

Accounting

2013-
ACADEMIC YEAR 2014

News



UNIVERSITY OF
MARYLAND

ROBERT H. SMITH
SCHOOL OF BUSINESS

The Annual Newsletter of the Smith School's Accounting and Information Assurance Department

WELCOME

This fall, the Robert H. Smith Schools' Accounting and Information Assurance (AIA) Department welcomes new students, new faculty members, the department's first associate department chair, and a new dean.

The Smith School's former dean, G. "Anand" Anandalingam, has moved to London for an exciting opportunity as dean of the Imperial College Business School. While we are sad to see dean Anand leave, we are delighted with the selection of Alexander Triantis as the Smith School's new dean. After you read the story on Page 1, you will understand our delight.

I am also thrilled that AIA faculty member Dr. Stephen Brown has partnered with me in his new role as Associate Department Chair. Stephen holds a PhD from Northwestern University, and an MA and BA in Engineering Science and Economics from the University of Oxford in the UK. He also served as an academic fellow in the Office of the Chief Accountant at the Securities and Exchange Commission.

In this newsletter, you will see a sample of the accomplishments and the impact of AIA students, faculty and alumni.

From the Chair



▲ From left: Martin Loeb, Stephen Brown

INSIDE

- Case Champs
- Cybersecurity Research
- European Connections
- Fed Watching
- Student Awards

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

Kenneth Bedingfield
Northrop Grumman Corporation

Michael R. Belfer
Anchin, Block & Anchin, LLP

Michael Campbell
GEICO

Charles Carr
Deloitte & Touche, LLP

Bill Eisig
BDO USA, LLP

Glenn A. Hollrah
Dixon Hughes Goodman, LLP

F. Carter Heim
HeimLantz, P.C.

Lawrence Kline
CBIZ MHM, LLC

Tori Lambert
PwC, LLP

Jim Martinko
CohnReznick, LLP

Michael Meegan
Watkins Meegan, LLC

Andrew Page
Under Armour

Timothy Phelps
KPMG LLP

Kirk Rogers
Grant Thornton LLP

Edward W. Rose
Rose Financial Services

Steven J. Sebastian
U. S. Government Accountability Office

Bradley H. Smith
Cherry Bekaert, LLP

Thomas J. Sneeringer
McGladrey LLP

Martin Stanislav
Lockheed Martin Corporation

Arun Subhas
EY, LLP

Dr. Relmond VanDaniker
Association of Government Accountants

Gregg Weiss
Baker Tilly Virchow Krouse, LLP

AIA ALUM TO RECEIVE GRADUATE STUDIES DISTINGUISHED ALUMNUS AWARD

Dr. Yang-Tzong (Jimmy) Tsay will be honored as the University of Maryland's 2013 Graduate Studies Distinguished Alumnus at the Alumni Association Awards Gala on Oct. 25, 2013.

In 1988, Tsay earned a PhD in accounting from the University of Maryland. Lawrence Gordon, EY Alumni Professor of Managerial Accounting and Information Assurance, chaired Tsay's Dissertation Committee. Martin Loeb, Deloitte & Touche Faculty Fellow, Professor and AIA Department Chair, also served on Tsay's dissertation committee.

After his doctoral work, Tsay returned to his home country to accept a faculty position at National Taiwan University (NTU). Tsay quickly moved up the ranks to become a full professor, and served as the chairman of the Department of Accounting from 1997 to 2000. He was instrumental in setting up NTU's master's program in accounting (currently ranked No. 1 in Far East Asia) as well as their doctoral program. Tsay also organized the University of Maryland Alumni Association in Taiwan (for all Maryland alumni, not just accounting or business alumni). This chapter has become the biggest UMD alumni body outside North America.

Tsay is currently the president-elect of the Asia-Pacific Management Accounting Association. He will become the president as of Jan. 1, 2014.



