

# Newsletter

## Faculty Research Publications



China Depth, Global Breadth

### Peer Reviewed Journal Articles

**Chen, Shimin, Han, Weifang, and Zhang, Qifeng. forthcoming. "Predecessor versus Acquisition: Evidence of Business Combination under Common Control from China". *Emerging Markets Finance and Trade*.**

**Abstract:** We investigate the value relevance of two different accounting methods, predecessor vs. acquisition, for a business combination under a common control (BCUCC) in China. Based on the return and price models, we find that net income under the predecessor method is of higher value relevance than that under the acquisition method. Further analysis suggests that the difference appears to be driven by uncertainties in fair value estimation surrounding the BCUCC and that net incomes under the predecessor method can better predict future earnings and future operating cash flows than under the acquisition method. Our research provides some initial evidence to support the use of the predecessor method in China. At the same time, we discuss implications for the IASB standard-setting project for the BCUCC.  
**Contact:** [cshimin@ceibs.edu](mailto:cshimin@ceibs.edu)

**Chen, Shimin, Ni, Serene, and Tong, Jamie. forthcoming. "Impact of Recent Chinese Stock Market Liberalization: History and Literature Review". *The International Journal of Accounting*.**

**Abstract:** In recent decades, the Chinese government has taken several measures to liberalize its stock market to attract foreign investment. In this survey, we describe these liberalization measures and review the research on their consequences. In analyzing this literature, we focus on two dimensions: (1) how liberalization impacts five corporate-level accounting and finance issues, namely corporate governance, information environment and financial disclosure, earnings quality, value relevance of accounting information, and auditing; and (2) how liberalization improves the Chinese stock market as a whole and affects asset pricing in this market. Based on the issues explored in the literature, we provide suggestions for future research in our concluding remarks.  
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**David, E., Johnson, L. U., Meng, C-Y, & Lopez, T. N.. forthcoming. "Stronger together: Conditional indirect effect of servant leadership on transactive memory systems". *Journal of Leadership and Organiza-***

*tional Studies*.

**Abstract:** The leadership literature suggests that followers are likely to be autonomously motivated when working for servant leaders, leading them to experience greater psychological empowerment. Guided by self-determination theory (SDT), we predicted that this empowerment would then heighten individuals' perceptions of their teams' transactive memory systems (TMS). When subordinates perceive that discrimination is occurring in their workgroup, however, we expected that the empowerment – TMS link would be weakened. This moderated mediation model was tested at multiple timepoints using 211 employees from a variety of industries and job types. The results generally supported our predictions, and the implications for theory and practice are discussed.

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**Guo, W., Sengul, M., & Yu, T.. 2019. "Rivals' Negative Earnings Surprises, Language Signals, and Firms' Competitive Actions". *Academy of Management Journal*. (FT50) 63, 3, 637-659.**

**Abstract:** Research in competitive dynamics has primarily analyzed how characteristics of observable attacks influence firms' competitive responses. Why and how firms take action in response to critical events that affect their rivals, without being attacked themselves, is less well understood. Focusing on negative earnings surprises, we argue that a focal firm is likely to view a rival's negative earnings surprise as an opportunity to exploit its vulnerability. Therefore, such surprises are positively associated with the intensity of competitive actions initiated by a focal firm. Furthermore, the complexity and vagueness of a rival's language in an earnings conference call strengthens the positive relationship between the negative earnings surprise and the focal firm's intensity of competitive actions. We tested our arguments using data from 3,202 earnings releases and conferences calls of publicly listed firms between 2003 and 2014 in the United States. The results and robustness checks support our predictions.

