

## HYUNJOONG (WILLIAM) IM

SSRN Author Page:

<http://ssrn.com/author=1081350>

School Home Page:

<http://english.phbs.pku.edu.cn/index.php?m=content&c=index&a=show&catid=627&id=63>

### **Contact Details:**

Address	Peking University HSBC Business School (PHBS) University Town, Nanshan District, Shenzhen, 518055, P.R. CHINA
Email	<a href="mailto:hyun.im@phbs.pku.edu.cn">hyun.im@phbs.pku.edu.cn</a> (Work) <a href="mailto:dearwilliam@gmail.com">dearwilliam@gmail.com</a> (Personal)
Phone	+86 755 2603 3627 (Office) +86 186 1386 1335 (Mobile)
Residential Status	South Korean Citizen Australian Permanent Resident Visa Chinese Work Visa

### **Current Position:**

2014.8-Present	<b>Peking University HSBC Business School (PHBS)</b> Assistant Professor of Finance
----------------	--

### **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	<b>University of Oxford</b> DPhil & MSc in Financial Economics <ul style="list-style-type: none"><li>• Thesis title: <i>Essays in Corporate Finance</i></li><li>• Advisors: Steve Bond and Oren Sussman</li><li>• Examiners: Thomas Noe (Internal) and Stefano Rossi (External)</li><li>• DPhil degree awarded: July 2012</li><li>• MSc degree awarded with Distinction: July 2007</li></ul>
2004.7-2006.7	<b>University of Sydney</b> MCom (Hons) in Finance and Economics (with <i>First Class Honours</i> )
1993.3-1999.2	<b>Korea University</b> 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
- Effects of Stock Markets on Corporate Decisions

#### **Banking**

- Industrial Organization Approach to Banking
- Bank-Firm Relationship
- Capital Structure of Banks
- Macroeconomic Consequences of Financial Imperfections
- Regulation of Banks

#### **Applied Econometrics**

- Uncertainty: Measurement and Implications
- Forecasting Evaluation and Comparisons
- Dynamic Econometrics in Corporate Finance

#### **Published Papers:**

**1. "Sticky Dividends: A New Explanation"** (with Chang Y. Ha and Ya Kang), *Finance Research Letters*, Forthcoming, 2017.

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. "Uncertainty and the Value of Cash Holdings"** (with Heungju Park and Gege Zhao), *Economics Letters*, 155, 43-48, 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.

**3. "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, 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.

#### **Working Papers:**

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

- Financial Management Association (FMA) Annual Meeting, Boston, USA, 2017
- Financial Intermediation Research Society (FIRS) Conference, Hong Kong, 2017
- Asian Finance Association (AsFA) Annual Meeting, Seoul, Korea, 2017
- Financial Management Association (FMA) European Conference, Lisbon, Portugal, 2017
- PKU-NUS Annual International Conference on Quantitative Finance and Economics, Suzhou, China, 2017
- China Finance Review International Conference (CFRIC), Shanghai, China, 2015

- *Australasian Finance and Banking Conference (AFBC), Sydney, Australia, 2014*
- *China Economic Association (CEA) 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***
- *American Finance Association (AFA) Annual Meeting\*, Philadelphia, USA, 2005*
- *University of Oxford, Saïd Business School\**
- *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"](#) and Colin Mayer and Oren Sussman's working paper titled ["A New Test of Capital Structure"](#)*

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.

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

- *China International Conference in Finance (CICF), Hangzhou, China, 2017*
- *Asian Finance Association (AsFA) Annual Meeting, Seoul, Korea, 2017*
- *Financial Management Association (FMA) European Conference, Lisbon, Portugal, 2017*
- *PKU-NUS Annual International Conference on Quantitative Finance and Economics, Suzhou, China, 2017*
- *Financial Management Association (FMA) Annual Meeting, Chicago, USA, 2013*
- *Australasian Finance and Banking Conference (AFBC), 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.

**3. “Uncertainty, Major Investments, and Capital Structure Dynamics”** (with Vidhan Goyal, Chang Y. Ha and Janghoon Shon)

- *Asian Finance Association (AsFA) Annual Meeting\**, Seoul, Korea, 2017
- *Financial Management Association (FMA) Annual Meeting, Las Vegas, USA, 2016*
- *Financial Management Association (FMA) Asia Pacific Conference, Sydney, Australia, 2016*
- *World Finance Conference (WFC)\*, 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.

**4. “Economic Policy Uncertainty and Peer Effects in Corporate Investment Policy: Evidence from China”** (with Ya Kang and Young Joon Park)

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

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.