▲ This photo of Yang-Tzong (Jimmy) Tsay was taken at the National Accounting Institute of China in Beijing. The words in vertical lines, from right to left, mean:

**"Integrity is the base. Ethics are essential.
Comply with (Chinese) GAAP. Never cook the books."**

— Zhu Rongji (former Chinese Premier)



ACCOMPLISHED SCHOLAR,
EDUCATOR AND LEADER,
ALEX TRIANTIS,
TAKES THE HELM

MEET THE NEW DEAN OF THE SMITH SCHOOL

On Sept. 1, 2013, **Alexander J. Triantis**, began his duties as the new dean of the Robert H. Smith School of Business. Although new to the deanship, Triantis is well-known to the Smith School community as an outstanding faculty member and former chair of the Finance Department. He joined the Smith faculty in 1996, after being an assistant and then associate professor at the University of Wisconsin and a visiting scholar at the MIT Sloan School of Management. He earned his PhD from Stanford University.

After a national search, Mary Ann Rankin, the university's senior vice president for academic affairs and provost, concluded, "Alex is perfectly positioned to build on the school's remarkable achievements and capitalize on its unique strengths — and will be an exciting, visionary leader for the Smith School."

Triantis enjoys a reputation as an outstanding scholar, educator and leader. This research focuses on analyzing corporate financial strategies related to investment, financing, and risk management, as well as the valuation of strategic investments, including the application of real options analysis. He has published in the highly prestigious academic journals in finance, accounting, and economics, and his research has also been cited in leading financial press outlets. He is consistently recognized for his outstanding teaching, having twice received the Smith School's top teaching honor, the Krowe Award. Under Triantis' leadership as chair of the Department of Finance, the Smith School launched an MS degree program in finance, innovative undergraduate fellows programs, and the Center for Financial Policy.

"The Smith School already has strong momentum with exceptional faculty and intellectual capital, leading centers of excellence, and diverse, creative and entrepreneurial students. I'm excited to have the opportunity to work in a new way with Smith's outstanding community of faculty, students, alumni and staff to help the school reach its full potential as a world leader in business education."

— DEAN TRIANTIS



Brandy Davis was recognized as the outstanding accounting senior at our Shady Grove campus with the Academic Achievement Award. Brandy was selected to receive this award based on faculty recommendations along with her perfect 4.0 GPA. She had previously been honored with the Mullen Transfer Merit Scholarship, was the recipient of the

Kendall Alumni Scholarship for Working Students, and served as a guided study session leader in accounting. Moreover, Brandy completed an internship with Frederick-based assurance, tax and consulting firm McGladrey, and served as a volunteer with both the Cold Weather Shelter and the Special Olympics. Brandy is starting her accounting career with Deloitte as an audit associate.

THESE UNDERGRADS ARE SUPER ACHIEVERS

ACADEMIC ACHIEVEMENT



Jessica O'Keefe was honored as the outstanding accounting senior at the Smith School Undergraduate Honors Banquet on May 2, 2013. Jessica has earned many honors during her time in College Park, including her selection as one of our Accounting Teaching Scholars (see Page 8), and acceptance into QUEST, an interdisciplinary academic honors program jointly sponsored by

the Smith School, the Clark School of Engineering, and the College of Computer, Mathematical, and Natural Sciences. Jessica's broad interests were also displayed in her participation in the Maryland Shakespeare Players and Student Government Association. Jessica is starting her career with KPMG.



Aboubacar (Abdul) Bah is the 2013 Shady Grove Service Leadership Award winner. Abdul displayed his leadership skills in serving as a student ambassador, an orientation leader, a guided study session leader, and especially in his two-year leadership of the Shady Grove Accounting and Business Association Chapter. Outside of activities at the Shady Grove campus, Abdul found time to work as a Certified Parts Professional at Darcars Imports and to volunteer with the Marilyn J. Praisner Community Recreation Center. Abdul is now working for the CPA and business advisory firm of Snyder Cohen, and is currently earning his MS in our Saturday Shady Grove Program.

