

GUOSONG XU

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DOCTORAL STUDIES

WHU – Otto Beisheim School of Management, Vallendar, Germany 2014–2019 (expected)
Ph.D. Candidate in Finance

New York University Stern School of Business, New York, United States 2016
Visiting Scholar in the Finance Department, Sponsor: Yakov Amihud
(*PhD courses*: Theoretical Corporate Finance, Theoretical Asset Pricing, Microeconomics, Corporate Governance)

References:

Nihat Aktas

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PRIOR STUDIES

ESSEC Business School, MSc. in Management Finance Track (GPA: 16.5/20.0) Paris, 2014
University of Chicago Booth School of Business, Exchange (GPA: 3.9/4.0) Chicago, 2013
East China University of Science & Technology, BA. Economics (GPA: 3.8/4.0) Shanghai, 2011

RESEARCH INTERESTS

Corporate finance, Behavioral finance

PUBLICATIONS

“She is Mine: Determinants and Value Effects of Early Announcements in Takeovers”
Journal of Corporate Finance, 2018, with Nihat Aktas and Burcin Yurtoglu
Best AFFI 2017 Conference Paper; Media coverage: [Les Echos](#) (France)

JOB MARKET PAPER

[1] “Friends at WSJ: Journalist Connections, News Tone, and Stock Returns”

Presented at the *EFA Doctoral Tutorial* and the *Helsinki 2018 Finance Summit*

- This paper studies the effect of the firm–journalist network on news tone and stock returns. Using a unique dataset on the firm’s and the CEO’s connections to *Wall Street Journal* (WSJ) reporters, I find that such connections lead to markedly more favorable coverage of corporate M&A news and to better

market reactions to the mergers. The effect on the financial market is larger for the deals featured on the front page of the *WSJ*. For identification, I instrument the connected coverage with the reporters' turnover and find similar results. Furthermore, using Rupert Murdoch's acquisition of the *WSJ* as an exogenous shock to journalistic independence, I show that firms previously connected to Mr. Murdoch receive better coverage and more positive stock returns after the ownership change.

OTHER WORKING PAPERS

[2] “Are Market Reactions to M&As Biased by Overextrapolation of Salient News?”

with *Eliezer Fich* (*Drexel University*)

Scheduled for the *ASSA 2019 Annual Meetings* in Atlanta

- We study earnings surprises released by firms in a takeover target's 1-digit SIC hours before the M&A public announcement. We find that these surprises correlate with the acquirers' M&A announcement return, but not with the returns to 4-digit SIC matched bidder and target peer firms. A week after the M&A announcement, acquirers exhibit a stock price reversal and their response to the earnings surprises disappears. We cannot reconcile these findings with rational Bayesian updating, information transmission, or strategic timing theories. The evidence that salient events affect investors' M&A valuations, supports behavioral theories predicting asset pricing distortions due to cognitive biases.

[3] “Foreign Bribery and Takeovers: International Evidence”

Presented at the *FMA Doctoral Consortium* (2016 European Conference)

- Bribery is a key consideration in cross-border takeovers. Using exogenous implementations of anti-bribery laws cross 41 countries, I find that criminalizing acquirers for foreign bribery decreases aggregate cross-border M&A activities by approximately 30%, reduces acquirers' gains by over half, and lowers bid premium by 10%. These effects are stronger for public deals and for targets located in countries (industries) with higher levels of corruption. Taken together, the findings support the efficient side-payment model, which predicts a positive relation between bribery and cross-border transaction value.

[4] “What Drives the Takeover Process? New Evidence from the Inner Workings of Internal M&A Teams”

with *Nihat Aktas*, *Audra Boone*, *Alexander Witkowski* and *Burcin Yurtoglu* (*WHU and Texas Christian University*)

- This paper provides insights into the inner workings of internal corporate merger and acquisition teams using survey evidence from 65 firms from Austria, Germany, and Switzerland. The responses indicate the growing reliance on a firm's own employees for implementing takeover strategies. Firms are proactive in deal initiation, such that they rely more on their internal analysis to generate investment ideas and less on investment banks. Deals negotiated by CEOs are on average of better quality in terms of announcement returns. Moreover, M&A team factors can explain approximately 45% of the acquirer fixed effects in announcement return regressions.

[5] “Irreversible Investment under Uncertainty: Do Firm Boundaries Matter?”

with *Johnson Mo* (*NYU Stern*)

- We empirically analyze investment under output price uncertainty when firms face differential asset specificity or irreversibility. We study the oil exploration and production (E&P) industry, where some producers vertically integrate into downstream segments and face higher capital irreversibility. Using exogenous oil price uncertainty shocks, we show that these integrated producers cut capital expenditures significantly more than standalone producers in response to price volatility. This finding is consistent with a real option model of investment, where a higher level of capital irreversibility amplifies the uncertainty effects on real investment. We show that our results cannot be explained by intersegment investment transfer.

TEACHING EXPERIENCE

Teaching:

- Advanced Corporate Finance (MSc), Co-instructor 2014–2018
- Advanced Econometrics (MSc), Tutorials 2018

Teaching Assistant:

- Financial Technologies (MSc) Fall term 2017
- Managerial Finance (MBA) 2014–2017
- Sustainable Finance (MSc) Spring term 2015 and 2016

PRESENTATIONS AND DISCUSSIONS

2019 (*scheduled*): ASSA Atlanta[†], MFA Annual Meeting Chicago* (discussant)

2018: European Finance Association (EFA) Doctoral Tutorial, Paris December Finance Meeting, Helsinki Finance Summit, Research in Behavioral Finance Conference, Frankfurt School of Finance*, Humboldt University*, Erasmus University School of Economics*, Peking University[†], Louisiana State University[†], CKGSB[†], International Conference of the French Finance Association

2017: Paris December Finance Meeting* (discussant), ESSEC*, University of Lille II*, International Conference of the French Finance Association, NYU Stern[†], City University of Hong Kong[†], University of Missouri[†], UNLV[†], 6th Annual Corporate Finance Conference[†], Corporate Finance Workshop in Durham University[†]

2016: FMA Doctoral Student Consortium, Spring Meeting of Young Economists, International Conference of the French Finance Association, Conference on Empirical Legal Studies in Europe, Workshop on Corporate Governance and Investment, WHU, NYU Stern

2015: Causal Inference Workshop at Northwestern University, WHU

*: *Invited seminar/discussion*; †: *Presented by a coauthor*

AWARDS AND SCHOLARSHIPS

European Finance Association Travel Grant	2018
Dean's Fund, WHU – Otto Beisheim School of Management	2016, 2017, 2018
French Finance Association International Conference Best Paper Award	2017
Research Grant for Visiting Scholar, WHU Chair of Corporate Finance	2016
PhD Fellowship, WHU Chair of Corporate Finance	2014–present
ESSEC Excellence Scholarship	2013
CFA Global Research Challenge French Championship	2013
Research Paper Award in the ECUST University Student Research Program	2009
National Scholarship by the Chinese Education Ministry	2008

PROFESSIONAL SERVICE

Referee: Journal of Corporate Finance, Emerging Markets Review

NON-ACADEMIC EXPERIENCE

Lazard , TMT Mergers & Acquisitions Analyst	Paris, 2013
Vivendi Group , Investors Relations Intern	Paris, 2012