Botong Shang

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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 develop and estimate, using hand-collected data, a game-theoretical model of strategic corporate fraud, that incorporates and quantifies firms' adjustments in fraud propensities in response to regulators' information processing capacity. The findings are economically significant. A one standard deviation change in different regulatory interventions, leading to a decrease in the likelihood of fraud detection, is associated with an annual increase of 10 to 58 fraudulent cases. I exploit the 2005 option backdating scandal as an exogenous shock to regulatory attention, and find further support for both the opportunism in fraud and the deterrence effect. I document that fraudulent behavior is heterogeneous in executive incentives and firm complexity.

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

> **Brief Abstract** I investigate whether and how managers extract private information from the option market to guide investment decisions. The level of private information is negatively associated with the sensitivity of both investment amount and timing to implied volatility. This finding that managers extract market-expected uncertainty from the option market is consistent with the real options theory and distinct from the real effects in the stock market. Managerial learning from the option market is beneficial to firms by improving investment efficiency. Cross-sectional variation in real effects aligns with predictions based on investment irreversibility, executive incentives, and industry competition. The results are robust to 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. I examine whether these connections affect portfolio performances, and 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 improves after the formation of such a team.

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).
	"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.