The impact of accounting on society, through the effect of accounting reports on incentives and decision-making, is clear to even those who only casually follow economic and financial news. Along with preparing future accounting and business leaders, a vital mission of the Smith School’s Accounting and Information Assurance (AIA) faculty is to conduct research to understand the influence of accounting on managerial decision-making and risk-taking. In addition to garnering some of the Smith School’s most coveted teaching awards, the AIA faculty continues to be successful in carrying out this research mission.

As you will see in the subsequent pages of this newsletter, the AIA faculty members publish in prestigious research journals, present their research findings at leading universities and highly selective conferences, and serve as editors and editorial board members of premiere research journals. Moreover, AIA faculty members have recently been awarded substantial research funds to support their work.

The following questions are representative of the research issues currently being addressed by the AIA faculty:

■ How can managers effectively communicate to investors the intangible value associated with strategic initiatives?

■ Would it be good for investors of US firms and for developing countries, if accounting rules were standardized across the globe?

■ What is the right amount for firms to invest in cybersecurity?

■ What is the impact of new SEC disclosure guidance on cybersecurity risks and cyber incidents?

■ What are the characteristics of firms that manage cost more efficiently?

■ How do optimistic beliefs create stock market bubbles and can accounting information help to correct such beliefs?

By being leaders in accounting research, AIA faculty members not only enhance the University of Maryland’s Smith School accounting brand at a national and international level, but also facilitate the department’s ability to hire the best teachers, as well as the best researchers.

In the subsequent pages of this newsletter, you will get a sampling of the impressive accomplishments of our faculty members, students and alumni.

Martin P. Loeb
Deloitte & Touche Faculty Fellow, Professor and Department Chair
Accounting and Information Assurance, Robert H. Smith School of Business
University of Maryland, College Park, MD 20742-1815
301.405.2209, Mloeb@rhsmith.umd.edu
Amanda Wilford and Wenjie Zhu were awarded their PhD degrees in accounting at the Smith School’s May Commencement. Wilford and Zhu each have articles being published in 2012—Wilford’s is in The Accounting Review and Zhu’s is in the Journal of Accounting and Public Policy. Wilford and Zhu are launching their academic careers as assistant professors of accounting at their respective undergraduate alma maters, Southern Utah University and the University of Hong Kong.

The Smith School’s MS in Business and Management (concentration in Accounting) is growing in leaps and bounds. Under the leadership of Dr. Stephen E. Loeb, the program has grown from 34 students in 2006 to roughly 175 students starting in Fall 2012.

Ernst & Whinney (now part of Ernst & Young) established the first Endowed Professorship in the Smith School of Business in 1981. Dr. Lawrence A. Gordon was appointed to that Professorship in that year and still holds the position under the firm’s new name.

Smith School Accounting and Information Assurance majors are among the most heavily recruited students at the University of Maryland. In fact, recruiters consistently list AIA accounting graduates among their targeted potential employees.

The home of the Smith Business School, Van Munching Hall (VMH), has had three major expansions since opening in 1993. The AIA Department has had three different locations within VMH, and now occupies the fourth floor of the North Wing.

Maryland accounting majors, in addition to becoming partners in major and regional accounting firms, have become leaders in both corporate America and in government. Smith Accounting alumni have gone on to become chief financial officers of such well known firms as Lockheed Martin, Marriott International, McCormick, Nordstrom, Northrop Grumman Corporation, and Texaco (now part of Chevron). In government, Smith Accounting alumni have held such leading positions as chief accountant at the Securities and Exchange Commission and chief financial officer of the Library of Congress.

Amanda Wilford, and Wenjie Zhu, center right, flanked by AIA Professors M. P. Loeb, far left, and L. A. Gordon, far right.
ACCOUNTING ALUM EARN TOP 10 CPA EXAM SCORE

Michael Berryman (BS in accounting 2010) was recognized by the AICPA with a prestigious Elijah Watts Sells Award for his performance on the 2010 CPA exam. This award is given annually to the candidates with the ten highest cumulative CPA exam scores in the entire nation.

While winning the Sells Award is a tremendous accomplishment, Mike’s achievements do not surprise the faculty and students that knew him during his time at the Smith School. At the Smith School, Mike was a shining star in the Accounting Teaching Scholars Program and was recognized at the Smith School’s Undergraduate Banquet as the 2010 Outstanding Accounting Student. Michael is currently on the fast track at Ernst & Young.

