capital structure dynamics. We find that high-uncertainty firms have significantly lower leverage targets and significantly higher adjustment speeds toward targets than low-uncertainty firms, and that over-levered firms faced with high uncertainty have

much higher adjustment speeds than those with low uncertainty, while under-levered firms' adjustment speeds are not influenced by uncertainty. Comparing over-levered and under-levered firms' adjustment speeds during major and routine investment periods reveals that over-levered firms with high uncertainty converge to their targets substantially faster to avoid bankruptcy threat, while those with low uncertainty tend to deviate from their targets due to transitory-debt-financed major investments, thereby reconciling two opposing leverage dynamics documented in the literature. On the other hand, under-levered firms with high uncertainty converge to their targets more slowly than those with low uncertainty due to the increased value of the option to wait and see. We provide some evidence that both bankruptcy threat and real option channels could account for the findings.

5. "Economic Policy Uncertainty and Peer Effects in Corporate Investment Policy: Evidence from China" (with Ya Kang and Young Joon Park)

- *Accepted for presentation at the 2017 Asian Meeting of the Econometric Society (AMES), Hong Kong*
- *Accepted for presentation at the 2017 Financial Management Association (FMA) Asia-Pacific Conference, Taipei, Taiwan*
- *Accepted for presentation at the 2017 PKU-NUS Annual International Conference on Quantitative Finance and Economics, Suzhou, China*

This study investigates whether economic policy uncertainty magnifies peer effects in corporate investment decisions, and whether this could lead to industry-wide investment inefficiency, using data for Chinese manufacturing firms over the period 1999-2013. First, we show that peer firms have significant causal effects on Chinese manufacturing firms' investment policies. Second, we provide evidence that economic policy uncertainty magnifies peer effects in corporate investment decisions, and identify the channels of such effects. Finally, we show that this effect is more pronounced in the under-investment sample, suggesting that economic policy uncertainty could exacerbate industry-wide under-investment problems through peer effects.

6. "The Effect of Technological Imitation on Corporate Innovation" (with Yang Liu and Janghoon Shon)

Using the US firm-level patent data for the period 1977-2005, we find that there are inverted U-shaped relationships between technological imitation and industry-average innovation activities, and between technological imitation and market value of firm-level innovation. Our results suggest that positive externalities from the interactions among firms during the process of technological innovation dominate the negative effects of free-riding concerns on firms' innovation activities and incentives to innovate up to quite a high level of technological imitation, while the free-riding concerns dominate the positive externalities when the level of technological imitation is extremely high.

7. "Asymmetric Peer Effects in Capital Structure Dynamics" (with Ya Kang and Janghoon Shon)

- *Australasian Finance and Banking Conference, Sydney, Australia, 2015*

Papers in Progress (including Projects with Students):

1. "Personal Taxation and Investment Efficiency: Evidence from the 2003 US Tax Reform" (with Chang Y. Ha, Jun-Koo Kang, and Fangbo Si)

2. "Corporate Social Performance and the Value of Innovation" (with Yuan Tian)

3. "Corporate Governance and the Value of Corporate Social Performance" (with Chaofan Liang)

4. "Peer Effects in Corporate Innovation: Evidence from the U.S. Patent Data"(with Junzhe Huang)

5. "Product Market Competition and Peer Effects in Corporate Investment: Evidence from China"(with Peng Yuan)

6. *“Corporate Innovation and the Value of Cash Holdings: Evidence from the 1995 TRIPS Agreement”* (with Gege Zhao)

7. *“Stock Liquidity and Investment Efficiency: Evidence from the Share-Split Reform”* (with Zhanchang Yu)

8. *“Institutional Ownership and the Value of Cash Holdings: Evidence from the Russell Index Reconstitutions”* (with Song Yu)

Teaching Experience:

2016-2017	Theoretical Foundations of Corporate Finance (MSc), Peking University HSBC Business School (72 students; 4.8/5.0; Taught in Module 2) Theoretical Foundations of Corporate Finance (MSc), Peking University HSBC Business School (Scheduled in Module 4) Empirical Asset Pricing (MSc), Peking University HSBC Business School (Scheduled in Module 4)
2015-2016	Empirical Banking (MSc), Peking University HSBC Business School (72 students; 4.6/5.0) Empirical Asset Pricing (MSc), Peking University HSBC Business School (83 students; 4.6/5.0) Theoretical Foundations of Corporate Finance (MSc), Peking University HSBC Business School (71 students; 4.6/5.0)
2014-2015	Empirical Finance (MSc), Peking University HSBC Business School (36 students; 4.6/5.0) Theoretical Foundations of Corporate Finance (MSc), Peking University HSBC Business School (60 students; 4.3/5.0)
2013-2014	Financial Derivatives (International MBA), Renmin University of China Corporate Finance Theory (MPhil), Renmin University of China Corporate Finance Theory (PhD), Renmin University of China
2009-2011	Tutor for Financial Management (BA Hons. E&M), University of Oxford's colleges
2009-2010	Tutor for Finance (BA Hons. E&M), University of Oxford's colleges
2008-2011	Teaching Assistant for Macroeconomics (MBA/EMBA), University of Oxford
2007-2009	Teaching Assistant for Finance I (MBA/EMBA), University of Oxford
2007-2008	Teaching Assistant for Corporate Valuation (MBA/EMBA/MFE), University of Oxford
2007-2008	Teaching Assistant for Fixed Income & Derivatives (MFE), University of Oxford

