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EDUCATION

Singapore Management University	Singapore, 2018 (expected)
Ph.D. in Finance, Lee Kong Chian School of Business	
University of Macau	Macau, 2011-2013
M.S. in Economics, School of Social Sciences	
Peking University	Beijing, 2005-2009
B.S. in Mathematics and Applied Mathematics, School of Mathematics	

RESEARCH INTERESTS

Empirical Corporate Finance, Corporate Governance, Board of Directors, Insider Trading, Credit Rating

WORKING PAPERS

1. "Operating Lease and Credit Rating" (Job Market Paper)

-Presented at the 2017 American Finance Association (AFA) Annual Meeting (Ph.D. Poster session), and the 2016 SMU Finance Summer Research Camp

This paper documents how firms' concerns about credit rating change affect their choice between the use of debt and lease. Firms approaching a credit rating change tend to use less debt relative to operating leases to finance their new projects. In this paper, I propose a new method of measuring the potential of a credit rating change. Using the new measures, I find that not only the concerns about being downgraded but also the attempts to get upgraded have significant impacts. The result is surprising because rating agencies are fully aware of firms' use of off-balance-sheet finance and make corresponding adjustments when they assess firms' creditworthiness. This effect becomes more evident when the concerns become stronger or when firms' cost of equity finance is higher. The effect is attenuated after rating agencies adopt more comprehensive methods to analyze the use of operating leases. There are two possible reasons for the result. First, the operating lease obligations are usually underestimated. Second, auditors tolerate more misstatement for disclosed off-balance-sheet items than they do for recognized balance sheet items.

2. "Tenure of Independent Directors and Corporate Governance: Insights from Insider Trading", with Sheng Huang

-Presented at the 30th Australasian Finance and Banking Conference (AFBC), the 2017 Financial Management Association (FMA) Annual Meeting, the 2017 Financial Management Association (FMA) Asia Pacific Conference, and Singapore Management University

We examine the effectiveness of board monitoring over independent directors' (IDs) tenure in the case of the board's oversight of insider trading. We show that the profitability of executive trades increases in IDs' tenure. Executives are more likely to trade opportunistically and during informationally more sensitive times when IDs serve longer on the board, and these trades are more profitable. The impact of IDs' tenure on executive trading is weaker in firms that have specific guidelines in place on insider trading (and thus the board has less leeway in its oversight) or where other governance mechanisms are at work. Overall, it suggests that longer-tenured IDs are less effective monitors of exploitative executive trading. Further evidence shows that longer-tenured IDs are more likely to have their independence compromised, for example, being friends with the firm's CEO or conducting collusive trading with the firm's executives.

WORK IN PROGRESS

3. "What Do Insiders Know: Their Choice of Trading or Not", with Renée B. Adams, and Sheng Huang

The insider trading literature has been solely based on actual transactions and seems to have ignored the fact that insiders' participation rates in actual insider trading, either insider sales or purchase, are very low. In this paper, we investigate individual insiders' trading decisions at the daily level, and implement a two-stage estimation procedure that uses an equation for selection into trading or not in the first stage and an equation for trading profitability in the second. We find a significant selection bias which has a negative effect on insiders' abnormal trading profitability, implying that those insiders who are relatively inactive in insider trading are either more patient for bigger opportunities or only responsive when the information is evident enough. Moreover, the trading profitability gap between independent directors and executives is no longer negligible after correcting for selection bias, and good governance no longer seems to be effective in narrowing this gap. Independent directors seem to be less sensitive to the information environment of the firm when making trading decisions. These results show that the information possessed by independent directors might not be comparable to that of the firms' executives.

4. "Political Preference of Insiders and Their Trading Style", with Sheng Huang

We use individual-level political donation data to measure the political orientation of each firm insider and investigate how this affects insider trading behavior. In contrast

to their conservative ideology, Republican insiders are more aggressive in trading their own firms' shares in terms of their engagement in trading activities and the trading profits they earn. The differences become more pronounced between ideological extremes, and are mainly concentrated among executives. However, there is no evidence that Republican insiders are more likely to initiate problematic insider trading transactions or be profit seekers compared to Democrat insiders. Republican managers tend to purchase more of their own firms' shares and hold them for a longer time. These actions reflect Republican culture's belief in entrepreneurship and market discipline.

5. "Deterrence Value of Peer Firms' Lawsuits", with Yuan Zhuang

Do firms learn from the failure of their peers? The deterrent effect of firms' lawsuits provides us with an ideal setting to answer this question. In this project, we explore the spillover effects of court cases, and aim to find out whether peer firms' shareholder class action and accounting lawsuits can deter managers' fraudulent behavior and improve the internal governance of the firm. We further investigate the specific role of different types of lawsuits. Legal institutions set the rules of the game, and it is natural for courts to act in enforcing such rules. This paper sheds new light on the courts' role in deterrence that has been traditionally neglected in the academic literature.

TEACHING EXPERIENCE

Certificate , British Council, Singapore English Grammar and Communication Skills	2015
Certificate , Centre for Teaching Excellence, Singapore Management University Graduate Development Programme	2015
Teaching Assistant, Singapore Management University Master Courses: Corporate Finance Undergraduate Courses: Finance	2013-2017
Teaching Assistant, University of Macau Undergraduate Courses: Basic Microeconomics, Labor Economics, Economic Growth and Development I	2011-2013

REASERCH EXPERIENCE

Research Assistant, Singapore Management University

"Why Do U.S. Firms Invest Less and Less Over Time?" by Fangjian Fu, Sheng Huang, and Rong Wang

"Political Influence on Bank Credit Allocation: Bank Capital Responses, Consumption and Systemic Risk" by Sheng Huang and Anjan V. Thakor

Research Assistant, University of Macau

Survey data about human cognition and risk aversion, by Mingli Zheng

CONFERENCES

Presentations

Australasian Finance and Banking Conference (scheduled)	Sydney, 2017
Financial Management Association (FMA) Annual Meeting	Boston, 2017
Financial Management Association (FMA) Asia Pacific	Taiwan, 2017
American Finance Association (AFA) Annual Meeting, Ph.D. Poster session	Chicago, 2017
Finance Summer Research Camp	Singapore, 2016

Discussions

Australasian Finance and Banking Conference (scheduled)	Sydney, 2017
Financial Management Association (FMA) Asia Pacific	Taiwan, 2017

HONORS AND AWARDS

American Finance Association Travel Grant	2017
MOE Postgraduate Full Scholarship, Singapore	2013-2017
Graduate Assistantship, University of Macau	2012-2013

ADDITIONAL INFORMATION

Language: English (Fluent), Chinese (Native)
Computer: Stata, SAS, MATLAB, LaTeX
Passed all three levels of the CFA Program on the first attempt

REFERENCES

Rong WANG (Chair) Associate Professor of Finance Lee Kong Chian School of Business Singapore Management University Email: rongwang@smu.edu.sg Phone: +65 6828 0148	Fangjian FU (Co-chair) Associate Professor of Finance Lee Kong Chian School of Business Singapore Management University Email: fju@smu.edu.sg Phone: +65 6828 0244
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