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EDUCATION

September 2018 - July 2023, *Ph.D. in Economics*, Peking University HSBC Business School

September 2015 - July 2018, *Master of Economics*, School of Economics, Beijing Technology and Business University

September 2011 - July 2015, *Bachelor of Mathematics*, School of Mathematics, Qingdao University

RESEARCH INTERESTS

Macroeconomics; Macro Finance; Financial Economics; Corporate Finance

PUBLICATIONS

1. [A Theory of Firm Opacity and Corporate Social Responsibility](#), with Zhuoqiong Chen, **Journal of Banking & Finance**, Volume 145, December 2022.
2. [Investment Motives, Distances Factors and Location Choice of China's Investemtn along the Belt and Road](#), with Yuna Di, **China Soft Science (Chinese)**, Volume 2, Pages 168-172, February 2018.

WORKING PAPERS

1. [Aggregate Productivity, Leased Capital and Market Participation](#), **Job Market Paper**, 2022
 - **Abstract:** Leased capital accounts for a large fraction of publicly listed U.S. firms' total physical capital. The model features firms' optimal buy-versus-lease decisions with collateral constraints and monitoring costs. I then study the effects of leased capital on aggregate productivity in general equilibrium. In particular, leased capital can alleviate collateral constraints faced by small and financially constrained firms; thus, it can mitigate resource misallocation to improve aggregate productivity; this is the direct effect. However, the increased demand for capital and labor also improves the wage rate; hence, the number of producing firms and firms' optimal production scale is reduced, which in turn depresses aggregate productivity, these are indirect effects. Quantitatively, I show that the direct effect dominates the indirect effects in the general equilibrium with a leasing-improved policy and thus the aggregate productivity is enhanced.
 - **Presented at** Ph.D. Economic Workshop Tianjin University 2022, Ph.D. Macro Workshop Xiamen University 2022, Academic Forum on Finance and Development 2022 (Scheduled), China Economic Association Annual Meeting 2022 (Scheduled).
2. [Leased Capital and the Investment- \$q\$ Relation](#), with Kai Li, 2021
 - **3rd round of R&R at Journal of Corporate Finance**
 - **Abstract:** Leased capital accounts for a large fraction of public U.S. firms' total productive physical capital. In this paper, we extend the neoclassical investment q theory with financial frictions by explicitly considering firms' option to lease. Our model features firms' optimal buy-versus-lease decisions with collateral constraints and monitoring costs, and gives a strong implication that measured Tobin's Q has to be adjusted by leased capital. Empirically, we use our model as guidance to construct the lease-adjusted Tobin's Q , consistent with the recent leasing accounting change (ASC 842). We show that our lease-adjusted Tobin's Q is a superior proxy for investment opportunities, especially for firms that rent more capital.

3. [Flexibility, Option Value of Leasing, and Investment](#), with Kai Li, 2020

- **Preparation for Journal of Financial and Quantitative analysis (JFQA)**

- **Abstract:** We extend neoclassical investment theory with uncertainty by considering the operating lease. In this paper, we argue that the operating lease provides an important benefit of flexibility when firms cannot costlessly adjust their capital stocks. We explicitly consider a buy-and-lease decision into the neo-classical investment theory with costly reversibility and expandability. We show how operating lease flexibility can be valued as options, and also how their valuation relates to the incentive to buy or lease capital. As two sources of flexibility, leasing can alleviate firms' costly reversibility and maintain the option for future expansion. We also derive the effect of the volatility of productivity on firms' incentives to lease. Finally, we test a set of unique model implications among firms' reversibility, expandability, volatility, and their incentive to lease and confirm consistent empirical evidence. The benefit of leasing flexibility adds to the literature as an important determinant of firms' lease decisions.

- **Presented at** Asian Meeting of the Econometric Society 2022, MFA 2022, PKU-NUS Annual Conference on Quantitative Finance and Economics 2021, China Financial Research Conference 2020, HKUST Brown Bag Seminar 2020.

4. [Leasing and Constrained-Efficient Capital Reallocation](#), with Kai Li, Yicheng Wang, Yiming Xu, 2021

- **Preparation for Quarterly Journal of Economics (QJE)**

- **Abstract:** Firms extensively leased capital in their production, especially if they are financially constrained. We investigate the impacts of leased capital on capital reallocation and aggregate efficiency, both theoretically and quantitatively. Firms are subject to collateral constraints in the model. Inefficiency exists in the market economy, even if from a constrained social planner's perspective, since individual firms do not internalize their actions on collateral values through market price (i.e., pecuniary externality). For the two-period model, we analytically characterize the stationary equilibrium. We show that leased capital can alleviate inefficiencies in both competitive equilibrium and constrained efficient allocations. With leasing, there is less room for the constrained social planner to further improve upon the market economy. Quantitatively, our dynamic structural model provides a good fit for our data, and we find sizable impacts of leased capital: if rental fees drop by about 2.4%, consumption and output would increase by about 2.1% and 1.9%, respectively. We also use this paper to study implied optimal taxation.

- **Presented at** China Economic Association Annual Meeting 2021, PHBS Brown Bag Seminar 2022.

WORK IN PROCESS

1. Leasing and Financial Leverage.

CONFERENCE PRESENTATIONS

2022 Ph.D. Economic Workshop Tianjin University, Ph.D. Macro Workshop Xiamen University, Academic Forum on Finance and Development (Scheduled), China Economic Association Annual Meeting (Scheduled), Asian Meeting of the Econometric Society.

2021 PKU-NUS Annual Conference on Quantitative Finance and Economics, China Economic Association Annual Meeting.

2020 China Financial Research Conference

TEACHING EXPERIENCE

Peking University HSBC Business School

Teaching Assistant, Macroeconomics, Prof. Jiao Shi. Fall 2020

Teaching Assistant, Financial History, Prof. Yuchen Xu. Spring 2021

Teaching Assistant, International Finance, Prof. Steve Xiao. Fall 2021

Teaching Assistant, Investment, Prof. Steve Xiao. Fall 2021

AWARDS AND FELLOWS

PHBS Academic Star, 2022

PHBS Merit Student, 2021

National Scholarships, 2017

LANGUAGES AND SKILLS

Language: Mandarin (native), English (fluent)

Skills: Python, Matlab, Latex

REFERENCES

Associate Prof. Kai Li

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