EIGHTH ANNUAL CYBERSECURITY FORUM

The University of Maryland’s Robert H. Smith School of Business, in partnership with the School of Public Policy, hosted the Eighth Annual Forum on Financial Information Systems and Cybersecurity: A Public Policy Perspective on January 18, 2012. The forum brought together nearly 100 leading experts from around the world to discuss cybersecurity issues. AIA Professors Lawrence A. Gordon and Martin P. Loeb coordinate the forum together with William Lucyshyn, the Director of Research and a Senior Research Scholar at the Center for Public Policy and Private Enterprise in the University of Maryland’s School of Public Policy. The forum encourages the kind of rich interchange of ideas that can only occur when people from many academic backgrounds and industries gather.

The Smith School’s cybersecurity research is part of a wider university focus on cybersecurity issues, highlighted by the recent launch of the Maryland Cybersecurity Center (MC2). The center brings together experts from engineering and computer science with colleagues from across campus in fields such as economics, business, social sciences and public policy to help establish broad-based cybersecurity initiatives.

AIA FACULTY RECOGNIZED AS TOP TEACHER

AIA Department faculty member, Dr. Progyan Basu was honored in Spring 2012 with the Smith School’s most prestigious teaching prize, the Krowe Award for Teaching Excellence. The award is named in honor of its benefactor, Allen Krowe, a 1954 Maryland accounting alum, a former CFO and vice chairman of Texaco (now part of Chevron).

Basu has earned a reputation as an outstanding teacher in a variety of venues, ranging from the first accounting principles course to MBA and Executive MBA courses. In addition, Basu is recognized as a dedicated and enthusiastic contributor to the service mission of the School. Basu serves as a co-champion of the Accounting Teaching Scholars Program (see page 14), as cohort director of the highly rated Smith Executive MBA Program (ranked 17th in the World in the latest BusinessWeek rankings), and as a member of the Smith School Undergraduate Program Committee.

In winning a highly sought after Krowe Award, Basu follows a number of full-time and adjunct faculty in the AIA department that have been so honored in past years. Previous AIA Krowe Award winners include, Gary Bulmash, Eugene Cantor, Lawrence Gordon, Stephen Loeb, James McKinney, Ariel Ramirez, Sandra Rose, and David Siles.

Fifty years ago, this department was formed with the recognition that the accounting profession was undergoing significant changes that required the education of its leaders to be broad based.

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DEFENSE! DEFENSE!
ACCOUNTING ALUMNI TAKE TOP EXECUTIVE POSITIONS IN THE INDUSTRY

Christopher E. Kubasik will be the next chief executive officer (CEO) of Lockheed Martin Corporation. Kubasik earned his bachelor’s degree in accounting (magna cum laude) from the Smith School of Business in 1994. Kubasik is currently the president and chief operating officer of Lockheed Martin and his appointment as CEO of Lockheed will be effective as of January 1, 2013. Prior to joining Lockheed Martin, Kubasik was a partner with Ernst & Young.

Kenneth (Ken) Bedingfield, a 1983 Maryland accounting graduate, became the corporate vice president, controller and chief accounting officer of Northrop Grumman Corporation at the beginning of 2012. Previously, Bedingfield was a partner at KPMG, where one of his roles was that of campus lead partner for recruiting at the University of Maryland.

STUDENT ACCOUNTING ORGANIZATIONS ENHANCE SMITH SCHOOL AIA EXPERIENCE

Accounting students at the Smith School are given many opportunities to enhance their education and career opportunities thanks to active student-run accounting organizations, the Accounting and Business Association (ABA) and the National Association of Black Accountants (NABA). These organizations provide students with great opportunities to network both with fellow students and professionals from national and regional firms. In addition to sponsoring educational presentations from accounting professionals, these organizations provide social and community outreach events.

Yinka Akingbade serves as the president of the Smith Chapter of NABA for the 2012-2013 academic year and is aided by a host of club officers and faculty advisor Dr. Jim McKinney. The ABA has two chapters at the Smith School—a College Park Chapter and a Shady Grove Chapter. The College Park Chapter is led by Co-Presidents Matthew Chin and Ellen Davidson, and the Shady Grove chapter is led by President Aboubacar (Abdul) Bah, aided by other club officers and faculty advisors Dr. Gary Bulmash (for College Park) and Nile Webb (for Shady Grove). The College Park Chapter organizes the annual Accounting Career Fair each fall.

