

*CEO's Pay Differentials and the Location of IPOs:
An Empirical Study for Chinese A-Share and H-
Share Companies*

Presenter: Ms. LIU Yi, Jacqueline
MPhil Student

Chief Supervisor: Prof. WEI Xiangdong

Co-Supervisor: Dr. ZHANG Yifan

Time: 2:30p.m. – 3:30p.m.

*Housing Prices and Consumption:
The Case of China*

Presenter: Ms. WANG Yonglin, Laura
MPhil Student

Chief Supervisor: Prof. WEI Xiangdong

Co-Supervisor: Dr. ZOU Lin

Time: 3:30p.m. – 4:30p.m.

Date: 27 May 2011 (Friday)

Venue: SO322, Dorothy Y. L. Wong Building

Abstract

According to most research, enterprises benefit from being listed on the stock market. Furthermore, 61 of 1693 mainland firms that went public from Year 1999 to Year 2009 chose to list their stock on Hong Kong Stock Market. We hypothesize that this is the choice affected by the standard level of CEO's salary, especially for CEOs of state-owned enterprises. Within the Hong Kong Market, CEOs could earn higher salary compared to that under the mainland market. Due to the different standard salary, CEOs would like to push companies to list abroad. The expected wage differential may be the motivation for choosing Hong Kong Stock Market for IPOs. We investigate the wages of CEOs which belong to state-owned A-share companies, H-share companies and cross-listing companies. We examine the relationship between firms' listing status and the expected CEO's wage differential of A-share companies and H-share companies. We use Heckman Selection Model to confirm the hypothesis that listing abroad is at least partially the self-selection by CEOs.

ALL ARE WELCOME

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Abstract

The rapid soaring housing prices in China's residential property market have attracted increasingly worldwide attentions in recent years. Facing the rising concerns about both the stability and sustainability of China's housing market price dynamics, this study aims at investigating the impact of changes in housing wealth on the movement of household consumption in China.

Previous studies on this subject usually use country level data with relatively shorter sample period, or individual time series for a single or a few cities. Recent development in literatures suggests that panel data have the more heightened capacity for modeling the complexity of human behavior than a single cross-section or time series data can possibly allow. In this study, in order to identify both long-term and short-term elasticity of consumption with respect to housing wealth, panel framework of ECM is constructed, with quarterly data from 23 cities throughout China, covering the period of 2005Q1-2010Q4.

Statistic results report large and highly significant positive housing wealth effect on consumption in both long-run and short-run. More importantly, facing the potential endogeneity problem that driven by the fact that housing prices are highly correlated with income, instrumental variables are therefore included. The subsequent empirical analyses confirm our finding that changes in housing values can exert large and positive impacts on household consumption, even when the endogenous bias is controlled for.