

Meng Gao

School of Banking and Finance
University of International Business and Economics
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EMPLOYMENT

August 2018 – Present Assistant Professor, School of Banking and Finance
University of International Business and Economics

EDUCATION

Singapore Management University Singapore, 2013-2018
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

Corporate Finance, Corporate Governance, Behavioural Finance, International Economics

RESEARCH

Publications

“The Trade and Welfare Effects of the Belt and Road Initiative”, with Chenxin Jin, Wei Jin, Bin Sheng, and Linpu Xu, *Review of International Economics*, 2023

“Independent Director Tenure and Corporate Governance: Evidence from Insider Trading”, with Sheng Huang, *Journal of Financial and Quantitative Analysis*, 2022, Forthcoming

Working Papers

“Operating Lease and Credit Rating”

“Distracted Institutional Investors and Insider Trading”, with Yuan Zhuang

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

TEACHING

Behavioural Finance. International undergraduate program, University of International Business and Economics. Fall 2018. Optional course for finance majors.

Corporate Governance. International undergraduate program, University of International Business and Economics. Fall 2019. Optional course for finance majors.

Corporate Governance. International master program, University of International Business and Economics. Spring 2019; Spring 2020; Fall 2020; Fall 2021; Fall 2022. Optional course for finance majors.

Behavioural Finance. Undergraduate program, University of International Business and Economics. Spring 2020; Fall 2020; Spring 2022. Optional course for finance majors.

Corporate Finance. Undergraduate program, University of International Business and Economics. Spring 2022; Spring 2023. Required course for finance majors.

Advanced Corporate Finance. Master program, University of International Business and Economics. Fall 2018; Fall 2019; Fall 2020; Fall 2021; Fall 2022. Required course for finance majors.

Empirical Finance Method. Master program, University of International Business and Economics. Fall 2021; Fall 2022. Optional course for finance majors.

CONFERENCES

Presentations

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

School of Banking and Finance
International Undergraduate Programs
Behavioral Finance

Instructor: [Meng GAO] [Office: #608 Boxue Building] [Tel: TBD]

Office Hours: [Thursday and Friday (by appointment)]

Email: meng.gao@uibe.edu.cn

I. Course Description

In this course, we will examine how people make predictable and repeatable mistakes in financial decision-making. We will describe the nature of these mistakes and their origin, using insights from psychology and other multidisciplinary areas on how the human mind works.

We will then discuss how incorporating these mistakes into our finance theories can markedly improve standard finance models studied in other courses.

We will also consider how understanding the functioning of the human mind allows us to design a better world –in particular, better stock markets, retirement and healthcare systems.

II. Course Goals and Outcomes

1. Course Goals:

Students will gain an understanding of how individuals actually make financial decisions (descriptive) and guidance on how to improve financial decision making (prescriptive) in themselves and others.

2. Learning Outcomes

By the end of the course, the students will be able to:

- Explain the main differences between behavioral finance and traditional finance.
- Discuss various psychological biases that are relevant to financial decisions.
- Analyze finance ‘puzzles’ using behavioral concepts.
- Critically evaluate competing behavioral theories.

3. Pre-requisite/ Co-requisite/ Mutually exclusive course(s)

- Introduction to Finance/ Intermediate Microeconomics

III. Rough Outline of Course

The lecture notes cover six sections:

Section 1. Overview of Behavioral Finance

Section 2. Belief Perseverance Biases

Section 3. Information-Processing Biases

Section 4. Emotional Biases

Section 5. Applications of Behavioral Finance

Section 6. Behavioral Investor Types

IV. Course Texts

1. Lecture Notes

2. Required Textbook:

Pompian, Michael M. 2012. **Behavioral Finance and Wealth Management**,
2nd Edition. Wiley: New Jersey.

3. Recommended Reading:

Shleifer, Andrei. 2000. *Inefficient Markets: An Introduction to Behavioral Finance*. Oxford University Press.

V. Course Assessment and Grading

Your grade in the course will be based on a final exam, case studies and class participation according to the following scale:

1) Class participation: 30 % (attendance + class activities)

* Class attendance is strictly required. Students with frequent absences can expect a reduced grade in this area, and 5 absences lead to a failure. However, I will not be grading on attendance per se, students are encouraged to think actively and speak out in class. This portion of grading will depend on the student's contribution to class discussion and class activities. Excellent performance in this area can get extra bonus.