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**Li, Bin, Siciliano, Gianfranco and Venkatachalam, Mohan. forthcoming. "Economic Consequences of IFRS Adoption: The Role of Changes in Disclosure Quality". *Contemporary Accounting Research*. (FT50). **Abstract:** This study adopts a two-step ap-**

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proach to highlight the disclosure quality channel that drives economic consequences of IFRS adoption. This approach helps address the identification challenge noted by Leuz and Wysocki (2006) and offer direct evidence on the role of disclosure quality. In the first step, we document the impact of the IFRS mandate on changes in disclosure quality proxied by the granularity of line item disclosure in financial statements. We find that IFRS adopting firms provide more disaggregated information upon IFRS adoption, such as more granular disclosure of intangible assets and long term investments on the balance sheet and greater disaggregation of depreciation, amortization, and non operating income items on the income statement. In the second step, we link the observed disclosure changes to the benefits and costs of IFRS adoption. We show that greater disaggregated information due to IFRS adoption enhances market liquidity and decreases information asymmetry, but does not affect audit fees differentially. Our evidence has implications for standard setters as they evaluate cost benefit tradeoffs when considering disclosure changes in the future.

Paper: <https://doi.org/10.1111/1911-3846.12638>  
Contact: [gianfranco.siciliano@ceibs.edu](mailto:gianfranco.siciliano@ceibs.edu)

Ramasamy, B. and Yeung, M.. forthcoming. "China's Outward Foreign Direct Investment (OFDI) to Developing Countries: the case of Central and Eastern Europe (CEE)". *Journal of Asia Pacific Economy*.

Paper: <https://doi.org/10.1080/13547860.2020.1790182>  
Contact: [bramasamy@ceibs.edu](mailto:bramasamy@ceibs.edu)

Siciliano, Gianfranco and Ventoruzzo, Marco. 2020. "Banning Cassandra from the Market? An Empirical Analysis of Short-Selling Bans during the Covid-19 Crisis". *European Company and Financial Law Review*. 17, 3-4.

**Abstract:** During the recent COVID-19 pandemic crisis, stock markets around the world have witnessed an abrupt decline in security prices and an unprecedented increase in security volatility. In response to a week of financial turmoil on the main European stock markets, some market regulators in Europe, including France, Austria, Italy, Spain, Greece, and Belgium, passed temporary short-selling bans in an attempt to stop downward speculative pressures on the equity market and stabilize and maintain investors' confidence. This paper examines the effects of these short-selling bans on market quality during the recent pandemic caused by the spread of COVID-19. Our results suggest that during the crisis, banned stocks had higher information asymmetry, lower liquidity, and lower abnormal returns compared with non-banned stocks. These findings confirm prior theoretical arguments and empirical evidence in other settings that short-selling bans are not effective in stabilizing financial markets during periods of heightened uncertainty. In contrast, they appear to undermine the policy goals market regulators intended to promote.

Contact: [gianfranco.siciliano@ceibs.edu](mailto:gianfranco.siciliano@ceibs.edu)

Song, X., Ying, H., Zhao, X. and Chen, L.. 2020. "Improving assessment capability for accounts receivable pool financiers An empirical investigation". *Industrial Management and Data Systems*. 120, 3, 547-566.

Contact: [xiande@ceibs.edu](mailto:xiande@ceibs.edu)

Yu, Tieying, Guo, Wei, Gimeno, Javier and Zhang, Yu. forthcoming. "Glue or Gasoline? The Role of Inter-organizational

Linkages in the Occurrence and Spillover of Competitive Wars". *Academy of Management Journal*. (FT50).

**Abstract:** Despite their prevalence and significance, competitive wars have received limited attention from the strategy literature. Our knowledge of how inter-organizational linkages influence competitive wars is particularly lacking. Drawing on the social embeddedness perspective, we argue that both direct linkages (i.e., strategic alliances) and indirect linkages (i.e., common ownership ties and common analyst ties) reduce the likelihood of war, thereby functioning as the glue that binds firms together. Yet once competitive wars are launched in related markets, indirect linkages through common third parties may continuously function as glue, reducing the likelihood of war spillover, whereas direct linkages, such as strategic alliances, may facilitate the spillover of competitive wars, akin to adding gasoline to a fire. Using data from the U.S. domestic airline industry between 1991 and 2010, our empirical evidence offers strong support for our predictions.