**5. “The Effect of Technological Imitation on Corporate Innovation”** (with Yang Liu and Janghoon Shon)

- *Under review by Research Policy*

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

**6. “Asymmetric Peer Effects in Capital Structure Dynamics”** (with Kose John and Ya Kang)

- *Australasian Finance and Banking Conference (AFBC)\*, Sydney, Australia, 2015*

Using a semi-parametric smooth-coefficient partial adjustment model, we find evidence for asymmetric peer effects on capital structure adjustment speeds for overlevered and underlevered firms. Specifically, we find that overlevered firms’ adjustment speeds and peer firm shocks have a U-shaped relationship, while underlevered firms’ adjustment speeds monotonically increase with peer firm shocks.

### **Papers in Progress:**

1. ***"Personal Taxation and Investment Efficiency: Evidence from the 2003 US Tax Reform"*** (with Chang Y. Ha, Jun-Koo Kang and Fangbo Si)
2. ***"Shareholder-Manager Conflicts and the Value of CSR Performance"*** (with Sangeun Ha, Chaofan Liang, and Meng Zhao)
3. ***"Stock Liquidity and Investment Efficiency: Evidence from China's Share-Split Reform"*** (with William Cheung, Fangbo Si, and Zhanchang Yu)
4. ***"Product Market Competition and Peer Effects in Corporate Innovation"*** (with Seungjoon Oh, Janghoon Shon, and Junzhe Huang)
5. ***"CSR Investments and the Value of Corporate Innovation"*** (with Kenneth Kim and Yuan Tian)
6. ***"Corporate Innovation and the Value of Cash Holdings: Evidence from the 1995 TRIPS Agreement"*** (with Zhangkai Huang and Gege Zhao)
7. ***"How Do Transient Institutional Investors Influence the Value of Cash Holdings?"*** (with Jun-Koo Kang and Heungju Park)

### **Conference Participation:**

Financial Management Association (FMA) International Annual Meeting, Boston, USA, 2017 (Paper/ Discussion)

China International Conference in Finance (CICF), Hangzhou, China, 2017 (Paper)

Financial Intermediation Research Society (FIRS) Conference, Hong Kong, 2017 (Paper)

Asian Finance Association (AsFA) Annual Meeting, Seoul, Korea, 2017 (3 Papers/ Discussion)

Financial Management Association (FMA) European Conference, Lisbon, Portugal, 2017 (2 Papers/ Discussion)

China Meeting of the Econometric Society (CMES), Wuhan, China, 2017 (Paper\*)

Asian Meeting of the Econometric Society (AMES), Hong Kong, 2017 (Paper/Session chair)

Financial Management Association (FMA) Asia Pacific Conference, Taipei, Taiwan, 2017 (Paper/Discussion)

PKU-NUS Annual International Conference on Quantitative Finance and Economics, Suzhou, China, 2017 (3 Papers/Session chair/Discussion)

Financial Management Association (FMA) International Annual Meeting, Las Vegas, USA, 2016 (Paper)

World Finance Conference (WFC), New York, USA, 2016 (Paper\*)

Financial Management Association (FMA) Asia-Pacific Meeting, Sydney, Australia, July 2016 (Paper/Discussion)

Australasian Finance and Banking Conference (AFBC), Sydney, Australia, December 2015 (Paper\*)

China Finance Review International Conference (CFRIC), Shanghai, China, 2015 (Paper)

Australasian Finance and Banking Conference (AFBC), Sydney, Australia, December 2014 (Paper/Session chair/ Discussion)

China Economic Association (CEA) Conference, Shenzhen, China, December 2014 (Paper/ Discussion)

Australasian Finance and Banking Conference (AFBC), Sydney, Australia, December 2013 (Paper/Discussion)

Financial Management Association (FMA) International Annual Meeting, Chicago, USA, October 2013 (Paper/Session chair/Discussion)

Journal of Corporate Finance Special Issue Conference on Family Firm Governance, Renmin University of China, Beijing, China, June 2013 (Session chair)

Young Scholars Conference on Corporate Finance and Governance, Renmin University of China, Beijing, China, June 2013 (Session chair)

American Finance Association (AFA) Annual Meeting, Chicago, USA, 2012

*Oxford-Cambridge-Warwick Spring Doctoral Conference, Coventry, UK, 2011 (Paper)*  
*Oxford-Cambridge-Warwick Spring Doctoral Conference, Cambridge, UK, 2010 (Paper)*  
*Oxford Saïd Business School Winter Doctoral Conference, Oxford, UK, 2010 (Paper)*  
*American Finance Association (AFA) Annual Meeting, San Francisco, USA, 2009*

(\* presented by a coauthor)

