

Cheng LIU

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EDUCATION

Xi'an Jiaotong University, China

Sep 2022 - Present

MSc in Applied Economics

Grades: 85.40/100

- Coursework: Microeconomic Theory I&II (PhD Level); Macroeconomic Theory I&II (PhD Level); Econometrics I&II (PhD Level); Financial Data Mining and Applications; Financial Computation with Simulation Method; Machine learning in Finance.

National Chengchi University, Taiwan, China

Feb 2019 - Jun 2019

Exchange Student

Grades: 91.57/100

- Courses with distinction: Macroeconomics (100), Public Finance (100), Industrial Economics-Game Theory (96), Statistics (93).

Xi'an Jiaotong University, China

Aug 2017 - Jul 2021

Bachelor of Finance

GPA: 3.91/4.3

- Courses with distinction: Linear Algebra (100), Financial Engineering (97), Financial Risk Management (95), International Finance (95), Central Banking (94), Corporate Finance (90).

PUBLICATIONS

Economic policy uncertainty and corporate risk-taking: Loss aversion or opportunity expectations

- Co-authored with Cheng Zhang (Northwestern Polytechnical University) and Chunhong Yang (XJTU).
- Published at *Pacific-Basin Finance Journal*, Volume 69, October 2021.
- Adapted from course paper of corporate strategy.

Managerial Myopia and Corporate Financialization: Evidence from China

- Co-authored with Cheng Zhang (Northwestern Polytechnical University), Chunhong Yang (Frankfurt School of Finance & Management) and Yaoying Ma (City University of Hong Kong).
- Published at *Journal of International Financial Management & Accounting*, September 2024.

WORKING PAPERS

Digital Economy Development and Bilateral Trade

- Co-authored with Bei GAO (XJTU), Ming ZHANG (University of Chinese Academy of Social Sciences), and Zhinan ZHANG (University of Chinese Academy of Social Sciences).
- Presentation: Annual Conference & Young Scholars Forum of the Chinese Society of World Economics, 2023.
- Planing to contribute to *International Business Review*.

PROJECT & RESEARCH EXPERIENCE

Informal Institution and Executive Characteristics

Dec 2024 - Present

RA, Supervised by Prof. Yuyan Guan and Prof. Yachang Zeng

NTU, Singapore

- Reviewed a series of literature on upper echelons theory and TMT theory.
- Reviewed a series of literature on climate exposure and corporate sustainability strategy.
- Replicated multiple classical accounting literature including financial reporting quality and audit quality, investment efficiency, management forecasting, M&A, as well as earnings management.
- Data collection by manual and construct several measurements for specific informal institution traits.
- Research design and empirical practices involving carbon emission, forecasting, and earnings management.

Banking Regulations and Borrowers' Risk-Taking

Jan 2024 - Jun 2024

RA, Supervised by Prof. Jing WEN and Prof. Jingzhi LU

CityU, Hong Kong, China

- Reviewed hundreds of literature on banking regulation, bank capital threshold and corporate risk-taking.
- Using SAS and STATA to process data from WRDS database and calculating indicators such as implied volatility.

- Applying the FinBERT model to perform sentiment analysis on the MD&A (Management's Discussion and Analysis) text in 10-K and 10-Q filings.
- Validated and deduced a game model involving banks, creditors, and speculators to identify conditions under which a short selling ban improves efficiency.

Digital Economics and International Trade

Jun 2022 - Dec 2023

RA, Supervised by Prof. Bei GAO

XJTU, China

- Collected trade import and export data and basic economic data from 108 countries, especially indicators related to digital economy.
- Constructed a Digital Economy Development Index and erected the associate relationship between the differences in digital economic development among countries and bilateral trading based on trade gravity model.
- Completed a Chinese research paper using LaTeX and MS Office, and presented it at *the Annual Conference of China society of World Economics* at the School of Economics of Fudan University in Nov. 2023.

EXTRA-CURRICULAR ACTIVITIES

Teaching Assistant

Mar 2021- Jun 2022

International Finance(#FINA420619), School of Economics and Finance, Xi'an Jiaotong University

- Assisted the professor in course preparation, homework grading, and class organizing.
- Conducted an online course on the usage guide for forex trading software (Meta trader 5).

The 34th Graduate Teaching Support Team of Chinese Youth Volunteers

Jun 2021 - Jul 2022

- Team leader, supporting education at Pingbian High School in Yunnan Province, China.
- Deputy Secretary of the School Youth League Committee.
- Completed 48 weeks of teaching, totaling over 1250 class hours, and tutored around 200 students.

Award

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| • The Outstanding Graduate Student Leader | 2024 |
| • The Outstanding Graduate Student and Excellent Graduation Thesis | 2021 |
| • The Outstanding Student | 2017-2018, 2018-2019, 2019-2020 |
| • National Encouragement Scholarship | 2018 |

SKILLS & LANGUAGES

Computer Skills: Stata, SAS, Python, R, LaTeX, MS Office, Zotero

Languages: Chinese (native), English (fluent)

1. Economic policy uncertainty and corporate risk-taking: Loss aversion or opportunity expectations

Rising economic policy uncertainty (EPU) makes it more difficult for companies to obtain financing, and they may not be able to support high-risk and high-yield investment projects due to insufficient funds. Accordingly, this research utilized data of Chinese listed companies from 2003 to 2019, revealing that an increase in EPU will facilitate corporate risk-taking. The mechanism test conveyed that a rise in EPU increases the level of corporate risk-taking through the development of financialization. Product market competition will strengthen the opportunity expectation effect of EPU, and financial market friction will restrict EPU's opportunity expectation effect. Notably, financialization is integral in this mechanism. Our findings are robust to alternative variable measures and endogeneity tests.

2. Managerial Myopia and Corporate Financialization: Evidence from China

While managerial characteristics significantly impact corporate strategies, the role of managerial myopia in corporate financialization remains underexplored. Using data from a sample of 20,881 firm-year observations of Chinese firms from 2007 to 2019, we examine how managerial myopia influences corporate financialization. We find that managerial myopia promotes corporate financialization. The results are robust to various measures of financialization, alternative specifications, and considerations of endogeneity. Further analysis reveals that external supervision, indicated by analyst attention and institutional investor shareholdings, mitigates the positive effect of managerial myopia on corporate financialization. By contrast, corporate pressures, such as default risk and competitive pressure, amplify the tendency toward financialization.

3. Digital Economy Development and Bilateral Trade

This paper examines the impact of digital economy development on bilateral trade. Based on a gravity model using a country-pair-year sample during 2013-2019, we find that a country's well-developed digital economy significantly improves its exports to those countries with relatively less advanced digital economies. The difference in the development level of the digital economy between each country-pair widens their total factor productivity gap and relative position in international trade competition. In addition, the development and application of new technologies related to the digital economy have played a complementary role in the Belt and Road Initiative. Further evidence suggests that the relationship between digital location advantages and bilateral trade is also affected by the income gaps and similarities of legal origins among countries. Among the various dimensions of the digital economy, digital technology and digital markets have the most significant positive impact on bilateral trade.