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Wang, Q., Huo, B. and Zhao, X. . forthcoming. "What Makes Logistics Integration More Effective? Governance from Contractual and Relational Perspectives". *Journal of Business Logistics*.

Paper: DOI: [10.1111/jbl.12236](https://doi.org/10.1111/jbl.12236)  
Contact: [xiande@ceibs.edu](mailto:xiande@ceibs.edu)

Wang, Z., Jean, R. and Zhao, X.. 2020. "The Direct and Indirect Impact of Relational Ties on Innovation Performance: An Empirical Study in China". *IEEE Transactions on Engineering Management*. 67, 2, 295-308.

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## Trade Journal Articles

Fang, Yue and Lv, Xinghang. 2020 Aug. ""疫情加速企业分化，企业数字化变革是关键". *CEIBS Business Review*.

Contact: [fyue@ceibs.edu](mailto:fyue@ceibs.edu)

Han, Jian. 2020 Aug. "数字化转型的软实力". *CEIBS Business Review*.

Contact: [jianhan@ceibs.edu](mailto:jianhan@ceibs.edu)

Liu, Shangxi, Sheng, Songcheng, Wu, Ge, Yu, Yongding, Zhang, Ming and Zhang, Bin. 2020. "财政赤字货币化的必要性讨论". *国际金融评论*. 4.

Contact: [ssongcheng@ceibs.edu](mailto:ssongcheng@ceibs.edu)

Xin, K. R. & Yan, J.. 2020 Aug. "Dance with Uncertainty 《与不确定性共舞》". *Business Review*. 5.

Contact: [katherinexin@ceibs.edu](mailto:katherinexin@ceibs.edu)

Xin, K. R. & Yan, J.. 2020 July. "Incubator for Future 《孵化未来》". *Business Review*. 5.

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Xu, Bin and Dong, Shuyang. 2020 June. "A Study of COVID-19's Impact on Business Operations of Companies in China - Based on the Data from a Survey of 1,182 Company Executives in Early April". *Business Economic Review*. 21, 3, 26-41.

Contact: [xubin@ceibs.edu](mailto:xubin@ceibs.edu)

Xu, Bin, Zhou, Dongsheng and Chen, Danni. 2020 July. "A Multi-dimensional Analysis of COVID-19's Impact on Companies in China". *CEIBS Business Review*. 70-79.

Contact: [xubin@ceibs.edu](mailto:xubin@ceibs.edu)

Xu, Bin. 2020 June. "Three predictions of China and world economies in post-COVID-19 era". *CGTN*.

Contact: [xubin@ceibs.edu](mailto:xubin@ceibs.edu)

### Newspaper Articles

Han, Jian. 2020 June. 利用下沉期，加强管理到位Take advantage of the sinking period- a few suggestions. *今日头条*.

Contact: [jianhan@ceibs.edu](mailto:jianhan@ceibs.edu)

Ramasamy, Bala. 2020 June 10. Coronavirus response shows how universal basic income can improve life for everyone. *South China Morning post*.

Contact: [bramasamy@ceibs.edu](mailto:bramasamy@ceibs.edu)

Xu, Bin and Chen, Dani. 2020 May 25. CEIBS Survey Findings: Manufacturing Sector Expected to Recover in Second Quarter and More Government Push Needed for Boosting Confidence. *The Paper*.

Contact: [xubin@ceibs.edu](mailto:xubin@ceibs.edu)

Xu, Bin. 2020 July 13. 走出惯性舒适区，在创新驱动的车道上跑得更快. *深圳特区报*.

Contact: [xubin@ceibs.edu](mailto:xubin@ceibs.edu)

Xu, Bin. 2020 July 24. 后疫情时代或将出现合作式竞争的新格局. *新浪财经*.

