

Welcome to the first issue of our 2018 newsletter from the Peking University HSBC Business School (PHBS). This issue will report a series of school events and academic activities having taken place at PHBS recently.



## Newsletter Number 1, 2018

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### School News

#### **Finance Foresight Lecture held at PHBS**

Professor Songcheng Sheng, executive deputy director of CEIBS Lujiazui Institute of International Finance (CLIIF), and counselor to People's Bank of China, delivered the 38<sup>th</sup> Financial Foresight lecture titled, "Social Financing Scale, M2 and Financial Leverage," on March 21. The series features financial sector business leaders who speak on frontier financial practices and provide the opportunity for students to talk with them. [More...](#)

#### **Macroeconomics Salon Lectures held at PHBS**

Qilin Li, chief economist at Lianxun Securities visited PHBS on January 3 and delivered the 10th Macroeconomics Salon Lecture, "The Research and Investment Framework of Bond Market & the Forecast of Bond Market in 2018." On March 6, Dezhi Dong, chief economist at Guoxin Securities delivered the 11<sup>th</sup> lecture, "Discussions on the Framework of Bond Market Research and Investment." The Macroeconomics Salon lecture series invites renowned economists to deliver interactive presentations on China's economy and its policy. **Professor Fan He** coordinates the series. [More...](#)

#### **PHBS 2018 Winter Camp: When Pythons Meet Economics, What's Next?**

PHBS held its 2018 Quantitative Economics Winter Camp in January for students from across China who hope to pursue a PhD. in economics and finance. Providing rigorous training in programming, math, and economics, the camp is hosted by the PHBS Sargent Institute of Quantitative Economics and Finance (SIQEF), directed by 2011 Nobel laureate in economics **Thomas Sargent**. This year's winter camp attracted 31 students from key universities nationwide, including Nankai University, Tianjin

University, Chinese University of Hong Kong, Shanghai Jiaotong University, and Central University of Finance and Economics, etc. Ten instructors and lecturers participated in the camp, including scholars and practitioners from New York University, Australia National University, The Hong Kong University of Science and Technology, Federal Reserve Bank of Atlanta, Federal Reserve Bank of Kansas City, PHBS and so on. A full schedule during the 12-day intensive training in Python programming and its applications in economics was designed to inspire students to reach new levels of both programming and economics research. [More...](#)

### **World Renowned Economist Sachs Speaks at PHBS on China's Leadership in Global Sustainable Development**

Jeffrey D. Sachs, world-renowned professor of economics, director of both the Center for Sustainable Development and the UN Sustainable Development Solutions Network under the auspices of UN Secretary-General Ban Ki-moon, visited PHBS and presented on "China's Leadership in Global Sustainable Development" on January 10. [More...](#)

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## **Faculty Activities**

- ***Academic Awards and Honors***

**Professor Yang Liu** has been appointed to the Theatre Critic Committee of Shenzhen Theatre Association in January.

- ***Publications***

**Professor Jaehyuk Choi's** paper, "Sum of All Black-Scholes-Merton Models: An Efficient Pricing Method for Spread, Basket, and Asian Options," was accepted for publication in the *Journal of Futures Markets*.

**Professor Chang Yong Ha's** paper, "Modeling GDP Fluctuations with Agent-Based Model," co-authored with Zhuang Chu and Biao Yang, PHBS 2015 and 2014 master's students; and Kwangwon Ahn, Korea Advanced Institute of Science and Technology, was accepted for publication in *Physica A*.

**Professor Chang Yong Ha's** paper, "Agent-Based Models in Financial Market Studies," was accepted for publication in the *Journal of Physics: Conference Series*. It was co-authored with Luxi Wang, PHBS 2013 master's student; Chansoo Kim Korea

Institute of Science and Technology; and Kwangwon Ahn, Korea Advanced Institute of Science and Technology.

**Professor Sungbin Sohn's** paper, "Modeling Stock Return Distributions with A Quantum Harmonic Oscillator," was published in *Europhysics Letters* (Vol. 19, 2018, pp. 16-35). It was co-authored with Kwangwon Ahn, Korea Advanced Institute of Science and Technology; Moo Young Choi, Seoul National University; and Bingcun Dai and Biao Yang, PHBS 2013 and 2014 master's students currently pursuing their Ph.D. at the University of Oxford and Bocconi University, respectively.

**Post-Doctoral Fellow Shubin Yu's** paper, "Selling Luxury Products Online: The Effect of a Quality Label on Risk Perception, Purchase Intention and Attitude Toward the Brand," co-authored with Professors Liselot Hudders and Verolien Cauberghe from Ghent University, was accepted for publication in the *Journal of Electronic Commerce Research*.

**Professor Lan Liu's** article, "There is No Single Right Answer in Management" (title translated from Chinese), was published in *CEIBS Business Review*, March 2018, pp. 96-97.

