

## Rachel (Qingqiu) Li

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### ACADEMIC EXPERIENCE

Visiting Assistant Professor  
Southern Methodist University

Aug 2017 - Present  
Dallas, TX

### EDUCATION

Ph.D, Finance  
Michigan State University

Dec 2018 (expected)  
East Lansing, MI

Master of Science, Quantitative and Computational Finance  
Georgia Institute of Technology

Dec 2012  
Atlanta, GA

Bachelor of Arts, Corporate Finance (Minor: Accounting)  
Central University of Finance and Economics

Jun 2011  
Beijing, China

### Job Market Paper

- **Is Market Discipline Enough? – Evidence from Fund Flows followings Regulatory Disclosures**

**Abstract:** In this paper, I investigate investor reaction to regulatory disclosures against investment advisers to examine the role of market discipline in the mutual fund industry. I observe negative fund flows immediately following the revelation of mutual fund misconduct. However, I observe different punishment across groups of investors. I find that heterogeneity in investor sophistication and information friction results in segmentation of market discipline enforcement, and market punishment is much weaker among certain retail investors. More specifically, fund flows are much less sensitive to regulatory disclosures when information costs are high and investor mobility is low. Overall, these results cast doubt on whether market discipline alone is sufficient to safeguard investors.

– Presented at Financial Management Association Annual Meeting (2018)

### Other Working Papers

- **Product Differentiation, Benchmarking, and Corporate Fraud**

With Audra Boone, William Grieser and Parth Venkat

**Abstract:** We find that firms with lower product market differentiation exhibit significantly lower rates of fraud. This relationship is more pronounced for complex firms and is robust to controlling for various measures of competition, predictors of fraud, and industry heterogeneity. To help establish causality, we show this relationship holds when we exploit changes in product differentiation stemming from rivals IPO and acquisition activity. Finally, we find that IPOs (and acquisitions) of rivals facilitate the detection of fraud for firms with ex ante greater product differentiation. Overall, our findings suggest that lower differentiation disciplines firms by facilitating fraud detection through a benchmarking channel.

– Semifinalist for Best Paper Award FMA (2018)

– Presented at Financial Management Association Annual Meeting (2018), FMA Asia/Pacific Conference (2018), Southern Methodist University, and Clemson University

- **Integrity, Creativity, and Corporate Culture**

With Andrei Simonov and William Grieser

**Abstract:** We develop a new measure of integrity as it relates to corporate culture – the number of employees who use corporate emails to register for a website that facilitates extramarital affairs. This measure is associated with firm-level unethical behavior: it predicts a greater probability of SEC enforcement actions for accounting misstatements, lower corporate ethics ratings by external analysts and is associated with tax-avoidance. However, consistent with research in psychology, we find that the measure also predicts more innovation. Our results suggest that it is difficult to engineer a perfect corporate culture due to potential trade-offs between creativity, and integrity

- Presented at Midwest Finance Association Annual meeting (2017), China International Conference in Finance (2017), Financial Management Association Annual Meeting (2017), Rice University, Iowa University, and University of Georgia

- **Do Companies Benefit from Overlapping Directors Serving on Mutual-Fund and Corporate Boards?**

With Miriam Schwartz-Ziv

**Abstract:** We investigate a unique type of interlocking directors serving simultaneously on a corporate board and a mutual fund board, henceforth “overlapping directors”, which connect companies to mutual funds. Such connections are particularly likely to be established when non-institutional ownership is small, suggesting that overlapping directors may fill an active ownership void. Connections are followed not only by an increase in the portfolio weight of the company and its corresponding connected fund, but also by an increase in overall institutional investment. When connected funds vote, they are particularly likely to vote in support of overlapping directors (re)appointment to the board of the connected company, and connected funds are supportive of other proposals, particularly when other shareholders are not supportive, demonstrating the loyalty of funds to their connected firm. Companies with overlapping directors are less likely to experience fraud once the overlapping director is appointed, and they outperform companies without an overlapping director. Overall, our results suggest that companies benefit from overlapping directors; our results are particularly strong for connections initiated by the company.

- Presented at Financial Management Association Annual Meeting (2017)

## TEACHING EXPERIENCE

- Instructor

- Finance 3320: Financial Management, **Southern Methodist University** 2017, 2018
- Finance 414: Advanced Business Finance **Michigan State University** 2016
- Finance 311: Financial Management, **Michigan State University** 2014, 2015

- Teaching Assistant

- Finance 312: Introduction to Investments, **Michigan State University** 2013
- Finance 414: Advanced Business Finance, **Michigan State University** 2014
- Finance 478: Debt and Money Markets, **Michigan State University** 2016

## Honors, Scholarships

The FMA Doctoral Student Consortium Participant	San Diego, 2018
American Finance Association student travel grant	San Francisco, 2016
The Finance Theory Group Summer School: Financial Intermediation and Contracting	St. Louis, 2015
Michigan State University Graduate Assistant Fellowship	2013 - present

## COMPUTER SKILLS

Experienced in C++, Python, SAS, R, Stata and VBA

## DISSERTATION COMMITTEE

### **Andrei Simonov (Chair)**

Faculty Director, Financial Markets Institute  
Michigan State University  
simonov@broad.msu.edu  
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### **Charles Hadlock**

Frederick S. Addy Distinguished Chair in Finance  
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### **Zoran Ivkovich**

MSUFCU Endowed Chair in Financial Institutions  
and Investments  
Michigan State University  
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### **Miriam Schwartz-Ziv**

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