

Tongtong Hong

Korea University Business School
145 Anam-ro, Seongbuk-gu
Seoul, Korea
Email: ttht314159@korea.ac.kr
Web: <https://tongtong890309.github.io/>

EDUCATION

Korea University Business School, Seoul, Korea
Ph.D. in Global Business & Strategy (major: International Finance), *expected June 2025*

Korea University Business School, Seoul, Korea
M.S. in International Business, 2020

Zhejiang University City College, Zhejiang, China
B.A. in Finance, 2016

RESEARCH INTERESTS

International Finance & Corporate Finance (International Capital Flows and Corporate Capital Structure)

PUBLICATION

Hong, T., & Pyun, J. H. (2024). FDI and import competition and domestic firm's capital structure: Evidence from Chinese firm-level data. *Emerging Markets Review*, 101161.

WORKING PAPERS

“Heterogeneous Leverage Response to Foreign Exchange Reverses Shock: Evidence from Chinese Firms” November, 2024.

(Will be presented at European International Business Association 2024 Conference)

This paper examines the effect of foreign exchange reserves (FXR) on leverage. Using a difference-in-differences approach and China's exchange rate regime reform which causes a sharp decline in FXR, I find an overall negative effect of the policy shock on the leverage ratio of Chinese firms, consistent with the theoretical prediction that FXR accumulation reduces firm risk. Further analysis reveals that the effect of the shock is disproportionately distributed across firms. Firms that are more sensitive to the government bailout (i.e., SOEs) experienced a larger decline in leverage post shock, while those with lower ex ante risk (i.e., multinational firms and high-productivity firms) decrease their leverage less.

“Stock Market Liberalization and Capital Structure of Investable firms: Evidence from China” November, 2024.

Motivated by recent literature that Chinese firms with excessive credit overinvestment, this paper investigates the effect of China's stock market connect programs on the leverage and subsequent operating performance of eligible firms. The difference-in-differences analysis reveals that

eligible firms experienced an increase in excess leverage measures after the market connect programs, consistent with theoretical prediction that stock market liberalization improves the access to external debt financing for eligible firms. However, eligible firms also recorded a decline in return on assets, sales growth, and TFP, alongside a rise in tunneling. Eligible firms take advantage of the increase access of debt financing to raise excessive funds which they deploy inefficiently.

CONFERENCE PRESENTATIONS

FDI and import competition and domestic firm's capital structure: Evidence from Chinese firm-level data

- [1] 38th Euro-Asia Management Studies Association Annual Conference (October, 2022, Tokyo)
- [2] Academy of International Business 2023 Annual Conference (July, 2023, Warsaw)
- [3] Academy of International Business 2024 Annual Conference (July, 2024, Seoul)

TEACHING AND RESEARCH EXPERIENCE

- Research Assistant for Prof. Ju H. Pyun (2022-2023)
 - Teaching Assistant for Prof. Ju H. Pyun (2022-present)
- Undergraduate courses:** International Trade Theory, Business Economics, Macro and Global Business Environment
MBA: Managing Global Crisis

SKILLS

STATA, English (Fluent), Chinese (Native), Korean (Advanced)

REFERENCE

Ju H. Pyun
Professor of Global Business
Korea University Business School
jhpyun@korea.ac.kr
+82-2-3290-2610

Jaiho Chung
Professor of Global Business
Korea University Business School
jhochung@korea.ac.kr
+82-2-3290-1307

Jon Jungbien Moon
Professor of Global Business & Strategy
Korea University Business School
jonjmoon@korea.ac.kr
+82-2-3290-2837

Woochan Kim
Professor of Finance
Korea University Business School
wckim@korea.ac.kr
+82-2-3290-2816

Woo Jin Choi
Assistant Professor
Graduate School of International Studies,
Korea University
wooj-choi@korea.ac.kr
+82-2-3290-24