

# Weihua HUANG

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## Personal Information

Date of birth: 10<sup>th</sup> November, 1977  
Sex: F  
Citizenship: Chinese  
Langue: Chinese (mother tongue),  
English (fluent), French (fair)

## Education

2003-present: Ph.D.candidate, University of Toulouse  
Expected completion date: June, 2007  
2003-2004 Diplôme Européen d'Economie Quantitative Approfondie, UT1  
2002-2003 M.Sc. in Financial Markets and Intermediaries, UT1  
1999-2002 M.A. in Management, Shandong Institute of Economics  
1995-1999 B.A. in International Finance, Shandong Institute of Economics

## Thesis Advisor and References

### **Professor Bruno Biais (Advisor)**

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### **Professor Catherine Casamatta**

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### **Professor Paul Seabright**

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## Research Fields

Primary fields: Corporate Finance, Corporate Governance, Empirical Finance

Secondary fields: Market microstructure, Game Theory, Contract Theory

## Job Market Paper

### **“When Debt Is Bad News: Market Reaction to Debt Announcements under Poor Governance” (with Shan ZHAO)**

With well functioning financial intermediaries, debt can be a useful screening and signaling device. However, under inefficient and corrupt banking system and poor governance, managers can use the proceeds of debt issues in their own interests, rather than the interests of minority shareholders. Using data from China's financial markets, we find that bank loan announcements generate negative abnormal returns to firms that have low governance quality and borrow from banks with weak monitoring ability. We also find non-state banks are believed to have superior monitoring ability compared to state-owned banks, indicating that China's reform in financial system has been improving banks' incentive and efficiency.

## Other Complete Papers and Papers in Progress

### **1. "The Impact of Media's Reputation on Equity Financing: Manipulation and Collusion"**

In our model, firms need to issue shares to fund an investment project. They observe a private signal about its value. Journalists also have private information, which they can use in their articles about the firms. In equilibrium, stock prices increase with media's reputation, and firms pay higher bribes to journalists with better reputation. Opportunistic journalists can collude, or be truth telling, or writing excessively critical articles, hoping to acquire credibility.

### **2. " Who Likes Issue Sell Recommendations?- The Effect of Reputation on Competitive Capital Markets ”**

Competitive issuing firms prefer to offer exclusive collusion contracts to opportunistic financial journalists with high reputation, which induces more critical articles. Using data from U.S. financial and media markets, we find that underpricing levels decrease with the credibility of journalists and more sell recommendations appear in large newspapers and tight capital markets.

### **3. "A Model of Controlling Shareholders' Strategy: Tunneling and Propping"**

Previous research argues that controlling shareholders may expropriate values of minority shareholders mainly through complex ownership structures. This paper shows that tunneling can take place in firms with high ownership concentration but without large separation of voting rights and cash flow rights. To pursue their long run interests, controlling shareholders strategically choose between tunneling and propping in equilibrium.

## Teaching Interests

Corporate Finance, Corporate Governance, Empirical Finance,  
Contract Theory, Game Theory, Microeconomics

## Teaching Experience

2004 –present **Microeconomics, Public Finance** (undergraduate level, TA+grading), at UT1

2001-2002 **Accounting** (in English),  
at the London Chamber of Commerce and Industry (LCCI)  
International Qualification Training Center of Shandong

2000-2002 **International Settlement, International Finance, Financial Management**  
(undergraduate level), Junior Lecturer  
in Shandong Institute of Administration and Management

## Professional Experience

2002 Analyst, China Construction Bank, Shandong Branch.

2001 Audit Internship, Qilu CPAs, Shandong, China.

## Presentations

1. Microstructure of Financial Markets and High Frequency Data, Konstanz, May 2006.
2. 2006 Far Eastern Meeting of the Econometric Society, July 2006, Beijing, China.
3. European Economic Association 2006, August 2006, Vienna, Austria.
4. Association of Southern European Economic Theorist Annual Meeting  
November 2006, Lisbon, Portugal.
5. XXXI Symposium of Economics Analysis, Oviedo, Spain, December, 2006