ALPFA TEAM TAKES THE SILVER IN NATIONAL CASE STUDY COMPETITION

A Smith School case competition team consisting of accounting and finance majors Jose Arevalo, Gerson Elias, Alex Grant, Rafael Lovo, and Bladimir Portillo won second place in the KPMG/ALPFA Case Study Competition held in Las Vegas, Nevada, August 12-15. This team was guided by accounting faculty advisor Dr. James McKinney and received additional coaching by former ALPFA team member Elinor Chang. The KPMG and Association of Latino Professionals in Finance and Accounting (ALPFA) Case Study Competition included 28 teams from around the United States and Puerto Rico with judges from accounting firms, large corporations, and the federal government. Teams were given various companies to analyze with the Maryland team analyzing ExxonMobil. The team, all members of the University of Maryland ALPFA Chapter, did a fantastic job of representing the University of Maryland and bringing home the Silver.

AIA RESEARCH OVERVIEW

As noted elsewhere in this newsletter, the AIA Department’s faculty are involved in a myriad of research activities. The accompanying figure provides a framework for viewing the connections among the various aspects of these activities.
IS MANAGEMENT GUIDANCE THE BEST MEDICINE FOR IRRATIONAL EXUBERANCE?

While many investors worldwide still view the stock market as a good source of long-term growth, stock returns have been subject to extreme boom and bust cycles that can devastate both small household retirement accounts as well as large hedge funds. AIA assistant professor Nick Seybert in a 2012 Management Science article (with Dr. Holly Yang from the University of Pennsylvania’s Wharton School) reports research results showing that these extreme stock market events could potentially be avoided if managers provided more timely and accurate earnings guidance to investors.

In fact, overvalued stocks experience their largest price drops in just three days surrounding management-issued earnings forecasts, dwarfing typical monthly returns that investors may hope to earn. Alan Greenspan famously asked how we could discern whether stock prices were inflated by irrational exuberance. The answer to his question may be, “Ask managers.”

AWARD WINNERS FROM OUR SHADY GROVE CAMPUS

The undergraduate accounting program at our Shady Grove Campus in Montgomery County continues to attract excellent students. The program graduates around 80 accounting majors each year and is staffed by Smith School faculty who also teach in College Park.

Thulani Tlokotsane, a native of Lesotho, made the most of his years as a Smith School accounting student at Shady Grove. In addition to maintaining a high GPA, he participated in many Shady Grove campus community activities including chairing the Shady Grove University of Maryland’s Dean’s Advisory Board, serving as a teaching assistant for the Career Strategies Course, and chairing the Universities at Shady Grove Student Council Finance Committee. Based on his leadership and all around commitment to improving the overall experience of Shady Grove students, Thulani was honored with the Leadership and Service Award at the Shady Grove Awards Breakfast last spring. After graduating with his accounting degree in May, Thulani began his career on the audit staff with Ernst & Young in their Kansas City, Missouri, office.

Giselle Carrillo earned the Academic Achievement Award as the outstanding accounting senior at Shady Grove. This honor was bestowed upon her at the Shady Grove Awards Breakfast, and was based not only on her perfect 4.0 average, but also upon faculty recommendations. Giselle’s academic accomplishments are especially noteworthy, since she and her sister are the first in their family to earn college degrees. While completing her degree, Giselle gained valuable real world experience working for the Frederick Community College Office of Adult Services, Boscov’s Online Retail and as an intern for the Reznick Group. She also served as the Secretary for Shady Grove’s Accounting and Business Association.

