

# Yifei Zhang

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Nationality: Chinese

## Research Fields

Major Fields: Empirical Corporate Finance

Secondary Fields: Economics of Innovation, Entrepreneurial Finance, Textual Analysis

## Referees on the Job Market

**Ulrich Hege** (Chair)  
Professor and the Vice-President  
Toulouse School of Economics  
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**Milo Bianchi**  
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**Catherine Casamatta**  
Professor in Finance  
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**Florian Ederer**  
Associate Professor in Economics  
Yale University, School of Management  
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## Education

Ph.D. Economics, Toulouse School of Economics, 2016 – 2022 (expected).

Visiting PhD Student, Yale University, 2019.

M.A. Economics, Toulouse School of Economics, 2016.

M.A. Economics, State University of New York at Stony Brook, 2014.

B.A. Economics, Shanghai Normal University, 2012.

## Academic Visiting

Yale University, School of Management, Fall 2019.

HEC, Paris, January 2018 & April 2019.

## Working Paper

### **Corporate Venture Capital and Firm Scope** (Job Market Paper).

On the regular program of the American Finance Association Annual Meeting (2022)

On the program of the European Finance Association – Doctoral Tutorial (2021)

Presented at: the 3rd Paris Dauphine Finance PhD Workshop (2020); The 17th Corporate Finance Day (2020); Econometric Society European Winter Meeting (2020); Wharton Innovation Doctoral Symposium (2021); Eastern Finance Association (2021)

**Abstract:** This paper studies whether and how corporate venture capital (CVC) spurs changes in firm scope. Using two sets of firm scope metrics, a text-based emerging business measure and Compustat segment measures, I document that CVC investments are strongly associated with subsequent firm scope changes of the CVC corporate parent, including seeding emerging businesses, establishing new divisions, terminating obsolete divisions, and changing the primary industry. Further evidence is consistent with an experimentation view of CVC investments, with more promising ventures having a stronger impact on the scope change of parent firms. Finally, to sharpen the causality, I explore the idiosyncratic fund inflow shocks of those connected independent VCs in each CVC program, as well as the US non-stop airline routes.

### **Activism Pressure and The Market for Corporate Assets**, with Ulrich Hege (Toulouse School of Economics).

On the regular program of the American Finance Association Annual Meeting (2020)

Presented at Monash University (2019); Toulouse Business School (2019).

Featured on the Columbia Law School Blue Sky Blog ([Link](#))

**Abstract:** We investigate the impact of hedge fund activism on corporate transaction markets. We find that activism targets as well as firms exposed to hedge fund threats receive more merger bids, increase divestitures and make fewer acquisitions, with the acquisition effect concentrated among large firms. We document that the majority of activist campaigns are clustered by industry and estimate that the simultaneous increase in asset sales and decrease in acquisitions in such activism clusters reduce real asset liquidity for asset sellers by about 35%. The liquidity squeeze produces two effects: transaction prices are reduced, and industry outsiders provide liquidity by purchasing more industry assets. Looking at short-term price pressure and long-run performance, we present evidence that transactions by activist targets are less affected by the reduced asset liquidity than those of other firms.

### **Hedge Fund Activism, Corporate Governance, and Product Market Competition**

On the program of Northern Finance Association (NFA) (2020, PhD Symposium)

Presented at TSE Finance Workshop (2017)

**Abstract:** This paper investigates the threefold relationship among the target impact of hedge fund activism, the initial governance of target firms, and product market competition. I first document two interlinked puzzles that (i) there is complementarity between hedge fund activism and initial governance of target firms, especially in relative competitive industries, in the process of unlocking firm values during the campaigns; and (ii) among all target firms, initial good governance firms operated in relative competitive industries experience the most substantial improvement of firm value after activist campaigns. Then, I provide novel explanations to the puzzle through investigating the success likelihood of campaigns. Activist hedge funds take advantage of the ease with shaking up the management team, especially on those

initial good governance firms operated in relative competitive industries, to pursue short-term objectives at the cost of long-term firm value.

## Conference Discussion

The 17th Corporate Finance Day (2020) – Discussing “Labor Reactions to Credit Deterioration: Evidence from LinkedIn Activity”. By Jeff Gortmaker, Harvard Business School; Jessica Jeffers, University of Chicago, Booth; Michael Junho Lee, New York Fed.

Wharton Innovation Doctoral Symposium (2021) – Discussing “To Be or Not To Be: Offline Complementors Decision to Join Entrant Platforms” Christine Choi, University of Michigan

Eastern Finance Association (2021) – Discussing “Motivating Inventors: Non-competes, Innovation Value and Efficiency” Zhaozhao He, University of New Hampshire

## Teaching Experience

Advanced Microeconomics (undergraduate), 2018-2020.

Introduction to Econometrics (undergraduate), 2019-2020.

Industrial Organization (undergraduate), 2019-2020.

Introduction to Microeconomics (undergraduate), 2020.

Introduction to Macroeconomics (undergraduate), 2020.

## Award

AFA 2020 (San Diego) PhD Student Travel Grant, 2020.

EUR Mobility Grant (Visiting Yale SOM) – Toulouse School of Economics, 2019.

The Marty Weinbaum Award for Academic Achievement – State University of New York at Stony Brook, 2014.

Scholarship for Academic Excellence – Shanghai Normal University, 2010 – 2012.

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