2) Case studies: 30% (presentation + brief report)

* A "case study" is of a particular financial regularity, situation or decision, using material from the course to explain and predict observed behavior. There will be a 15-minute presentation

and 2-A4 page report.

3) Final Exam: 40% (open-book; about 2 hours; no make-up exam)

* The final exam will only cover the materials and contents taught in class. Text book, lecture notes, and 2-A4 page cheat sheet is permitted during the final exam. It will last for about 2 hours.

Other details will be announced later.

The instructor reserves the right to adjust the percentage of each part according to the actual situation.

Grading Scale

The work of students is evaluated and reported in terms of the following scoring scale:

A=92-100 A-=89-91 B+= 85-88 B=81-84 B-=77-80;
C+= 73-76 C=70-72 C-= 60-69 F=failure (below 60)

VI. Academic Integrity

All acts of academic dishonesty (including, but not limited to, plagiarism, cheating, fabrication, facilitation of acts of academic dishonesty by others, unauthorized possession of exam questions, or tampering with the academic work of other students) are serious offences.

All work presented in class must be the student's own work. Any student caught violating this policy may result in the student receiving zero marks for the component assessment or a fail grade for the course. This policy applies to all works (whether oral or written) submitted for purposes of assessment.

VII. Weekly Work Schedule

Week	Weekly topic	Concepts / Topics Covered	Required Readings
1	<i>Overview</i>	what is behavioral finance and its relationship with traditional finance	Lecture notes; Pompian, Ch1 & 2
2	<i>Overview</i>	Psychological insights and the importance of understanding behavioral finance	Lecture notes; Pompian, Ch2 & 3
3	<i>Belief Perseverance Biases</i>	Distinguish between cognitive errors and emotional biases; conservatism bias	Lecture notes; Pompian, Ch3 & 5

4	<i>Belief Perseverance Biases</i>	Confirmative bias; representativeness bias	Lecture notes; Pompian, Ch6 & 7
5	<i>Belief Perseverance Biases</i>	Illusion of control; hindsight	Lecture notes; Pompian, Ch8 & 9
6	<i>Information-Processing Biases</i>	Mental accounting; anchoring and adjustment	Lecture notes; Pompian, Ch10 & 11
7	<i>Information-Processing Biases</i>	Framing; availability; Self-attribution	Lecture notes; Pompian, Ch12 -14
8	<i>Emotional Biases</i>	Loss aversion; overconfidence	Lecture notes; Pompian, Ch17 & 18
9	<i>Emotional Biases</i>	Self-control; status quo	Lecture notes; Pompian, Ch19 & 20
10	<i>Emotional Biases</i>	Endowment; regret aversion	Lecture notes; Pompian, Ch21 & 22
11	<i>Applications of Behavioral Finance</i>	Portfolio construction; analyst; market	Lecture notes
12	<i>Behavioral Investor Types</i>	BB&K; BIT	Lecture notes
13	<i>Presentation</i>	15-minute presentation	
14	<i>Final Exam Week</i>	Final Exam	

School of Banking and Finance
Postgraduate Programs
Corporate Governance

Instructor: [Meng GAO] [Office: #608 Boxue Building] [Tel: 010-6449 2283]

Office Hours: [Wednesday and Thursday (by appointment)]

Email: meng.gao@uibe.edu.cn

I. Course Description

This course will teach the fundamental theories and practice of corporate governance. This course covers the history of the corporation, boards of directors, the division of profit sharing and various forms of employee ownership and equity ownership among insiders, regulation, shareholder activism, the impact of takeovers and mergers and acquisitions on governance, ethical issues such as conflicts of interest and insider trading, international corporate governance, and policy developments likely to impact the corporation. Class will be a mix of lecture, case and topic discussion.

II. Course Goals and Outcomes

1. Course Goals:

- i. Explain the concept of corporate governance, why governance is important for corporations as well as for society at large.
- ii. Describe how corporate governance structures evolved and how academic interest and political/social concerns developed.
- iii. Analyze the main actors and structures of corporate governance and show how their interaction and functioning differs across national economies, industries and with the development stage of firms.
- iv. Analyze how managers are controlled by markets and what roles institutional investors can play.