MCGLADREY’S ANDREWS KICKS OFF 2012 CEO@SMITH SPEAKER SERIES

C.E. Andrews, then president of RSM Business Services and former President and CEO of RSM McGladrey, Inc., gave the first presentation of 2012 in the CEO@Smith Speaker Series on February 7. In May 2012, the firm changed its name to McGladrey LLP, reflecting a December 2011 reunification of McGladrey & Pullen, LLP and RSM McGladrey, Inc. The firm is a leading partner-owned provider of assurance, tax and consulting services with more than 70 offices across the country and nearly 6,500 employees. At his CEO@Smith talk, Andrews drew on his own experiences to provide Smith students with tips for success. McGladrey partners closely with the Smith School to attract top talent to their firm, and provided over 30 Smith students with extern, intern and full time opportunities over the last academic year.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) HELPS DEVELOPING ECONOMIES

More than half of the world’s population is located in developing economies, according to the World Bank’s classification scheme. However, these economies currently account for a small portion of the world’s gross national income. Thus, developing economies offer tremendous opportunities for growth in global business. A recent study by Lawrence A. Gordon and Martin P. Loeb (both professors in the Smith Business School’s AIA Department), and assistant professor of accounting Wenjie Zhu (from the Business School at the University of Hong Kong), provides strong empirical evidence that the adoption of IFRS has a significantly positive impact on the foreign direct investment (FDI) inflows to developing economies. The study’s findings, which appeared in an article in a recent issue of the Journal of Accounting and Public Policy, have important implications for developing economies.
Faculty members’ ability to garner external funding from government agencies provides evidence of the social value of their research. AIA faculty members at the Smith School are clearly providing such evidence.

CYBERSECURITY ECONOMICS

From 2000 through 2006, the National Security Agency supported the pioneering cybersecurity economics research of Drs. Lawrence A. Gordon and Martin P. Loeb with funding totaling $965,000. Their research focuses on issues related to managing cybersecurity resources, and includes the well-known Gordon-Loeb Model for cybersecurity investments that was featured in the Wall Street Journal. Gordon’s 2007 Congressional testimony on cybersecurity investments in the private sector was based on this stream of research.

Gordon and Loeb have also worked closely with William Lucyshyn, the Director of Research and Senior Research Scholar at the Center for Public Policy and Private Enterprise (CPPPE). Located within the University of Maryland’s School of Public Policy, the CPPPE is led by The Honorable Jacques S. Gansler, PhD, former Under Secretary of Defense for Acquisition, Technology and Logistics, Department of Defense. In 2012, the Department of Homeland Security Science and Technology Directorate awarded Gordon, Loeb, and Lucyshyn two years of funding totaling more than $666,000 to continue their cybersecurity economics research.

FINANCIAL DISTRESS AND THE MACROECONOMY

The National Science Foundation (NSF) awarded an interdisciplinary seed grant of $20,000 to Drs. Rebecca Hann and Hanna Lee of the AIA Department (together with Dr. Horacio Sapriza of the Board of Governors of the Federal Reserve System) for their proposal entitled, “Macroeconomic Implications of Creditor Coordination, Information Transparency, and Financial Distress at the Micro Level.” Hann and Lee’s research project is designed to combine their accounting expertise with Sapriza’s macroeconomic expertise to understand the effects of micro-level financial frictions on macroeconomic distress, an area of research that can generate important policy implications. The seed grant award supports the development of a much larger grant proposal to be submitted at the completion of this initial stage.
FULL-TIME ACCOUNTING AND INFORMATION ASSURANCE FACULTY

Progyan Basu, PhD, joined the AIA faculty as a Tyser Teaching Fellow in 2007. Basu earned his doctorate in accounting from the University of Nebraska, and has taught previously at Boston College, Howard University, and University of Georgia. Basu teaches the Principles of Accounting I course to around 800 students each fall. He serves as a co-champion of the Accounting Teaching Scholars Program (see page 14) and as a cohort director for the Smith Executive MBA program. As cohort director, Basu advises and mentors Smith EMBA students on academic matters, and works closely with the EMBA faculty as well as administrators. He also teaches the core accounting courses in the EMBA program, and a variety of other undergraduate and MBA courses.

Stephen Brown, PhD, joined the AIA faculty as an assistant professor in Fall 2008. He holds a doctorate in accounting from Northwestern University and a Masters degree in Engineering Sciences and Economics from the University of Oxford in the UK. During 2007/08, Brown served as an academic fellow in the Office of the Chief Accountant at the Securities and Exchange Commission. Prior to his service with the SEC, he was on the faculty of Goizueta Business School at Emory University in Atlanta. He has published a number of articles in the Journal of Accounting and Economics and has also published in the Review of Accounting Studies and the Journal of Business Finance and Accounting.

