QIPING XU

Email: qxu1@nd.edu
Phone: +1 (574) 631-3886
223 Mendoza College of Business
Notre Dame, IN 46556

ACADEMIC APPOINTMENT

Mendoza College of Business, University of Notre Dame 2015-Present
Assistant Professor of Finance

EDUCATION

University of Chicago, Booth School of Business 2010-2015
Ph.D. in Finance, MBA

Ohio State University 2007-2010
M.A. in Economics, M.A. in Statistics

Zhejiang University 2003-2007
B.A. in Finance

RESEARCH INTERESTS

Corporate Finance, Capital Markets, Financial Intermediaries

PAPERS

Kicking Maturity Down the Road:
Early Refinancing and Maturity Management in the Corporate Bond Market (Forthcoming RFS)

This paper studies debt maturity management through early refinancing, in which firms simultaneously retire their outstanding bonds before the due date and issue new bonds as replacements. Speculative-grade firms frequently refinance early to extend the maturity of their outstanding bonds, particularly under accommodating credit supply conditions, leading to a pro-cyclical maturity structure. In contrast, investment-grade firms do not manage their maturity in the same manner. I exploit the protection period of callable bonds to show that the maturity extension is not driven by unobservable confounding factors. The evidence is consistent with speculative-grade firms dynamically managing maturity to mitigate refinancing risk.

Kinky Tax and Abnormal Investment Behavior
With Eric Zwick

Charles River Associates Award for Best Paper on Corporate Finance, WFA 06/2017
Best Conference Paper Award, Colorado Finance Summit 12/2016

This paper documents tax-minimizing investment, in which firms accelerate capital purchases near fiscal year-end to reduce taxes. Between 1984 and 2013, average investment in the fourth fiscal quarter (Q4) is 37% higher than the average of the first three fiscal quarters. Q4 investment spikes also occur internationally. We use research designs based on variation in firm tax positions, the 1986 Tax Reform Act, and international tax changes to show tax minimization causes spikes. Spikes are larger when firms face financial constraints or higher option values of waiting until year-end. Models without a purchase-year, tax-minimization motive are unlikely to fit the data.

Caught in the Cross-fire: Creditor Reaction to the Threat of Hedge Fund Activism
with Felix Feng, Heqing Zhu

This paper examines how the threat of hedge fund activism (HFA) affects creditors. Within HFA rampant industries, firms with an ex ante high likelihood of being targeted experience significant increases in bond yield and default probability, and deteriorations in credit ratings. In loan initiations, threatened firms face larger spreads and a greater number of restrictive covenants. At the same time, these firms repurchase shares, decrease cash holdings and issue new debt -- policy changes that tend to enhance share value but may jeopardize existing creditor interests. We find that the negative creditor effects are more pronounced in firms with greater improvement in equity performance and poor governance and in years with more frequent interventions -- in particular hostile interventions. Our paper brings additional insight into the role of HFA as an external governance mechanism.

Financial Constraints and Corporate Environmental Policies
with Pengjie Gao, Taehyun Kim

Exploiting several novel establishment level datasets, we show that a firm's corporate environmental policies are affected by its financial constraints because of significant abatement costs associated with treating toxic chemical release. We first show economically large and statistically significant correlations between the amount of toxic release and a number of financial constraint measures. Next, to establish causality, we explore two scenarios in which a firm's external financing constraints are likely to be exogenously impacted, and we show relaxation (or tightening) of external financing constraints reduces (or increases) the firm's toxic release amount. Overall, our evidence highlights the real effect of financial frictions, and supports the view that corporations are "doing good by doing well."

Learning by Doing: Judge Experience and Bankruptcy Outcomes
with Benjamin Iverson, Joshua Madsen, Wei Wang

Exploiting the within-district random assignment of bankruptcy cases to judges, we provide evidence on the effects of judges' on-the-bench experience on major corporate bankruptcy outcomes. We find cases assigned to more experienced judges spend less time in bankruptcy, are more likely be reorganized in Chapter 11 rather than being liquidated, and have a similar probability of refiling for bankruptcy after emergence. Our heterogeneity tests suggest that the effect of judge experience is stronger for large and complex cases and when the court is busy. In addition, we show that prior judgeship professional experience and personal attributes do not seem to affect case outcomes. Our evidence collectively highlights the importance of on-the-bench experience for judges and the impact of judge characteristics on large corporate bankruptcies.

TEACHING EXPERIENCE

Advanced Corporate Finance, University of Notre Dame 2016-2017

Teaching Assistant, University of Chicago MBA program 2011-2014

Courses: Financial Markets and Institutions, The Analytics of Financial Crises,

PRESENTATIONS (Including Scheduled)

FMA Napa Valley Conference, UNC Tax Symposium*, UCLA Law Symposium*, SFS Cavalcade, Edinburgh Corporate Finance Conference, Chicago Booth*, WFA, NBER Summer Institute*, CICF, National Tax Association Conference*, Wabash River Finance Conference*, UNC Chapel Hill, University of Maryland, Tsinghua PBC, Manchester HF Conference, China Center of Economic Research*	2017
AFA, Tsinghua SEM Workshop, CICF, Wabash River Finance Conference, Ohio State University, Colorado Finance Summit, National Tax Association Conference*	2016
Cheung Kong Graduate School of Business, Hong Kong University of Science and Technology, Georgia Institute of Technology, University of Notre Dame, University of Colorado at Boulder, CICF, EFA	2015
Trans-Atlantic Doctoral Conference	2014

*: Co-author presentation