Contact: [xubin@ceibs.edu](mailto:xubin@ceibs.edu)

Sheng, Songcheng and Ren, Xiaoxun. 2020 June 18. 金融科技平台构筑起中小银行支小助微的开放通道. *第十二届陆家嘴论坛《上海国际金融中心2020：新起点、新使命、新愿景》*.

Contact: [ssongcheng@ceibs.edu](mailto:ssongcheng@ceibs.edu)

Sheng, Songcheng. 2020 July 20. 盛松成：“房住不炒”保持一致连贯是市场稳定基础. *经济参考报*.

Contact: [ssongcheng@ceibs.edu](mailto:ssongcheng@ceibs.edu)

Sheng, Songcheng. 2020. 盛松成：一线地产调控效果显著、商住比例有待改善. *财新网*.

Contact: [ssongcheng@ceibs.edu](mailto:ssongcheng@ceibs.edu)

Sheng, Songcheng. 2020 August 10. 中欧国际工商学院教授、央行调查统计司原司长盛松成：推进资本账户双向开放迎来较好时机. *中国证券报*.

Contact: [ssongcheng@ceibs.edu](mailto:ssongcheng@ceibs.edu)

Sheng, Songcheng and Sun, Dan. 2020 August 20. 推动资本账户双向开放，避免实体经济脱钩. *第一财经*.

Contact: [ssongcheng@ceibs.edu](mailto:ssongcheng@ceibs.edu)

Sheng, Songcheng. 2020 August 24. 专访盛松成：当前是稳步推动资本账户双向开放的较好时机. *经济观察报*.

Contact: [ssongcheng@ceibs.edu](mailto:ssongcheng@ceibs.edu)

Sheng, Songcheng and Sun, Dan. 2020 August 26. 资本账户双向开放与防范资本流动风险并不矛盾. *第一财经*.

Contact: [ssongcheng@ceibs.edu](mailto:ssongcheng@ceibs.edu)

Sheng, Songcheng. 2020 September 16. 盛松成：当前局势下是否需要调整我国的汇率制度？. *中国财富管理50人论坛*.

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### Books

Hwang, Yuhchang, Xu, Dingbo, Lu, Yi and Li, Danmeng. 2020 Aug. *战略决策与激励*. 经济科学出版社.

Contact: [hwangy@ceibs.edu](mailto:hwangy@ceibs.edu)

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Xu, Bin, Juan Fernandez, Dongsheng Zhou, Danni Chen, and Maria Puyuelo. 2020 June. *China Business Survey 2020: On the Impact of Covid-19 Pandemic on Business Operations in China*. CEIBS.

Contact: [xubin@ceibs.edu](mailto:xubin@ceibs.edu)

Wang, Xiaoming, Gong, Yan and Liang, Tao. 2020. *增长双轮经济周期下半场的增长方法论*. 中信出版社.

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### Book Chapters

Ramasamy, B., Yeung, M. Duval, Y. and Utoktham, C. 2020. "Soft Infrastructures and the Belt and Road Initiative", De Cremer, D., McKern, B. and McGuire, J.. *The Belt and Road Initiative: Opportunities and Challenges of a Chinese Ambition*. CA: Sage.

Paper: <https://us.sagepub.com/en-us/nam/the-belt-and-road-initiative/book272159>

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### Cases

Chng, Han Ming Daniel and Zhao, Liman. 2020. "Shanghai Metro: Building a Smart City through Transit-Oriented Development (TOD)". CC-320-029.

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Feng, Xiaoti and Rui, Meng. 2020. "三全食品：家族企业战略转型的管理闭环：战略-机制-方法（B）". CI-420-033.

Feng, Xiaoti and Rui, Meng. 2020. "三全食品：家族企业治理：当战略转型遇到接班（A）". CI-420-032.

Contact: [oliver@ceibs.edu](mailto:oliver@ceibs.edu)

Han, Jian and Zhu, Qiong. 2020. "西贝面对黑天鹅". CI-420-023.