Gary Bulmash, DBA, an award winning teacher and Distinguished Tyser Teaching Fellow, is the faculty advisor to the College Park Chapter of the Accounting and Business Association. He has accompanied accounting students to New York on trips sponsored by the Smith Undergraduate Student Association in fall semesters every year beginning in 2008. Bulmash began teaching at Maryland as a doctoral student in the late 1960s and, after thirty years on the faculty of American University, joined the Maryland faculty in 2005. Bulmash regularly conducts continuing education for CPAs and speaks at numerous conferences. In addition, he serves on various committees for the Smith School.

Shijun Cheng, PhD, Associate Professor of Accounting and Information Assurance, focuses his research on the role of accounting information in corporate governance and management control. His research has been published in journals such as The Accounting Review, The Review of Financial Studies, Journal of Financial Economics, Journal of Accounting and Public Policy, and Contemporary Accounting Research. He currently serves on the editorial board of Contemporary Accounting Research.

Michael Finch, PhD, is the senior Tyser Teaching Fellow in the department. He earned his PhD at the University of Tennessee and his certified public accountant license in Texas. In addition to teaching a variety of undergraduate courses, he has taught the two core MBA accounting courses to thousands of Smith MBA students at our Baltimore, College Park, D.C., and Shady Grove campuses. He has also taught the core MBA accounting courses at Smith School programs around the world. Finch has been a driving force in having the AIA Department offer additional graduate electives geared for MBA students interested in obtaining CPA certification. Finch is a member of the American Accounting Association, the American Institute of Certified Public Accountants, and the Institute of Management Accountants.

Lawrence A. Gordon, PhD, is the Ernst & Young Alumni Professor of Managerial Accounting and Information Assurance and Affiliate Professor in the University of Maryland Institute for Advanced Computer Studies. His close to 100 articles have been published in journals like The Accounting Review, ACM Transactions on Information and System Security, Journal of Computer Security, Journal of Financial and Quantitative Analysis, MIS Quarterly, and Accounting, Organizations and Society. His books include Managerial Accounting: Concepts and Empirical Evidence and Managing Cybersecurity Resources: A Cost-Benefit Analysis, and he is Editor-in-Chief of the Journal of Accounting and Public Policy. Gordon has been cited as being among the world’s most influential/productive accounting researchers and is one of the pioneers in the field of cybersecurity economics.

Rebecca Hann, PhD, Associate Professor of Accounting and Information Assurance, is the KPMG Faculty Research Fellow. Hann holds Masters and PhD degrees in accounting from the University of Pennsylvania’s Wharton School. At Maryland, she has taught undergraduate intermediate accounting, the core MBA course in financial accounting, and a PhD seminar on empirical financial accounting research. Her research interests are in the areas of financial reporting and disclosure, corporate governance, and corporate finance. Hann has a paper forthcoming in the Journal of Finance and has published other research papers in the Accounting Review, the Journal of Accounting and Economics, the Journal of Accounting Research, and the Review of Accounting Studies.

Oliver Kim, PhD, Professor of Accounting and Information Assurance, is widely known for his foundation work on the informational roles of trading volume and bid-ask spreads in accounting research. His work on developing a method of separately estimating the qualities of financial analysts’ common and idiosyncratic information from forecast error and dispersion is also having an impact. His research is widely cited with over 3,000 citations according to Google Scholar. Professor Kim holds two PhD degrees—one in accounting from Wharton, and another in economics from SUNY/ Stony Brook.

Progyan Basu, PhD
Stephen Brown, PhD
Gary Bulmash, DBA
Shijun Cheng, PhD
Michael Finch, PhD
Lawrence A. Gordon, PhD
Rebecca Hann, PhD
Oliver Kim, PhD

Michael Kimbrough, PhD, Associate Professor of Accounting and Information Assurance, joined the department in 2010 after eight years on the faculty of Harvard Business School. He earned his BA in economics from Washington University in St. Louis and his PhD in accounting from Indiana University. Prior to his graduate studies, he worked in the audit practice of Price Waterhouse. Kimbrough’s research has been published in The Accounting Review, the Journal of Accounting Research, and the Review of Accounting Studies. He is the member of the American Accounting Association and currently serves on the editorial board of The Accounting Review.

