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EDUCATION

University of British Columbia, Sauder School of Business 2015 - 2022 (expected)
Ph.D in Finance

Thesis committee: Jan Bena (Co-supervisor), Murray Carlson (Co-supervisor), Jack Favilukis, Will Gornall

University of Michigan, School of Information 2021 - 2022 (expected)
Master of Applied Data Science

University of Toronto, Economics Department 2013 - 2014
Master of Arts in Economics

University of Toronto, Rotman Commerce 2010 - 2013
Bachelor of Commerce (High Distinction)

RESEARCH INTERESTS

Corporate Finance, Corporate Governance, Private Equity, Uncertainty, Mergers and Acquisitions

WORKING PAPERS

Economic Uncertainty and Going Private Transactions: The Corporate Governance Channel ([Job Market Paper](#))

I study the impact of economic uncertainty on firms' decisions to go private. I show that firms are more likely to go private following economic uncertainty shocks, and this effect is stronger for firms prone to severe agency conflicts: firms with dual-class structure, less institutional ownership, lower asset redeployability, lower loan-to-bond ratio, and for firms in financial distress. After going private, the cost of debt decreases. I establish causality by instrumenting uncertainty using differential firms' exposure to macro uncertainty shocks in energy, exchange rate, treasury securities, and policy. These results are consistent with uncertainty exacerbating agency frictions faced by public companies. To alleviate the negative impacts of uncertainty shocks, firms go private to alter their capital structures to ones that are less prone to agency frictions: ones with a small number of dominant stakeholders with aligned interests. The agency frictions are mitigated through going private, resulting in a decrease in the cost of debt.

Relative Pricing of Private and Public Debt: The Role of Money Creation Channel (with Isha Agarwal and Jan Bena) ([Paper](#))

We examine how the money creation function of banks affects the relative cost of firm financing in the bank loan vs public bond market – the loan-bond spread. Using a sample of loans and bonds issued by the same firm with the same maturity and at the same time, we show that the loan-bond spread is lower for firms impacted by information cost shocks. We call this decline in the relative

cost of bank credit induced by firm information cost shock the opacity discount and argue that it is consistent with the “money creation” hypothesis in the theory of financial intermediation according to which banks need to keep information about their assets secret to produce private money.

Going Private Transactions and Product Market Competition [\(Paper\)](#)

This article investigates the effect of product market competition on going private decision. Using a sample of U.S. firms that went private from 1990 to 2015, I find that firms operating in concentrated industries are more likely to go private. Using tariff reductions in 1990-2005 as a quasi-natural experiment, I show that firms are less likely to go private after tariff reductions. The results are robust to different model specifications. In addition, characteristics of the firms that went private are significantly different from those of the firms remaining public, even at the time of IPO.

WORK IN PROGRESS

Earnouts: Managing Valuation Risks in Mergers and Acquisitions Under Uncertainty

This paper studies how firms use earnouts, a contingent payment contract in mergers and acquisitions, to manage valuation risks under uncertainty. Earnouts are widely applied in mergers and acquisitions with private targets, increasing from almost 0 to more than 30% in the past twenty years. I find that the usage of earnouts positively correlates with uncertainty of the target firms. Deal completion rates increase significantly with earnouts. Acquirers experience positive cumulative abnormal returns when earnouts are used to reduce valuation risks and to incentivize target management, when there are higher misvaluation risks and moral hazard problems in the target firm. However, acquirers experience negative CAR when earnouts are improperly used. Earnouts create potential problems in the post-acquisition period. After the transaction, acquirers' objective is to maximize firm value, while targets' objective is to maximize earnout payments. Such incentive misalignment destroys firm value.

RESEARCH EXPERIENCE AND OTHER EMPLOYMENT

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| Research Assistant , University of British Columbia | 2016 - 2019 |
| Research Assistant , University of Toronto | 2013 - 2015 |
| Summer Intern , GuoDu Securities Co., Ltd. | 2012 |

PROFESSIONAL ACTIVITIES

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| Presentation | UBC Summer Finance Conference (2019), University of Arkansas* (2021), Nanyang Technological University* (2021), Young Economist Seminar Series (YESS)* (2021) (* presented by coauthors) |
| Workshop Participation | Mitsui Center Summer School on Structural Estimation in Corporate Finance (2017) Web-scraping and Data-cleaning for Research (2019) |
| Conference IT Coordinator | UBC Summer Finance Conference (2017-2019), UBC Winter Finance Conference (2017-2019) |

TEACHING

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|---|-----------|
| Instructor , University of British Columbia | 2019 |
| Corporate Finance (Undergraduate), COMM370 Section 201, Evaluation (4.1/5) | |
| Corporate Finance (Undergraduate), COMM370 Section 202, Evaluation (4.2/5) | |
| Teaching Assistant , University of British Columbia | 2015-2021 |
| Corporate Finance, Entrepreneurial Finance, Venture Capital, Applied Financial Markets, Investment Theory and Asset Pricing, Introductory Finance | |
| Teaching Assistant , University of Toronto | 2013-2014 |
| Macroeconomics, Introduction to Management | |

HONORS AND AWARDS

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|---|-----------|
| Peter Lusztig Fellowship, UBC | 2020-2021 |
| President's Academic Excellence Initiative PhD Award, UBC | 2020 |
| Graduate Student Travel Award, UBC | 2020 |
| Dean Earle D. MacPhee Memorial Fellowship, UBC | 2015-2019 |
| Four Year Fellowships (4YF) for PhD students, UBC | 2015-2019 |
| Four Year Fellowships Tuition Award, UBC | 2015-2019 |
| Sauder School of Business Graduate Award, UBC | 2015-2018 |
| Dean's List (recognized students of high academic standing), UT | 2011-2013 |

SKILLS

Programming: Matlab, STATA, R, SAS, Python, Julia
Languages: Mandarin (native), English (fluent)

REFERENCES

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