



# The 1<sup>st</sup> Fudan- TSE Economics and Finance Workshop

2023 年 11 月 8 日星期三 8:30am – 12:25pm  
Wednesday, 8<sup>th</sup> November 2023

復旦大學邯鄲校區 智库樓 209  
Room 209, Think-Tank Building, Fudan University

**Rule of presentation:** Each regular paper has 25 min in total; No question is allowed for the first 5 min, Questions can be asked during min 5 to min 25

8:30 – 8:55 Registration and Reception

## Opening Remarks

8:55 – 9:00 **Opening Remarks - Huasheng Gao, FISF**

## Session 1 Paper Presentation

**Session Chair:** *Xiaxin Wang, FISF*

9:00 – 9:25 **The Information Sensitivity of Treasury Bonds and Stocks** (Tri Vi Dang, Wei Li and Yongqin Wang)  
*By Yongqin Wang, SOE*

**Abstract:** This paper generalizes the information sensitivity theory to markets where investors sell securities before maturity and proposes an empirical measure. Two applications are provided. This paper shows that long term Treasury bonds with safe payments and no credit risks are as information sensitive as the S&P500 index. This paper derives an information sensitivity channel of government asset purchases and documents that stock purchases by the Chinese National Team during the stock market crash in 2015 reduce the information sensitivity of intervened stocks by 16% compared to other stocks. When stocks become less information sensitive financial analysts produce less information.

9:25 – 9:50 **The Value of Social Media Anonymity: Evidence from the Stock Market** (Huasheng Gao, Yongxian Tan and Hailong Zhao)  
*By Huasheng Gao, FISF*

**Abstract:** We examine the value implication of social media anonymity in the context of the stock market. Exploiting China's regulatory change that removes anonymity and requires real name registration in social media, we find that such a policy leads to a significant decrease in firm value, especially when investors rely more on social media for stock information. We further show that the treatment leads to lower stock price informativeness, higher stock crash risk, poorer corporate disclosure, and more earnings manipulation. Overall, we provide evidence that removing social media anonymity decreases firm value through the channel of worsening firms' information environment.



9:50 – 10:15 **Modular Production and Endogenous Strength of Comparative Advantages** (Zhiyuan Li)

By *Zhiyuan Li, SOE*

**Abstract:** This paper complements the classical Ricardian-type international trade theories by proposing an endogenous approach to determine the strength of comparative advantages. We show that the size of production modules governs the strength of comparative advantages of countries. Reductions of module size, or module sharpening, unleash the comparative advantages that were previously trapped in bundled productions of larger modules, since submodules, where the country had comparative disadvantages, had to be bundled together with those of comparative advantages for international trade. As module sharpening strengthens the comparative advantages, it complements trade liberalization in generating welfare gains. Our theory, linking modular production with the strength of comparative advantages, is helpful to understand not only gains from trade in particular, but also how division of labor is achieved and comparative advantages are exploited more generally.

10:15 – 10:25 **Comment Time by Jean Tirole, TSE Research Faculty, TSE & IAST Honorary Chairman, 2014 Nobel Laureate in Economics**

10:25 – 10:55 **Break and photo shooting**

## Session 2 Paper Presentation

Session Chair: *Chang Ma, FISF*

10:55 – 11:20 **FinTech Credit and Entrepreneurial Growth** (Harald Hau, Yi Huang, Chen Lin, Hongzhe Shan, Zixia Sheng and Lai Wei)

By *Yi Huang, FISF*

**Abstract:** Based on automated credit lines to about two million vendors trading on Alibaba's online retail platform, and a discontinuity in the credit decision algorithm, we document that a vendor's access to FinTech credit boosts its sales growth, transaction growth, and the level of customer satisfaction gauged by product, service, and consignment ratings. These effects are more pronounced for vendors characterized by greater information asymmetry about their credit risk and with less collateral, which reveals the information advantage of FinTech credit over traditional credit technology.

11:20 – 11:45 **A Model of Supply Chain Finance** (Bo Hu, Makoto Watanabe and Jun Zhang)

By *Bo Hu, SOE*

**Abstract:** This article develops a model in which an intermediary uses a supply chain finance (SCF) program to fund suppliers. Specifically, the SCF program pools liquidity from suppliers and meanwhile provides immediate payment to participating suppliers with pressing liquidity needs. We show that the intermediary optimally selects not only suppliers with positive profitability but also suppliers with negative profitability who, however, contribute to the liquidity pool. Inserting the model to an otherwise standard monetary framework, we show that with higher nominal interest rates, the SCF program emphasizes the liquidity contribution more and the profitability contribution less. Deviating from the Friedman rule, where only suppliers with positive profitability are selected, may lead to welfare gains.



11:45 – 12:10 **Ownership Concentration and Crisis Recovery** (Sheng Huang and Yifan Zhou)  
*By Yifan Zhou, FISF*

**Abstract:** This paper examines the effects of a firm having blockholders during the 2008-09 financial crisis (GFC) on its post-crisis recovery. We find that firms with higher mid-crisis blockholder ownership recover better in ROA, sales growth, Tobin's Q, and asset turnover in the decade following the GFC. We further discover that during the GFC, blockholder ownership was associated with i) more votes against manager-sponsored proposals, ii) a higher probability of appointing a new CEO and/or director, and iii) issuance of less net debt and net equity. Among these activities, we find that only the governance-related ones might have contributed to a firm's crisis recovery. Overall, this paper sheds light on the time-contingent impacts of blockholders on firm outcomes.

12:10 – 12:20 **Comment Time by Jean Tirole**, *TSE Research Faculty, TSE & IAST Honorary Chairman, 2014 Nobel Laureate in Economics*

### Closing Remarks & Lunch

12:20 – 12:25 **Closing Remarks by Zonglai Kou**, SOE

**Lunch** (旦苑 - 3F, 徐汇村包房)

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