# Ying Zheng

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**Current Position**

- Assistant Professor — August 2018 - Now
  School of Applied Economics, Renmin University of China

**Education**

- Ph.D. Economics, Vanderbilt University, US — August 2018
- M.A. Economics, Vanderbilt University, US — May 2011
- M.Sc. Economics, Singapore Management University, Singapore — June 2007
- B.A. Economics, Xiamen University, China — June 2005

**Research Fields**

- Primary: Empirical IO, Applied Microeconomics
- Secondary: Econometrics, Corporate Finance, Energy Economics

**Publications**

1. *"Price ceilings as focal points to reach price uniformity: Evidence from the Chinese gasoline market," Energy Economics . 92, 111, 2020*. [**corresponding author** with Xiaobing Zhang, Yinxin Fei and Lei Zhang.]

**Working Papers**

1. *"How Costly to Sell a Company? A Structural Analysis of Takeover Auctions,"* with Dong-Hyuk Kim. [**under review**, **corresponding author**]
   To explain why sellers in takeover auctions limit bidders entry, we structurally measure economic costs incurred by the seller for inviting an additional bidder. Our auction model allows bidders to discount their synergy values when rivals obtain the target companys confidential information, which induces the information cost. We identify the model primitives with unobserved heterogeneity, as confidential information is latent. From a sample of U.S. M&As, we find that the unobserved heterogeneity is critical, bidders lower values by $11.9\%$ for each rival, and the information (operation) cost amounts to $1.3\%$ ($4.1\%$) of the equilibrium deal value for a representative target.
2. *"Asymmetric Adjustment of Domestic Gasoline Price to International Crude Oil Price in China: Evidence from Panel Data,"* with Xiaobing Zhang. [**in submit**, **corresponding author**]
   China is the second largest oil consumer and the largest crude oil importer in the world. Today, China's oil dependence has exceeded $60\%$, and domestic oil consumption has been profoundly affected by fluctuations of international oil prices. Due to the complex price transmission process and factors such as government policies and oil duopoly, domestic gasoline prices often have an asymmetric response to the international crude oil price change, which means that gasoline prices respond faster to oil price increases than to equivalent oil price decreases. Using a panel

data covering 16 cities from January 2004 to December 2019, we show that there is a significant asymmetric adjustment in China's gasoline retail prices. We also illustrate that Chinese retail gasoline pricing mechanism can explain the speed and magnitude of the asymmetric responses.

3. *"Renewable Penetration and Electricity Prices: Ownership Matters,"* with Jing Long. [**in submit**, **first author**]
   Motivated by the growth of renewable generation and development of electricity market in China, this study analyzes the impact of renewable penetration on the market outcomes under different market and ownership structure. We construct a two-stage oligopolistic model consisting symmetric strategic suppliers and competitive fringe suppliers who are allowed to make production decisions for each of their generation technology. Based on the theoretical model, we further conduct a series of simulation study to illustrate the theoretical result by exploring different set of model parameter configurations. We find that the amount of price decline could be partially or fully reduced when strategic suppliers a large proportion of renewable generation assets as a result of market power. Using the ownership and capacity information of the "big-five" electricity groups, Our simulation shows that this ownership effect will emerge in the future Chinese electricity market according to Chinas renewable policy and targets. Furthermore, the forward contracting stage is pro-competitive or even over-competitive, depending on both the market and ownership structure.

**Works in Progress**

1. *"Optimal Shortlisting Rule with Entry Control by An Informed Seller."*
   This study is a theoretical extension of my job market paper of takeover auctions, where indicative bidding and shortlisting is a common practice. I first develop a two-stage auction model with entry control by an informed seller who observes bidders' initial types (signals). Then I study how the seller, who has information valuable to the bidders, maximizes his expected profit by shortlisting potential bidders into the final-stage auction. The shortlisted bidders are asymmetric in their types (private valuation plus beliefs) because their private beliefs about the other shortlisted bidders rely on their private initial types. Except for takeover auctions, this model also describes many real-world auctions with a qualification stage, such as a real estate sale.

2. *"Optimal Auction Design with Selective Entry."*
   This paper studies the optimal auction design by a revenue-maximizing seller in a two-stage auction model with selective entry. Following Stegeman (1996) and Lu (2009), I consider the feasible semidirect mechanism with a symmetric threshold-entry. In order to implement the optimal entry threshold, we need to consider a generalized *virtual value*, which is non-monotone in general. To handle the non-monotonicity of the *generalized virtual value*, I use the ironing technique described in Myerson (1981) to obtain a monotone (ironed) virtual value. Then we select the optimal mechanism to maximize the (ironed) virtual value.

3. *"Semiparametric Estimation of Arbitrage-free Option Bounds,"* (with Yanqing Fan, Xiaoxia Shi)
   In this paper, we develop inference procedures for subsets of parameters defined by both uniform and local conditional moment inequalities. We apply this procedure to infer the Arbitrage-free bounds for the S&P500 options with given strike prices and time-to-maturity from the observed time-series data of S&P500 index and cross-sectional data of S&P500 option (SPX). This procedure is applicable to many empirical asset pricing in incomplete market.

**Journal Refereeing**

*Journal of Financial Econometrics*, *Frontiers of Economics in China*, *Environment and Development Economics*

**Teaching Experience**

- **Graduate Courses** — **Renmin University of China**

  *Industrial Organization and Digital Markets* — Fall 2020
  *Empirical IO: Applications in Energy Market* — Falls 2019, 2020
  *Empirical IO: Basics* — Springs 2019, 2021
  *Advanced Microeconomic Theory* — Falls 2018, 2019, 2020, 2021
  *Industrial Organization Theory* — Falls 2018, 2019

- **Undergraduate Courses** — **Vanderbilt University**

  *Intermediate Microeconomic Theory* — Summers 2011, 2012

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