Botong Shang

Contact Information

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Research Interests

Corporate Finance, Regulation, Incentives, Information Economics, Real Effects of Financial Markets, Options and Futures.

Education

Simon Business School, University of Rochester, NY, USA.
PhD in Finance, 2015-2021 (expected).
Master of Business Administration, 2015-2018.

The Ohio State University, Columbus, Ohio.
Master of Science in Family Resource Management, 2013-2015.
Bachelor of Arts, 2009-2012 .
Major: Economics, Minor: Mathematics (summa cum laude, 4.0 GPA, Dean's List 2010-2012.)

Working papers

Opportunistic Strategy in Corporate Fraud.
Botong Shang. Sept 2020.

Brief Abstract I investigate how firms make fraud decisions strategically and provide direct evidence that firms' propensities to commit fraud decrease with expected detection probabilities. I show that firms opportunistically adjust the fraud propensities in response to the regulator's intervention through the effect of interventions on expected detection probabilities. Using the 2005 option backdating scandal as an exogenous shock to regulatory attention, I find support for both the opportunism in fraud and the deterrence effect from the SEC. I document heterogeneity in fraudulent behavior driven by executive incentives and firm complexity. The results are robust to alternative explanations.

Real Effects in the Option Market.
Botong Shang. Sept 2020.

Brief Abstract I investigate whether managers learn from the option market and how managers use this information in investment decisions. I find a strong negative relation between the level of private information and the investment sensitivity to implied volatility, and that this managerial learning is beneficial to firms, as learning-adjusted investment is positively associated with future performance. My findings support both a real option channel and an external financing channel underlying managerial learning. Cross-sectional variation in the real effects aligns with predictions based on executive incentives, industry competition, and investment irreversibility. The results are robust to a vast set of alternative explanations.

Fund Manager Educational Networks and Fund Performance.
Botong Shang. Oct 2018.

Brief Abstract In this study, I investigate the relation between social connections among fund managers and portfolio performance. The social connection in this study is built between mutual fund managers through shared educational backgrounds, and I examine whether these connections affect portfolio performances. I find that the most closely connected teams outperform the others. In a dynamic setting, the portfolio performance drops after breaking the most connected team, and forming such a team with most connected managers improves the portfolio performance.

Work in Progress

Does Legal Environment Affect Investment and Financing? Botong Shang.

How Does Fraud Decision Affect Voluntary Disclosure? Botong Shang.

Price of Fraudulent Stigma. Botong Shang.

Conference Presentations

Financial Management Association Annual Meeting (Boston, 2017; New York, 2020), Young Scholars Finance Consortium (College Station, 2020*).
*Conference postponed to 2021.

Conference Discussant

"Can Real Options Explain the Skewness of Equity Returns?" by Ho, Kim, Li and Xu (2020), Financial Management Association Annual Meeting (New York, 2020, scheduled).

"Buy and Build strategies in Private Equity: boost or Transformation?" by Hammer, Hinrichs and Schweizer (2017), Financial Management Association Annual Meeting (Boston, 2017).

Grants and awards

Doctoral fellowship (2015 -). Simon Graduate School of Business, University of Rochester.

Graduate Associateship in Education and Human Ecology (2013-2015).
Ohio State University

Postle Scholarship (2014). Ohio State University

HE Kenny Scholarship (2013). Ohio State University

Awards for Excellence in Scholarship, 2012
College of Arts and Sciences, Ohio State University

International Scholarship (2009-2012). Ohio State University

Teaching

Simon Business School, University of Rochester.
2018. Lab Instructor, Corporate Finance (MSc, MBA), Michael Gofman.
2018. Lab Instructor, Capital Budgeting and Corporate Objectives (MBA), Olga Itenberg.

Teaching Assistant

Simon Business School, University of Rochester.
2019. FIN 462 Foundations of Financial Economics (MSc, MBA), Yixin Chen.
2020, 2019, 2018. FIN 448 Fixed Income (MSc, MBA), Pavel Zryumov.

2017. FIN 424 Options and Futures (MSc, MBA), Robert Novy-Marx.
2017. FIN 430 Risk Management (MSc, MBA), Shiming Fu.
2017. FIN 426 Fundamental Financial Economics (MSc), Olga Itenberg.
2016. FIN 411 Investment (MSc, MBA), Dmitry Orlov.
Ohio State University.
2014. CSCFFS 4150 Quantitative Methods (BSc), Andrew Hanks.
2013-2014. CSCFFS 2260 Personal Finance (BSc), Tansel Yilmazer and Sherman Hanna.
2013. CSCFFS 5260 Financial Planning - Capstone (BSc), Sherman Hanna.

Other Academic Experience

Simon Business School, University of Rochester.
Research Assistant (Aug 2020 -)
"Artificial Intelligence, Education, and Entrepreneurship" by Michael Gofman and Zhao Jin
Reviewer
Hawaii Accounting Research Conference (2019, 2020)
Ohio State University.
Research Assistant (Jan 2014- Aug 2014)
Project on income inequality and health, lead by Dean Lillard and Tansel Yilmazer
Reviewer
American Council on Consumer Interests Conference (2013, 2014)

Non-Academic Experience

World Martial Arts Federation, Columbus, Ohio.
Director of Youth Life and Health Program (N.P.O.) (2013-2014).
NutraMetrix, Columbus, Ohio.
Senior Field Consultant in Healthcare management (private sector) (2013-2014).
Columbus Chamber of Commerce, Columbus, Ohio.
Membership Service Intern (Sep 2012-Dec 2012).
Pan and Partners, L.L.C., Columbus, Ohio.
Business Assistant (Jan 2011- Sep 2011).

Additional information

Languages
Fluent: Chinese Mandarin (native), English. Basic: Spanish.

Computer skills
Stata, R, Matlab, LaTeX.