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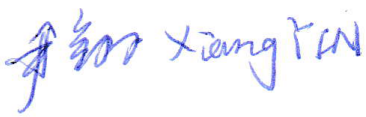
March 27, 2018

To whom it may concern,

I am writing this letter for my application to the 11th Entrepreneurship Research Boot Camp. I am a second year PhD student from Department of Finance at London School of Economics and Political Science and have completed PhD coursework. **Professor Daniel Paravisini**, my academic supervisor, is writing the recommendation letter for me and he will send you the letter separately. Enclosed within my application package are my CV and a description of my current and future research. To highlight, the proposed research topic for my third year is "The Failure of Business Ideas: A Trademark Perspective". Besides, one of my papers in progress studies the impacts of political turnovers on venture capital investment in China.

If there are any questions, please feel free to contact me.

Sincerely,



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Education

Ph.D. Finance, London School of Economics (LSE), UK, 2016-.

Master 2. Economic Theory and Econometrics, TSE, France, 2015-2016.

Master 1. Economics, Toulouse School of Economics (TSE), France , 2014-2015.

B.A. Financial Engineering, Renmin University (RUC), China, 2010-2014.

Working Papers

"Does the Quality of Financial Products Matter?" (*In Progress*)

I use consumers' complaints against mortgage lenders (available from 2011 by Consumer Financial Protection Bureau) to construct a measure of lenders' quality, and find a distinct pattern of market shares before and after the availability of the complaints database. The pattern supports a story of information asymmetry: with complaints database available, the county-level market shares of lenders diffuse in consistent with quality measures; however, the quality is not perceived before the availability of the database since market shares of *ex-post* high-quality and low-quality move in parallel before 2011.

"Political Turnovers and Venture Capital Investment in China", with Yue Fei (TSE) (*In Progress*)

We use the turnovers of provincial leaders in China as an exogenous but notified shock to the connection between government-sponsored VC company and startups. The volume of VC investment increases dramatically several months before this interruption of political connection. On the other hand, foreign VC companies that invest in China also respond to the shock. For further research, we want to address two questions : (1) what kind of foreign VCs are more likely to accommodate into the local political environment? (2) Given that domestic and foreign VCs both react to political shocks, is foreign VCs' reaction more efficient?

"Common Ownership and Executive Compensation", 2015 TSE Mémoire, graded 18/20

Executive compensation is sensitive to not only its own firm's performance, but also performance of the rival firms with common large shareholders, so as to soften competition.

Academic Supervisors

Professor Daniel Paravisini
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Professor Ulf Axelson
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Awards and Fellowships

LSE PhD Scholarship, LSE, 2016-2020

France Excellence Government Scholarship, Ministére des Affaires étrangères 2014-2016

First Prize in National Mathematical Modeling Match (Beijing Region), CUMCM, Dec 2013

National Scholarship (top 1%), Ministry of Education of China, Oct 2013

Academic Excellence Scholarships, Renmin University, 2011-2012

Research & Teaching Experience

Research Assistant, LSE, 2016-2018.

With Juanita Gonzalez-Uribe on project "Venture Capital, Innovation and Alliances";
With Thummim Cho on project "'Revealed Benchmarks of Mutual Funds'

Teaching Assistant, LSE, 2017-2018.

Undergraduate: FM212 *Principles of Finance*,FM250 *Finance*, FM350 *Advanced Corporate Finance*
Graduate: FM421 *Applied Corporate Finance*

Research Assistant, TSE, 2015-2017.

With Augustin Landier, Milo Bianchi and Marianne Andries on "Pricing of Catastrophe Bond".

Assistant Researcher in Group Chief Economist , SCOR SE (Paris), 2016 Summer.

Other Professional Activities

Vice president of Ruichen Student Academy, Renmin University, 2013-2014

Intern at AXA China Region Insurance Company-SL Financial Group, Apr-May 2013

Assistant Financial Manager at Bank of China, Changsha Branch, Jul-Aug 2011

Completed PhD Courses (By April 2018)

EC441 Microeconomics for MRes students (*Distinction*)
EC442 Macroeconomics for MRes students (*Merit*)
FM481 Financial Econometrics for Research Students (*Distinction*)
FM502 Corporate Finance for Research Students
FM503 Asset Pricing for Research Students

Last updated: March 27, 2018

Description of My Research

Xiang Yin,
Department of Finance,LSE

There are two things about entrepreneurship I find interesting. First, it is about the inception of new firms, a more opaque stage during firm's development than latter stages. Second, it often involves most up-to-date and thus *raw* topics to explore. My first attempt in this filed is studying how political connection affects venture capital investment in China by using provincial leaders' turnover as exogenous shock. Having finished my coursework, next year I plan to investigate what are the factors that cause business ideas to fail at the very infancy stage with a unique database of trademark filings. I think ERBC will be a great opportunity to discuss with researchers about my research and ask for advice to refine my research questions.