2. Learning Outcomes

By the end of the course, the students can:

- i. Understand the problems resulting from the separation of ownership and control and the private and social benefits of good governance.
- ii. Understand the conflicting interests by various stakeholders that managers are confronted with and the mechanisms available to realign them.
- iii. Understand how the market environment and regulations impact corporate governance.
- iv. Be able to critically assess existing corporate governance structures and practices.
- v. Be able to participate in ongoing public and political debates on corporate governance and corporate social responsibility.

3. Ways to Meet the Goals

After each lecture, I suggest you to review the lecture first, and then do the assignment in time by yourself, following the examples in the lecture. It is ESSENTIAL to your success in the course that you attend the class and finish the assignment regularly, and on time.

You are strongly suggested not be late for the class. Otherwise, you will miss the previous parts of the lecture, and then I am sure that it is impossible or very difficult to understand the subsequent parts of the lecture. This course is logically structured and organized. The subsequent contents are always based on previous contents.

III. Format and Class Policies.

The course includes five sections:

Section 1: Introduction of corporate governance

Section 2: Shareholders and Shareholder Activism

Section 3: Controlling Shareholders

Section 4: Boards of Directors

Section 5: Management

In each week we have one lecture. An assignment will be given at the end of each lecture. The file of the lecture containing information of the homework/handout will be sent to the WeChat group. Every student must submit his/her homework to the instructor BEFORE the next week's class.

IV. Course Texts

1. Required Materials:

Lecture notes

2. Supplemental Readings:

Corporate Governance by Monks, Robert A.G. and Nell Minow New York: John Wiley & Sons, 2011, 5th edition. ISBN 978-0-470-97259-5.

V. Course Requirements and Grading Procedure.

Your grade in the course will be based on a final exam, case studies and class participation according to the following scale:

1) Class participation: 30 % (attendance + class activities)

* Class attendance is strictly required. Students with frequent absences can expect a reduced grade in this area, and 5 absences lead to a failure. However, I will not be grading on attendance per se, students are encouraged to think actively and speak out in class. This portion of grading will depend on the student's contribution to class discussion and class activities. Excellent performance in this area can get extra bonus.

Attendance: 5 absences lead to a failure.

2) Case studies: 30% (presentation + brief report)

* A "case study" should be related to our class topic and selected in consultation with the instructor. There will be a 15-minute presentation and 2-A4 page report.

3) Final Exam: 40% (open-book; 1.5 hours; no make-up exam)

* The final exam will only cover the materials and contents taught in class. Lecture notes and reference textbook is permitted during the final exam. It will last for about 1.5 hours. Other details will be announced later.

The instructor reserves the right to adjust the percentage of each part according to the actual situation.

Grading Scale

The work of students is evaluated and reported in terms of the following scoring scale:

A=92-100 A-=89-91 B+= 85-88 B=81-84 B-=77-80;
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VI. Academic Integrity

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All work presented in class must be the student's own work. Any student caught violating this policy may result in the student receiving zero marks for the component assessment or a fail grade for the course. This policy applies to all works (whether oral or written) submitted for purposes of assessment.

VII. Weekly Work Schedule

This weekly work schedule also includes assignment due dates, exam dates, and date of final exam. The instructor reserves the right to change the schedule. Students will be informed in advance of any changes.

Week	Weekly topic	Learning Outcomes	Assignments & Exams
1-2	<i>Introduction of corporate governance</i>	<ul style="list-style-type: none"> • The role and purpose of the corporation • Theoretical aspects of corporate governance • Agency theory and separation of ownership and control 	Homework 1-2
3-5	<i>Shareholders and Shareholder Activism</i>	<ul style="list-style-type: none"> • Ownership structure and firm performance • Market for corporate control • Proxy fights and takeover bids • Hedge fund activism • The role of institutional investors 	Homework 3-4, Handout 1
6-7	<i>Controlling Shareholders</i>	<ul style="list-style-type: none"> • Opportunism by the controlling shareholder • Dual-class stock, corporate pyramids, or cross-holdings • Family-owned firms and governance 	Homework 6-7
8-10	<i>Boards of Directors</i>	<ul style="list-style-type: none"> • Director and board structure • Who are they? Role, fiduciary duties and responsibilities • Independent director • Sarbanes-Oxley Compliance 	Homework 8-9, Handout 2
10-12	<i>Management</i>	<ul style="list-style-type: none"> • Management ownership and firm performance • Theory of Financial Contracting • Executive compensation • Stock options 	Homework 11-12

13	<i>Case study discussion</i>	Brief report + Presentation	
14	<i>Final examination</i>	Cover section 1-5	