

# Yihui Wang

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## EDUCATION

Kenan-Flagler Business School, UNC-Chapel Hill Chapel Hill, NC  
*Ph.D. in Finance, 2009 (expected)*

School of Economics and Management, Tsinghua University Beijing, China  
*M.S. in Economics, 2004*  
*B.A. in Finance, 2001*

## RESEARCH INTERESTS

Corporate finance, Financial institutions, Mergers and acquisitions, Securitization

## TEACHING INTERESTS

Corporate finance, Mergers and acquisitions, Financial markets/institutions, Investments

## AWARDS

Peggy Lee-Sunil Wahal Award (best up-and-coming Ph.D. student)  
Kenan-Flagler Business School, UNC-Chapel Hill, 2008.

## WORKING PAPERS

Does Credit Supply Drive the LBO Market?, November 2008, **Job market paper**

Do Firms Use Commercial Paper to Enhance Financial Flexibility?, with Matthias Kahl and Anil Shivdasani, April 2008  
- To be presented at the AFA 2009 in San Francisco.

## WORK IN PROGRESS

Information Production and Structured Lending, with Han Xia

## PRESENTATIONS

American Finance Association Annual Meeting, January 2009 (scheduled).  
Financial Management Association Annual Meeting, October 2008 (discussant).  
China International Conference in Finance, July 2004.

## TEACHING

Kenan-Flagler Business School, UNC-Chapel Hill  
*Instructor*  
Introduction to corporate finance (undergraduate), Summer 2007, Evaluation: 4.4/5.0  
Chapel Hill, NC

## EXPERIENCE

Kenan-Flagler Business School, UNC- Chapel Hill  
*Research Assistant*  
Matthias Kahl, 2005 – 2008; Anil Shivdasani 2006 –2008.  
Chapel Hill, NC

Department of Computer Science, City University of Hong Kong  
*Research Assistant*  
Xiaotie Deng, 07/2002 – 01/2003 and 09/2003 – 08/2004.  
Hong Kong

## PUBLICATIONS (IN CHINESE)

Information Asymmetry, Transaction Costs and Investor Protection, with Li Liao and Xiaotie Deng, *Journal of Financial Research*, No.10, 2003, 27-36.

A Study on the Risk Premium in China's Stock Markets, with Li Liao, *Journal of Financial Research*, No. 4, 2003, 23-31.

Real Options and Firm Valuation, with Li Liao, *Technical and Quantitative Economics*, No.3, 2001, 98-106.

*Business in Action*, a translation of the book by Countland L. Bovee and John V. Thill (Prentice Hall, 2002) from English to Chinese, with Zhengqin Zhu, Social Science Documentation Publishing House, 2003

## REFERENCES

### **Professor Anil Shivdasani (co-chair)**

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Citi Markets and Banking  
388 Greenwich Street, 33rd Flr.  
New York, NY 10013  
Tel: (212) 816-2348  
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### **Professor Matthias Kahl (co-chair)**

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### **Professor Paolo Fulghieri**

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### **Professor Gregory Brown**

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**“Does Credit Supply Drive the LBO Market?”, November 2008**

**Abstract:** This paper examines how supply of credit affects investment and capital structure decisions by studying the leveraged buyout (LBO) market. I employ the structural changes in credit markets that led to the explosion in collateralized debt obligations (CDOs) to identify shocks in credit supply. Using an instrumental variable approach, I show that the easy credit encouraged banks to arrange more loans to finance LBOs, leading to the recent LBO boom. This structured lending supported by CDOs led to cheaper credit, looser covenants, and more aggressive use of bank loans in financing LBOs. However, in sharp contrast to the LBO boom in the late 1980s, this easy credit did not lead to riskier LBO deals. My findings point to the effects of disintermediation of banks as they switched from an originate-and-hold to an originate-and-underwrite model.

**“Do Firms Use Commercial Paper to Enhance Financial Flexibility?”, with Matthias Kahl and Anil Shivdasani, April 2008**

**Abstract:** We argue that firms enhance their financial flexibility by accessing the commercial paper (CP) market. CP access allows firms facing uncertain funding needs to make borrowing decisions only when their financing needs become known. Using a comprehensive sample of CP issuers from 1971 to 2005, we provide evidence consistent with this hypothesis. CP issuers enter the market when they face increased uncertainty about their cash flow or investment. After firms exit the CP market, their investment and cash flow variability declines. Unlike for other debt, CP borrowing is positively correlated with investment expenditures and negatively correlated with cash holdings.