Professional Qualification:

2004/2005	Passed Levels 1 & 2 exams of CFA (Chartered Financial Analysts) program
1996/1997	Passed the 41 st National Higher Civil Service Exam (Specialization: Finance and Economics) with the second highest score in Korea

Non-academic Experience:

2002-2004	General Manager, Korea Development Bank-Lone Star Co., Ltd. <ul style="list-style-type: none">Managed a corporate restructuring fund (acquired Morning Glory Co., Ltd.; acted as outside director of Morning Glory Co., Ltd.; succeeded in revitalizing the company)Advised various M&A deals involving distressed bank loans for
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sell-side financial institutions

- 2001-2002 **Equity Analyst, Samsung Investment Trust Management Co., Ltd.**
- Analyzed macroeconomic variables, monitored overseas stock markets, and advised on asset allocation strategies for equity funds managed by Samsung Investment Trust Management Co., Ltd.
- 1998-2001 **Deputy Director, Ministry of Finance and Economy, South Korea**
- **Economic Policy Coordination Division**
Coordinated Economic Ministers' Meetings and Economic Vice-ministers' Meetings
 - **Industry and Tariff Policy Division**
Analyzed the effects of tariff policies on corresponding industries
 - **International Tariff and Customs Division**
Represented Republic of Korea at APEC Subcommittees on Tariff Liberalizations and Customs Procedures
- 1998-1999 **Part-time Lecturer, Hanlim Institute of Laws and Public Administration**
- Lectured Microeconomics, Macroeconomics, Statistics, and Public Economics for the High Civil Service Examination

Honours, Scholarships, and Fellowships:

- 2010 Best Paper Award, Winter Doctoral Conference, Saïd Business School, University of Oxford
- 2010 Best Paper Award, Oxford-Cambridge-Warwick Business Schools Spring Doctoral Conference, Judge Business School, University of Cambridge
- 2008-2011 Saïd Business School Foundation Scholarship (Full Scholarship)
- 2008-2012 Ilun Science & Technology Foundation Scholarship
- 2007-2012 Saïd Business School Doctoral Teaching Fellowship
- 2007-2008 Man Group Plc. Scholarship (Tuition Scholarship)
- 2010 Saïd Business School SEIB Research Funds
- 2010 Accenture Research Funds
- 2007 Dean's List 2007, Saïd Business School, University of Oxford
- 2006-present Member of an international honor society Beta Gamma Sigma
- 2006 Australian Government (HECS) Scholarship
- 2005 Econometrics Discipline Prize for the Best Student in Financial Econometrics, University of Sydney
- 1997 Passed the 41st National Higher Civil Service Exam (Specialization: Finance and Economics) with the second highest score in Korea
- 1993-1998 Chungsoo Scholarship; Boryeong Scholarship; Korea University Scholarship

Other Skills:

- Language English (fluent); Korean (native); Written Chinese and Japanese (basic)
- Computing MATLAB, STATA, SAS, E-views, R and LATEX
- Database COMPUSTAT, CRSP, TAQ, Datastream, I/B/E/S, Capital IQ, CSMAR, WIND, Dealscan etc.
- Statistics Competent with large panel data and time series data

Professional Membership:

- American Finance Association

European Finance Association
Financial Management Association
Western Finance Association
The CFA Institute

Journal Referees

Asia-Pacific Journal of Financial Studies
Economics Letters
Pacific Basin Finance Journal
Journal of Money and Finance

Professional Services:

Member of Curriculum Committee at Peking University HSBC Business School,
September 2014-present
Discussant at Financial Management Association Asia-Pacific Meeting, Sydney,
Australia, July 2016
Review Committee Member at Financial Management Association International Annual
Meeting, Orlando, USA, October 2015
Review Committee Member at Financial Management Association Asian Meeting, Seoul,
Korea, June 2015
Session Chair and Discussant at Australasian Finance and Banking Conference, Sydney,
Australia, December 2014
Discussant at China Economic Association Conference, Shenzhen, China, December
2014
Discussant at Australasian Finance and Banking Conference, Sydney, Australia,
December 2013
Session Chair and Discussant at FMA Annual Meeting, Chicago, USA, October 2013
Session Chair in Journal of Corporate Finance Special Issue Conference on Family Firm
Governance, Renmin University of China, Beijing, China, June 2013
Session Chair in Young Scholars Conference on Corporate Finance and Governance,
Renmin University of China, Beijing, China, June 2013
Finance Seminar Organizer, Hanqing Advanced Institute of Economics and Finance,
Renmin University of China, Semester 1, 2012-2013

References:

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