Hanna Lee, PhD, joined the AIA faculty as an assistant professor in Fall 2011. She earned her PhD in accounting at Columbia University, and earlier completed a master’s degree in statistics from Harvard University. Lee also studied economics for a summer at the London School of Economics, after completing her BS degree at Seoul National University. Lee has professional experience working for Goldman Sachs in New York, Deutsche Bank, Citibank, and Asianet Corp in Asia. Her research interests include the study of debt markets, default prediction, disclosure and financial reporting quality.


Stephen Loeb, PhD, is Ernst & Young Alumni Professor of Accounting and Business Ethics. At the Smith School, Loeb has developed an innovative course relating to ethics and professionalism in accounting, and has received multiple teaching awards. He continues to serve as Academic Director of the Smith School’s Master of Science (Accounting) program and is a member of the University Senate.

James McKinney, PhD, Tyser Teaching Fellow, won separate awards for his teaching, service and scholarship over the past four years. McKinney was the 2011 President of the Academy of Accounting Historians and is currently a Trustee and the editor of The Accounting Historians Notebook. Last summer, McKinney gave one of the closing speeches at the second International Luca Pacioli Conference on Accounting held in Sansepolcro, Perugia, and Florence, Italy. He is a member of the SEC Historical Society Museum Committee. Additionally, McKinney just completed in 2012 a term as board member of the Maryland Association of Certified Public Accountants (MACPA) and currently co-chairs the MACPA Educators Committee. At the Smith School, he is the faculty adviser for chapters of the National Association of Black Accountants, Association of Latino Professionals in Finance and Accounting, Alpha Kappa Psi Business Fraternity, and the Sigma Chi Fraternity.

Gregory Pfeiffer, MS CPA, joined the AIA faculty as a Lecturer in 1995. He holds a B.S. in Accounting from the University of Maryland College Park and an M.S. in Finance from Loyola University. Pfeiffer currently coordinates all course offerings in Fundamental Managerial Accounting, Individual Taxation and Corporate Taxation, as well as teaching these courses. He is the co-champion of the Accounting Teaching Scholars Undergraduate Fellows Program. Prior to returning to the Smith School Pfeiffer served on the faculties of Loyola University and the University of Baltimore. In his early career, he held professional positions in public accounting, industry and financial services.

Nick Seybert, PhD, earned his bachelor’s degree in accounting from the Smith School and master’s and doctorate degrees from the Johnson Graduate School of Management at Cornell University. His PhD dissertation won the 2009 Best Dissertation Award from the American Accounting Association’s Accounting, Behavior and Organization Section. He is interested in financial accounting and behavioral finance, particularly how optimistic beliefs arise and are disciplined in the market. His research has been published in leading journals, including The Accounting Review, the Journal of Accounting Research, Accounting, Organizations and Society, and Management Science. Prior to joining the Smith School as an assistant professor in 2010, Seybert was a faculty member at the University of Texas at Austin’s McCombs School of Business.

James Stahlar, JD, PhD, joined the Accounting and Information Assurance faculty as an assistant professor in the Fall 2010. He earned a PhD in Philosophy from the University of Michigan and a JD from Harvard Law School, where he served as an editor on the Harvard Law Review. Before joining the Smith School, Stahlar was a Law and Philosophy Fellow at the University of Chicago Law School and a Law and Public Affairs Fellow at Princeton University. His prior research has focused on fundamental issues in criminal law theory. His current research concerns issues of accounting and business ethics within confidentiality, executive compensation, insider trading, tax shelters, whistle blowing, and independence in public accounting. He has published in law and philosophy journals, including a forthcoming paper in The Journal of Philosophy.
ACCOUNTING TEACHING SCHOLARS PROGRAM—
THE SELECT DOZEN

Our successful Accounting Teaching Scholars (ATS) program, part of the Smith Undergraduate Fellows Program (www.rsmith.umd.edu/undergrad/fellows), welcomed the incoming ATS, and celebrated the accomplishments of 2011-2012 ATS at the April ATS Banquet.