1 The Failure of Business Ideas: A Trademark Perspective (*Planned*)

What causes the failures of start-ups? More specifically, what are some systematic factors that make start-ups abandon or be unable to accomplish their business ideas? I will explore start-ups abandonment of business ideas in response to (1) macroeconomic factors and (2) market structures.

The main highlight of my research is that I will utilize the dataset of trademark filings to track the behaviors of start-ups in a micro perspective. In general, a trademark distinguishes the source of the goods or services of one party from those of others. A registered trademark signifies the launch of a new product line. On the other hand, an entrepreneur's *intent* to register a trademark signals a potentially profitable business idea that he or she will pursue. The succeed or failed transformation from "idea in mind" to real production of goods can therefore be captured by trademark filings.

Thanks to a well-recorded dataset of trademark filings by United States Patent and Trademark Office (USPTO), I am able to distinguish "intent" from "launch". According to USPTO There are two types of trademark filings-"use in commerce" and "intent to use in commerce". An applicant filing based on intended use cannot obtain registration until (a) the mark is actually used in commerce, (b) a verified statement or declaration to that effect is filed, and (c) a specimen of use is submitted. In general, the intent-to-use applicant has six months to file a statement of use. Moreover, the applicant may request up to 5 six-month extents for filing in use trademark. If the owner fails to establish use, the application is treated as abandoned.

The database covers 8.6 million trademark applications filed or registrations issued since 1870 (*intent-to-use* applications available since 1989). 3.7 million of them are *intent-to-use*. The abandonment rate is 52.5%. Information about mark characteristics, prosecution events, ownership, classification, third-party oppositions, and renewal history are also included in the dataset.

In terms of empirical design, I will conduct analysis at *census tract* $\times$ *mark class* level.The percentage of applications abandoned (either *active* or *forced*) in each *census tract* $\times$ *mark class* $\times$ *month* bucket can then be interpreted as the likelihood of failure, the key variable of interest. I can then study the comovements between the probability of failure and measures of macroeconomic environment and market competition in both the cross section and time series. It can shed light on the factors that impact the infancy stage of startups. Example questions that can be addressed

with the database include: (1) Are entrepreneurs averse to shot-term market uncertainty? If the market is very volatile in the short-run, does it deter the start-ups from launching his/her business? (2) Is there any herding behaviors of business ideas, namely waves of similar trademarks? Does the herding predict profitability of firms or industry competition?

With trademark filings, my research can be distinct from other research about entrepreneurship in mainly two aspects. First, trademarks cover broader spectrum of corporate innovation activities beyond R&D expenditure and patents. Trademark is about not only groundbreaking technological innovation, but also more frequent innovative ways of business model, management,etc.. Second,the regulations imposed by USPTO allow us to observe both "ideas in mind" and "ideas that succeed" in framed time windows. Many research fails to capture the failed ideas due to survivorship bias of data. Even though some research can tell the success/failure of a startup company as a whole, they are ambiguous about dynamics of failures and attempts before that final outcome.

2 Papers In Progress

"Does the Quality of Financial Products Matter?" (*In Progress*)

- I use consumers' complaints against mortgage lenders (available from 2011 by Consumer Financial Protection Bureau) to construct a measure of lenders' quality, and find a distinct pattern of market shares before and after the availability of the complaints database. The pattern supports a story of information asymmetry: with complaints database available, the county-level market shares of lenders diffuse in consistent with quality measures; however, the quality is not perceived before the availability of the database since market shares of *ex-post* high-quality and low-quality move in parallel before 2011.



Figure 1: Cumulative Change in Market Share By Mortgage Lenders' Quality Groups

"Political Turnovers and Venture Capital Investment in China", with Yue Fei (TSE) (*In Progress*)

- We use the turnovers of provincial leaders in China as an exogenous but notified shock to the connection between government-sponsored VC company and startups. The volume of VC investment increases dramatically several months before this interruption of political connection. On the other hand, foreign VC companies that invest in China also respond to the shock. For further research, we want to address two questions : (1) what kind of foreign VCs are more likely to accommodate into the local political environment? (2) Given that domestic and foreign VCs both react to political shocks, is foreign VCs' reaction more efficient?