

Yutong Xie

1016 Pamplin Hall, Virginia Tech
880 West Campus Drive
Blacksburg, VA 24061

Cell: 314-397-0318
Office: 540-231-4514
Email: yxie@vt.edu

EDUCATION

Virginia Tech, Pamplin College of Business, Blacksburg, VA
Ph.D. in Finance Aug 2013 – May 2018 (expected)
Case Western Reserve University, Weatherhead School of Management, Cleveland, OH
M.S. Finance Aug 2011 – Jan 2013
St. Louis University, John Cook School of Business, St. Louis, MO
B.S. Business Administration Aug 2008 – May 2011

RESEARCH INTEREST

Corporate Finance, Payout Policy, Liquidity Management, Risk Management, Corporate Governance

WORK IN PROGRESS

“Upside and Downside Components of Cash Flow Volatility: Implications for Corporate Policy”
with John Easterwood and Bradley Paye

A large literature hypothesizes that corporate financial policies, including cash policies, leverage choices, and payout decisions, depend on the level of uncertainty concerning future cash flows. This paper considers alternative measures of future cash flow uncertainty, and documents that downside and upside components of cash flow uncertainty differentially impact key corporate policies. Cash holdings depend positively on the downside component of cash flow volatility and negatively on the upside component. The reverse relations hold for corporate leverage ratios. The marginal effect of downside uncertainty is economically and statistically stronger than that for upside uncertainty for both policies. We also find a strong negative relation between dividends and the downside component of cash flow volatility. In contrast, we do not find a significant relation between payout and upside cash flow volatility. Our findings suggest that firms set financial policies according to different aspects of uncertainty and firms are more sensitive to potential cash flow decreases.

“What explains the dynamic of the substitution between dividends and repurchases”

with John Easterwood and Bradley Paye

Firms have been shifting from using dividends to open market repurchases as a method of distributing cash to shareholders. Repurchases, as a method of payout, are more flexible than dividends and have a tax advantage over dividends. However, there is a group of firms that make limited use of repurchases but have increased their dividends many times. We plan to investigate determinants of the use of repurchases to replace dividends and why this group of firms do not use more repurchases to payout.

“How does institutional ownership create value? Cost of capital vs. governance”

Institutional investors are found to have positive impact on firms' value by improving firms' governance. Institutional ownership also affects firms' cost of equity. The change in governance and change in cost of equity can affect firms' performance in the same way. Hence, we plan to investigate the effect of governance and cost of equity at the same time and try to identify the stronger factor.

CONFERENCE PRESENTATIONS AND DISCUSSIONS

Discussant of paper “How Do Chief Financial Officers Affect Corporate Cash Policies?” by Chris Florackis and Sushil Sainaniat

FMA 2016 Las Vegas, NV

ACADEMIC EXPERIENCE

Instructor, Virginia Tech University
FIN 3154 Corporate Finance
FIN 3144 Investment
FIN 3104 Introduction to Finance

Fall 2015, Summer 2016
Spring 2016
Summer 2014

HONORS AND AWARDS

AFA Student Travel Grant

2017

OTHER EXPERIENCE

Bank of China, Daqing Branch
Internship

May, 2010 – Aug, 2010