

Xinyuan Shao

Room 1043, 10/F
Cheng Yu Tung Building
12 Chak Cheung Street
Shatin, N.T., Hong Kong

Email : xinyuanshao@cuhk.edu.hk
Mobile : +852-39435078

EMPLOYMENT

Chinese University of Hong Kong
Assistant Professor

From 2023

EDUCATION

University of Minnesota
PhD in Business Administration (Major: Accounting)

*Minneapolis, MN
2023*

University of Maryland
Master, Finance

*College Park, MD
2015*

Renmin University of China
Bachelor, Financial Engineering

*Beijing, China
2013*

INTERESTS

Research Interests

Real Effects of Accounting Standards; Applications of Machine Learning in Accounting; Accounting and Market Microstructure

Teaching Interests

Accounting Information Systems; Accounting Data Analytics; Financial Accounting; Taxation

WORKING PAPERS (* INDICATES PRESENTATION BY CO-AUTHOR)

Operating Lease Accounting and Firms' Financing Decisions (Job Market Paper)

Revise and Resubmit at The Accounting Review

Accepted for presentations: 2021 AAA Spark: Meeting of the Regions

Abstract: The capitalization of operating leases required by the FASB's new rule (ASC 842) resulted in an increase in firms leverage. I find that firms respond to ASC 842 by decreasing debt financing and increasing equity financing, to offset the increase in leverage caused by the rule change. This endogenous shift is more pronounced among firms with higher risk of violating debt covenants, and lower cost of equity capital. The credit market appears to understand this shift and responds to it with a lower spread. Combined, the results show that the change in operating lease accounting impacts corporate financing decisions and the resulting capital structure.

Is It All Noise? The Microstructure Implications of Corporate Recurring Advertisements, with Vivian Fang and Joshua Madsen

Under Review at Journal of Financial and Quantitative Analysis

Accepted for presentations: 2021 Midwest Accounting Research Conference; 2020 GSU-RFS FinTech Conference; 2020 FARS Midyear Conference (Roundtable Session); 2019 CICF Conference; 2019 FIRS Conference*; 2019 USC Conference on Emerging Technologies in Accounting and Financial Economics (CETAFE)*; 2018 BYU Accounting Symposium*

Abstract: This paper studies the market microstructure implications of uninformed trading volume. We capture uninformed volume using spikes in retail trading triggered by weekly advertisements (ads) in the

Wall Street Journal that are largely duplicates. We report three findings. First, consistent with a positive volume-volatility relation, stock price volatility amplifies on recurring ad days. Second, informed investors time liquidity to trade aggressively against retail investors early on recurring ad days. Third, despite the increase in informed trading on such days, price impact is lower, yielding a negative volume-price impact relation. Collectively, the evidence supports the theoretical predictions of Collin-Dufresne and Fos (2016).

Cryptocurrency Disruption and Investor Reaction to Earnings Announcements, with Min-jae Kim, Ashish Ochani, and Eva Liang

Accepted for presentations: 2023 FARS Midyear Meeting

Media coverage: Duke Law School FinReg Blog

Abstract: In this paper, we study the relationship between the cryptocurrency market and investor reactions to earnings news. Building on the limited investor attention literature, we hypothesize that the cryptocurrency market distracts investors from earnings news. We measure the cryptocurrency distraction as the magnitude of two-week cumulative cryptocurrency returns before earnings announcements, and find that the cryptocurrency distraction is associated with a weaker price reaction to earnings surprises. Our result is robust when using the Chinese bans on cryptocurrency offerings and exchanges as sources of exogenous variation in cryptocurrency distraction. Consistent with the limited attention hypothesis, we document that busy earnings announcement days experience greater cryptocurrency distraction. To corroborate the main finding, we further show that the Google search volume and abnormal trading volume around earnings announcements are lower when there is a greater amount of cryptocurrency distraction. Cryptocurrency distraction effect is concentrated in retail trading rather than institutional trading, and consistently, is associated with more severe information asymmetry. Overall, our study provides evidence that cryptocurrency, a class of asset with no intrinsic value, disrupts information processing and thus price formation in the equity market.

WORKS IN PROGRESS

Intellectual Property Law and R&D Disclosure, with Richard Cazier and Eva Liang

Data Analysis Stage

Mutual Fund Spillover, with Eva Liang and Joshua Madsen

Data Analysis Stage

CONFERENCE PARTICIPATION

CAAA Annual Conference	2021
AAA Spark: Meeting of the Regions	2021
Midwest Accounting Research Conference	2021
AAA Annual Conference	2020, 2022
GSU-RFS Conference	2020
Financial Accounting and Reporting Section Midyear Meeting	2019, 2020
Midwest Accounting Conference	2019
China International Conference in Finance	2019
Financial Intermediation Research Society Conference	2019
USC CETAFE Conference	2019
Minnesota Accounting Empirical Research Conference	2017 - 2019
BYU Accounting Research Symposium	2018

TEACHING EXPERIENCE

University of Minnesota

Instructor

Acct 2050 Introduction to Financial Accounting *2018, 2019*
4 credits course
Fall 2019 Rating: Mean: 5.73/6.00
Fall 2018 Rating: Mean: 5.51/6.00
Received Carlson School of Management PhD student teaching award

Bootcamp Instructor

Accounting Department PhD Student Data Analytics Bootcamp *2017, 2018*
Python & SAS training *2018*
SAS training *2017*

Teaching Assistant

ACCT 5141 Financial Data Analytics, Professor Haiwen Zhang *2021*
ACCT 6606 Financial Data Analytics (Graduate Level), Professor Haiwen Zhang *2021*
MSBA 6030 Financial Accounting for Data Scientists, Professor Paul Ma *2017, 2018*
ACCT 5102 Intermediate Accounting II, Professor Vivian Fang *2019*
Lead Review Sessions

University of Maryland

Teaching Assistant

BUFN 750 Corporate Valuation, Professor Liu Yang *2015, 2016*
BUSI 640 Financial Management, Professor Laurent Fresard *2015*
BUFN 758N Financial Econometrics I, Professor Alberto Rossi *2015*
BUFN 758O Financial Econometrics II, Professor Liu Yang *2015*

WORK EXPERIENCE

University of Maryland

Research Assistant, Professor Russ Wermers *College Park, MD*

2015, 2016

AWARDS, FELLOWSHIPS, AND HONORS

Department of Accounting Alumni Scholarship *2017 - 2019*
Ernest Heilman Memorial PhD Fellowship in Accounting *2020*
Carlson School of Management PhD Student Teaching Award *2019*

SERVICE & MEMBERSHIPS

Reviewer, AAA Spark: Meeting of the Regions *2021*
Reviewer, CAAA Annual Conference *2021*
Reviewer, AAA Annual Meeting *2020 - 2022*
Memberships: American Accounting Association (AAA); Canadian Academic Accounting Association

PROGRAMMING SKILLS

Software: Python, R, SAS, STATA, VBA, Tableau, Excel, Alteryx

Skills: Machine Learning, Image Analysis, Textual Analysis, Natural Language Processing

REFERENCES

Vivian Fang (Advisor)
Professor of Accounting
Honeywell Professorship of Accounting
University of Minnesota - Twin Cities
(612) 301-9288
fangw@umn.edu

Pervin Shroff
Accounting Dept. Chair
Professor of Accounting
Frederick H. Grose Chair in Accounting
University of Minnesota - Twin Cities
(612) 626-1570
shrof003@umn.edu

Joshua Madsen
Assistant Professor of Accounting
University of Minnesota - Twin Cities
(612) 624-1050
jmmadsen@umn.edu