Contact: [jianhan@ceibs.edu](mailto:jianhan@ceibs.edu)

Huang, Sheng, Zhang, Chi and Meng, Yuan. 2020. "顾家家居：并购扩张之路". CI-120-031.

Contact: [shenghuang@ceibs.edu](mailto:shenghuang@ceibs.edu)

Lin, Chen and Cao, Zhijing. 2020. "百瑞源：直播电商的思考". CI-520-028.

Contact: [linc@ceibs.edu](mailto:linc@ceibs.edu)

Lee, Byron Yee Sing, Moran, Peter and Xue, Wenting. 2020. "Royal Canin: Applying Economy of Mutuality". CC-720-022.

Lee, Byron Yee Sing, Moran, Peter and Xue, Wenting. 2020. "Royal Canin: Creating Value for All Stakeholders". CC-720-021.

Contact: [blee@ceibs.edu](mailto:blee@ceibs.edu)

Lee, Siew Kim Jean, Ju, Huirong and Zhao, Liman. 2020. "方太集团：企业文化如何铸就伟大企业？". CI-420-030.

Contact: [jeanlee@ceibs.edu](mailto:jeanlee@ceibs.edu)

Lee, Siew Kim Jean and Tan, Leah. 2020. "Teckwah Industrial Corporation Ltd.: The Internationalization of a Family Business". 9B20C035.

Contact: [jeanlee@ceibs.edu](mailto:jeanlee@ceibs.edu)

Prashantham, Shameen and Cao, Zhijing. 2020. "InMobi: An Indian Internet Company Cracking China". CC-320-027.

Contact: [sprashantham@ceibs.edu](mailto:sprashantham@ceibs.edu)

Prashantham, Shameen and Ruan, Liyang. 2020. "Capillary: An Indian Start-up Deepening Its Presence in China". 9B20M100.

Contact: [sprashantham@ceibs.edu](mailto:sprashantham@ceibs.edu)

Rui, Meng and Feng, Xiaoti. 2020. "金投赏：利成于益--商业企

业向社会企业转型和治理探索". CI-720-035.

Contact: [oliver@ceibs.edu](mailto:oliver@ceibs.edu)

Su, Xijia, Zhu, Qiong and Pan, Dingwen. 2020. "值得买：一个内容导购平台的存在逻辑". CI-820-025.

Contact: [sxijia@ceibs.edu](mailto:sxijia@ceibs.edu)

Su, Xijia, Zhu, Qiong and Pan, Dingwen. 2020. "挖酒网：葡萄酒行业的一条鲶鱼". CI-820-024.

Contact: [sxijia@ceibs.edu](mailto:sxijia@ceibs.edu)

Xin, Katherine Rong and Zhong, Jim. 2020. "阿里巴巴：谁的价值观？". CI-420-034.

Contact: [katherinexin@ceibs.edu](mailto:katherinexin@ceibs.edu)

Zhang, Yu and Xue, Wenting. 2020. "Megvii: Long Voyage Ahead for the Chinese AI Unicorn". CC-320-026.

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Zhou, Dongsheng and Ruan, Liyang. 2020. "慕再HAP：再保险的差异化". CI-320-036.

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### Awards & Honors

Kim, Tae-Yeol. 2020. Prof. Kim's book "4th Industrial Revolution and Leadership" was selected as one of the best books published in Social Science between March 2019 and February 2020 by the National Academy of Sciences & Ministry of Education, Republic of Korea. The book will be distributed to universities, public libraries, and research centers throughout the nation.

News: [http://www.nas.go.kr/info/notice/view.jsp?](http://www.nas.go.kr/info/notice/view.jsp?NP_Code=10000043&NP_DataCode=20000014&NGB_Code=1002785)

[NP\\_Code=10000043&NP\\_DataCode=20000014&NGB\\_Code=1002785](http://www.nas.go.kr/info/notice/view.jsp?NP_Code=10000043&NP_DataCode=20000014&NGB_Code=1002785)