HYO-YOUN CHU

75 Gardner St. #30
Boston, MA, 02134, U.S.A.
Cell: +1-617-997-2979 Office: +1-617-353-3795
Email: hychu7@bu.edu
Web site: http://blogs.bu.edu/hychu7/

EDUCATION

Ph.D., Economics, Boston University, Boston MA, May 2012 (expected)
Dissertation Title: *Three Essays on Investments and International Trade*
Main Advisor: Marc Rysman
Dissertation Committee: Marc Rysman, Simon Gilchrist and Stefania Garetto

M.A., Economics, Sogang University, Seoul, Korea, 2007

B.Sc., Mathematics, Sogang University, Seoul, Korea, 2005

B.A., Economics, Sogang University, Seoul, Korea, 2005

FIELDS OF INTEREST

Industrial Organization, International Economics, Applied Econometrics

TEACHING EXPERIENCE

Teaching Fellow, Introductory Microeconomics, Department of Economics, Boston University, Fall 2011
Instructor, Modeling Business Decisions, Department of Markets, Public Policy and Law, School of Management, Boston University, Spring 2011 (Evaluation: 4.64 out of 5.0)
Teaching Fellow, Graduate-Level Econometrics, Department of Economics, Boston University, 2010
Teaching Fellow, Introductory Macroeconomics, Department of Economics, Boston University, 2009
Teaching Assistant, Graduate-Level Topics in Monetary Theory and Macroeconomics, Department of Economics, Boston University, 2008
Teaching Assistant, Time-Series and Mathematical Economics, Department of Economics, Sogang University, 2005-2006

RESEARCH EXPERIENCE

Research Assistant for Professor Keith N. Hylton, School of Law, Boston University, 2011
Research Assistant for Professor Jang-Ok Cho, Sogang University, 2007
Visiting Scholar, W.P. Carey School of Business, Arizona State University, 2006

FELLOWSHIPS AND AWARDS

Summer Research Grant, Boston University, Summer 2011
Graduate School Fellowship, Boston University, 2008-2012
Graduate School Fellowship, Sogang University, 2005-2007
Brain Korea 21 Study Abroad Program Fellowship, 2006
University Scholarship, Sogang University, 2001-2004

WORKING PAPERS

"Investments in Response to Trade Policy: The Case of Japanese Firms during Voluntary Export Restraints," October 2011.

"Investment for Care: Based on Negligence-Causation Test" (with Keith N. Hylton), September 2011.

"Strategic Investments of Multinational Firms: Brands as Intangible Assets," January 2010.

WORK IN PROGRESS

"Trade Restrictions, Investments and Productivity Dynamics"

LANGUAGE

Fluent in English. Native in Korean

COMPUTER SKILLS

MATLAB, STATA, Mathematica, Scientific WorkPlace, LyX, Microsoft Office

CITIZENSHIP/VISA: South Korea/F-1

REFERENCES

Professor Marc Rysman
Department of Economics
Boston University
270 Bay State Road,
Boston, MA 02215
Phone: +1-617-353-3086
Email: mrysman@bu.edu

Professor Simon Gilchrist
Department of Economics
Boston University
270 Bay State Road,
Boston, MA 02215
Phone: +1-617-353-6824
Email: sgilchri@bu.edu

Professor Stefania Garetto
Department of Economics
Boston University
270 Bay State Road,
Boston, MA 02215
Phone: +1-617-358-5887
Email: garettos@bu.edu

Professor Keith N. Hylton
School of Law
Boston University
765 Commonwealth Avenue,
Boston, MA 02215
Phone: +1-617-353-8959
Email: knhylton@bu.edu

HYO-YOUN CHU

Investments in Response to Trade Policy: The Case of Japanese Firms during Voluntary Export Restraints (Job Market Paper)

This paper develops a dynamic structural model of a single agent decision in order to analyze the effect of voluntary export restraints (VERs) on quality-upgrade and foreign direct investment (FDI) behavior. I estimate the model parameters using a variant of the two-step estimator developed by Bajari, Benkard and Levin (2007). Using panel data of Japanese firms in the U.S. automobile industry, both activities are found to have significant sunk costs, which introduces intertemporal interactions in decisions, and I also find that the entry costs for FDI are larger than fixed adjustment costs for quality-upgrade. This paper also simulates counterfactuals based on the estimation of the structural model. The first simulation is shown to decrease both quality-upgrade and the probability of undertaking FDI in the absence of the VERs. The second simulation examines the substitution effect between the two investment activities. The proposal to restrict FDI policy causes a dramatic increase in the level of quality-upgrades. Similarly, the proposal to restrict quality-upgrade policy results in an increase in the probability of FDI.

Strategic Investments of Multinational Firms: Brands as Intangible Assets

This paper investigates the trade-off of developing a brand facing a firm. Establishing the brand on the one hand reduces liquidity (subjective) risk perceived by investors through effective marketing, but on the other hand increases market (objective) risk through incurring a substantial advertising expenditure to accumulate intangible assets. I estimate the model parameters using a new liquidity-augmented Capital Asset Pricing Model developed by Liu (2006). I find that as advertising expenditure increases, the brand lowers liquidity risk associated with perceived risk by consumers and investors, but increases market risk associated with asset-market structure. Although the impact through which the role of brands operated differed somewhat across industry characteristics, I find that the general impact of brand contribution is empirically plausible across the multinational firm products.

Investment for Care: Based on Negligence-Causation Test (with Keith Hylton)

We present a new model of negligence and causation and examine the influence of the causation test on the level of investment for care under negligence. In this model, the injurer's decision to take care reduces the likelihood of an accident only in the event that some nondeterministic intervention occurs. The effects of the causation test depend on the information available to the court, and the manner in which the test is implemented. The key effect of the causation test is to induce firms to take into account the distribution of the intervention probability as well as its expected value. In the most plausible scenario-where courts have limited information- the causation test generally leads to socially excessive care.