### **Teaching Experience:**

#### **Peking University HSBC Business School**

*Theoretical Foundations of Corporate Finance (MSc), Instructor, 2014-2015, 2015-2016, 2016-2017*  
*Empirical Asset Pricing (MSc), Instructor, 2014-2015, 2015-2016, 2016-2017*  
*Empirical Banking (MSc), Instructor, 2015-2016*

#### **Renmin University of China**

*Corporate Finance Theory (MPhil, PhD), Instructor, 2013-2014*  
*Financial Derivatives (International MBA), Instructor, 2013-2014*

#### **University of Oxford Saïd Business School**

*Financial Management (BA Hons. E&M), Tutor, 2009-2010, 2010-2011*  
*Finance (BA Hons. E&M), Tutor, 2009-2010*  
*Macroeconomics (MBA/EMBA), Teaching Assistant, 2008-2009, 2009-2010, 2010-2011*  
*Finance I (MBA/EMBA), Teaching Assistant, 2007-2008, 2008-2009*  
*Corporate Valuation (MBA/EMBA/MFE), Teaching Assistant, 2007-2008*  
*Fixed Income & Derivatives (MFE), Teaching Assistant, 2007-2008*

### **Professional Qualification:**

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

### **Non-academic Experience:**

2002-2004	<b>General Manager, Korea Development Bank-Lone Star Co., Ltd.</b> <ul style="list-style-type: none"> <li>• Managed a corporate restructuring fund (acquired Morning Glory Co., Ltd.; acted as outside director of Morning Glory Co., Ltd.; succeeded in revitalizing the company)</li> <li>• Advised various M&amp;A deals involving distressed bank loans for sell-side financial institutions</li> </ul>
2001-2002	<b>Equity Analyst, Samsung Investment Trust Management Co., Ltd.</b> <ul style="list-style-type: none"> <li>• Analyzed macroeconomic variables, monitored overseas stock markets, and advised on asset allocation strategies for equity funds managed by Samsung Investment Trust Management Co., Ltd.</li> </ul>
1998-2001	<b>Deputy Director, Ministry of Finance and Economy, South Korea</b> <ul style="list-style-type: none"> <li>• <b>Economic Policy Coordination Division</b> Coordinated Economic Ministers' Meetings and Economic Vice-ministers' Meetings</li> <li>• <b>Industry and Tariff Policy Division</b> Analyzed the effects of tariff policies on corresponding industries</li> <li>• <b>International Tariff and Customs Division</b> Represented Republic of Korea at APEC Subcommittees on Tariff Liberalizations and Customs Procedures</li> </ul>
1998-1999	<b>Part-time Lecturer, Hanlim Institute of Laws and Public Administration</b>

- 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 41 <sup>st</sup> 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  
Member of Research Committee at Peking University HSBC Business School, March 2017-Present  
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  
Finance Seminar Organizer, Hanqing Advanced Institute of Economics and Finance, Renmin University of China, Semester 1, 2012-2013

**References:****Professor Steve Bond**

Nuffield College, Department of Economics, and Centre for Business Taxation,  
University of Oxford  
Tel. +44 (0)1865 278 674  
Email. [steve.bond@economics.ox.ac.uk](mailto:steve.bond@economics.ox.ac.uk)

**Professor Jun-Koo Kang**

Canon Professorship in Finance & Distinguished Professor of Finance  
Nanyang Business School  
Nanyang Technological University  
Tel. +65 6790 5662  
Email. [jkkang@ntu.edu.sg](mailto:jkkang@ntu.edu.sg)

**Professor Colin Mayer**

Peter Moors Professor of Management Studies (Finance)  
Saïd Business School  
University of Oxford  
Tel. +44 (0)1865 288 811  
Email. [colin.mayer@sbs.ox.ac.uk](mailto:colin.mayer@sbs.ox.ac.uk)

**Professor Thomas Noe**

Ernest Batten Professor of Management Studies (Finance)  
Saïd Business School  
University of Oxford  
Tel. +44 (0)1865 288 933  
Email. [thomas.no@sbs.ox.ac.uk](mailto:thomas.no@sbs.ox.ac.uk)

**Professor Oren Sussman**

Reader in Finance  
Saïd Business School  
University of Oxford  
Tel. +44 (0)1865 288 926  
Email. [oren.sussman@sbs.ox.ac.uk](mailto:oren.sussman@sbs.ox.ac.uk)

**Professor Bohui Zhang**

Professor of Finance  
UNSW Business School  
University of New South Wales  
Tel. +61 (0)2 9385 5834  
[Email.bohui.zhang@unsw.edu.au](mailto:bohui.zhang@unsw.edu.au)

**(Updated in July 2017)**