**Professor Lan Liu's** article, "The Truth, Beauty and Justice of a Model of Leadership" (title translated from Chinese), was published in *CEIBS Business Review*, February 2018, pp. 102-103.

**Professor Lan Liu's** article, "Managers Should Master Ignorance" (title translated from Chinese), was published in *CEIBS Business Review*, January 2018, pp. 102-103.

- ***Conference Papers, Keynote Speeches, Invited Presentations, and Visits***

**Professors Chang Y. Ha and Hyun Joong Im's** paper, "Uncertainty, Major Investments, and Capital Structure Dynamics," was presented at Sungkyunkwan University and Yonsei University in November 2017. It was co-authored with Kose John, New York University and Janghoon Shon, Hong Kong University of Science and Technology. The paper has also been accepted for presentation at the China International Conference in Finance (CICF) to be held in Tianjin in July 2018.

**Professors Hyun Joong Im and Young Joon Park's** paper, "Economic Policy Uncertainty and Peer Effects in Corporate Investment Policy: Evidence from China," was presented at the Conference on Asia-Pacific Financial Markets (CAFPM) held in Seoul, Korea in December 2017. It was co-authored with Ya Kang, National University of Singapore and has been accepted for presentation at the European Financial Management

Association (EFMA) Conference in Milan, Italy in June 2018.

**Professor Kevin Ow Yong's** paper "Valuation Implications of FAS 159 Reported Gains and Losses from Fair Value Accounting for Liabilities," was accepted for presentation at the 41st Annual Congress of the European Accounting Association (EAA), Milan, Italy, May 30 to June 1.

**Professor Kevin Ow Yong** has been appointed as the Track Chair for the 2019 Hawaii Accounting Research Conference (HARC).

**Post-Doctoral Fellow Shubin Yu's** paper, "Are Materialists Green? The Effect of Materialism on Perceived Value and Purchase Intention of Sustainable Luxury Products," co-authored with Professor Nabanita Talukdar, Golden Gate University, was accepted for presentation at the 2018 Monaco Symposium on Luxury.

On March 18, **Professors Ting Ren and Cuifen Weng's** paper, "Formal and Informal Institutional Constraints on Firm Innovative Performance," was presented at the International Conference on Innovation & Knowledge Management (iKM2018), hosted by Tsinghua University.

- **Media Coverage**

On March 12, *yicai.com* released an interview with **Professor Fan He** on the middle income trap. [More...](#)

On February 25, *CHINA COMMENT* published an interview with **Professor Wen Hai** about establishing the PHBS Sargent Institute of Quantitative Economics and Finance. [More...](#)

On February 14, the paper by **Professor Sungbin Sohn** et al, "Modeling Stock Return Distributions with A Quantum Harmonic Oscillator" (see full description in "Publications" above), was covered as a featured article in *Phys.org*. [More...](#)

On January 27, **Professor Lan Ju** appeared on the *Phoenix Channel* discussing travel-related insurance products on the OTA. [More...](#)

On January 18, **Professor Wen Hai** appeared on *CCTV-2* discussing the 2017 annual report on China's economy. [More...](#)

On January 15, **Professor Timothy Lu's** comments on "China's CITIC Agri Fund Acquires Dow Corn Seed Assets" was published in *China Forex*. [More...](#)

On January 9, *Nanfang Metropolis Daily* released an interview with **Professor Zhiyong Tu** on the issue of the prospect of investing in Blockchain. [More...](#)

On January 2, **Professor Liangyi Ouyang** appeared on CCTV-2 discussing Nationz Technologies Inc.'s 500 million yuan investment. [More...](#)

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## Seminar Series

PHBS hosts an academic seminar series to serve as a platform for faculty members and students to communicate with outstanding scholars from all over the world. [More...](#)

### **A Firm's Information Environment and Employee Wages**

John (Jianqiu) Bai, *Northeastern University*, March 21

### **Complexity Science & Systems Thinking for A New World**

Kambiz Maani, *Massey University*, March 13

### **Portfolio Manager Ownership and Mutual Fund Risk Taking**

Linlin Ma, *Northeastern University*, March 7

### **Recent Developments of Markov Chain Approximation for Option Pricing and Hedging**

Gongqiu Zhang, *Wuhan University*, March 5

### **The Roles of Regional Directorship Networks in Firm Failure among Colombian SMEs**

Albert A. Cannella Jr., *Texas A&M University*, February 28

### **Do Prime Brokers Matter for Funds of Hedge Funds?**

Byoung Uk Kang, *The Hong Kong Polytechnic University*, February 28

### **Downward Wage Rigidity, Corporate Investment, and Firm Value**

Duckki Cho, *University of Sydney*, January 17

### **Oil Shocks, External Adjustment, and Country**

Liugang Sheng, *The Chinese University of Hong Kong*, January 4

activities. Faculty, students, and staff are welcome to contribute.

Please e-mail your contribution to [chengyun@phbs.pku.edu.cn](mailto:chengyun@phbs.pku.edu.cn)

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