The ATS program provides a competitively selected group of twelve accounting majors with the opportunity to improve their communication and technical skills by serving as teaching assistants in the department’s two Principles of Accounting courses. The two introductory accounting courses are taught in large lecture sections, supplemented by smaller breakout sections taught by the Accounting Teaching Scholars. In addition to leading the discussions in the weekly breakout sessions, the ATS provide one-on-one tutoring sessions during office hours. The ATS share two large offices. The close bonds these excellent students form will likely benefit them both professionally and socially for years to come. Thanks largely to the generosity from accounting and corporate sponsors, the ATS are paid an annual stipend for their services.

At the year’s banquet, 2011-2012 ATS Nichole Waldman and Stephen Ropelewski reflected on their experiences in the program and provided some guidance to the incoming ATS. Jonathan Kugel, an ATS in 2009-2010, provided a longer-term perspective on the benefits of the ATS program. The ATS Banquet provided the venue for honoring: former ATS Mike Berryman for his Elijah Watts Sells Award (see page 3); 2011 ATS Stephen Ropelewski and Michael Tesser for being named as the two outstanding accounting seniors; and Takor Njang for winning the Accounting and Information Assurance Department Service Award for 2012 for her extensive Smith School community work that included serving as President of the College Park Chapter of the National Association of Black Accountants, as President of Smith Talent Acquisition and Referral System (STARS), as a Freshman Fellows Orientation Mentor, and as a Teaching Assistant for Business Careers.
INVESTING IN INTANGIBLE ASSETS TO BREAK AWAY FROM THE PACK

In a recent Review of Accounting Studies article, Associate Professor Michael Kimbrough and Dr. Nerissa Brown, (a Maryland accounting PhD, now an assistant professor at Georgia State University) provide evidence on the economic impact of investment in intangible assets such as research and development or trademarks.

They find that the earnings of firms that invest most heavily in intangibles track least closely with the earnings of their peers. This result indicates that the primary impact of intangible investment allows firms to distinguish themselves economically from comparable firms. The effect is most pronounced for intangible assets that are protected by contracts and in industries where patents and other legal mechanisms are most effective. Thus, the Kimbrough and Brown study suggests that firms use intangible assets to differentiate themselves from their rivals in the presence of strong property rights.

“Intangible investments, which are mostly hidden from a firm’s balance sheet, can play a key role in a firm’s strategy to distinguish itself from its competitors.”

— MICHAEL KIMBROUGH

JOURNAL OF ACCOUNTING AND PUBLIC POLICY CONFERENCE AT LONDON SCHOOL OF ECONOMICS

The Journal of Accounting and Public Policy (JAPP) launched a new Conference series that will rotate among the London School of Economics (LSE), IE Business School and the University of Maryland’s Smith School of Business.

The first Conference was held on May 25, 2012 at the London School of Economics, London, UK. The theme of the first Conference was “Accounting and Corporate Governance.” The Conference attracted roughly 45 Accounting Scholars from a variety of countries, including Australia, Canada, China, France, Germany, Spain, UK and the USA. A special issue of JAPP will be published based on the papers, and related discussions, presented at the Conference.

By all accounts, the JAPP Conference held at LSE was a big success! Next year’s Conference will be hosted by the IE Business School. The theme of the 2013 Conference will be “Accounting and the World Economic Crisis.” The Editor-in-Chief and Editor of JAPP are Smith School professors Drs. Lawrence A. Gordon and Martin P. Loeb, respectively. JAPP’s focus is on the intersection between accounting and public policy, with a preference for papers that use theoretical and/or empirical analysis to illuminate the effects of accounting on public policy and/or vice-versa. JAPP is one of a small number of select accounting journals covered by the prestigious Social Science Citation Index (SSCI). Over the last several years, the number of submissions to JAPP has been increasing at a rate of over 20 percent each year.

ACCOUNTING PHD ALUMNI PROMOTED TO RANK OF FULL PROFESSOR

Congratulations go out to Dr. Augustine Duru and Dr. Kimberly Smith, accounting faculty members at American University and the College of William and Mary, respectively! Duru and Smith, both of whom earned their PhD in accounting at Maryland, were recently promoted to the rank of full professor. Professor Lawrence A. Gordon chaired the dissertation committees of Duru and Smith during their studies at Maryland.

ATTACH COUPON ON BACKPAGE

THANK YOU FOR SUPPORTING THE ACCOUNTING AND INFORMATION ASSURANCE DEPARTMENT OF THE ROBERT H. SMITH SCHOOL OF BUSINESS
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