SERVICE RECOG



▶ **JAPP Conference Coordinators,**
*from left: Alnoor Bhimani (LSE),
 Martin Loeb (Smith School),
 Lawrence A. Gordon (Smith School),
 Salvador Carmona (IE Business School)*

JOURNAL OF ACCOUNTING AND PUBLIC POLICY CONFERENCE AT IE BUSINESS SCHOOL

The 2013 Journal of Accounting and Public Policy (JAPP) Conference

was held at IE Business School, at its Segovia (Spain) campus. This is the second in a series of conferences that rotates among the London School of Economics (LSE), IE Business School and the University of Maryland's Robert H. Smith School of Business.

The theme of the second conference was "Accounting and the World Economic Crisis." The conference attracted roughly 35 Accounting Scholars from a variety of countries, including Australia, Singapore, Spain, U.K. and the U.S. A special issue of JAPP will be published based on the papers and related discussions presented at the conference. A keynote address was

given by Shyam Sunder, professor of accounting, economics, and finance at Yale University. The title of Sunder's talk was "Role of Accounting in the Global Financial Crisis: Financial Reporting in a World of Financial Engineering."

Next year's conference will be hosted by the Smith School. The theme of the 2014 conference will be "Accounting and Risk Management." The Editor-in-Chief and Editor of JAPP are Smith School's Professors Lawrence Gordon and Martin Loeb, respectively. JAPP's focus is on the intersection of accounting and public policy, with a preference for papers that use theoretical or empirical analysis to illuminate the effects of accounting on public policy or vice versa. JAPP is one of a small number of select accounting journals covered by the prestigious Social Science Citation Index (SSCI). The number of submissions to JAPP continues to grow at a double-digit rate each year.

Dulany Wagner is the recipient of the 2013 AIA Department's Service Award based on her outstanding service to the department and the Smith School. Dulany was one of the 12 outstanding accounting majors who were selected as Accounting Teaching Scholars (see Page 8). Dulany went above and beyond her responsibilities as a teaching assistant, and made it her personal mission to see her students succeed. Outside of the accounting program, Dulany participated in the QUEST honors program, Quantitative Finance Fellows, and was a member of the peer leadership council. Currently, Dulany is pursuing her CPA certification while working at PwC.

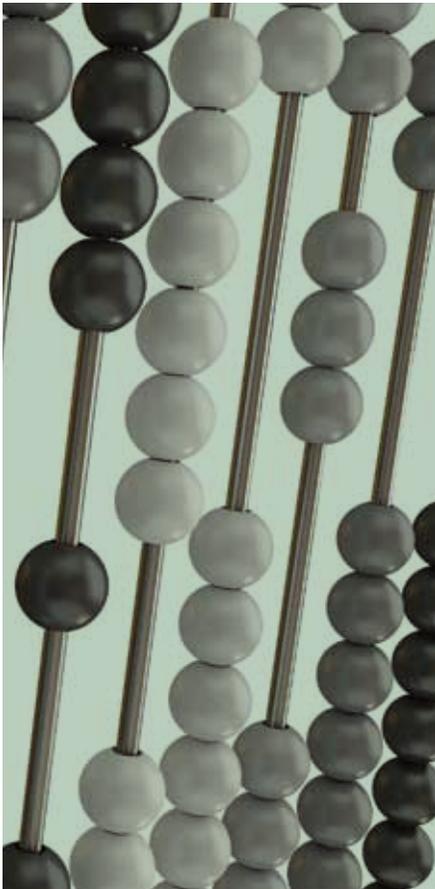
▶ AIA Faculty Member Progyan Basu presenting Dulany Wagner with the 2013 AIA Service Department Award.



NITION

MS PROGRAM— ENHANCED FLEXIBILITY

MASTER OF SCIENCE IN BUSINESS: ACCOUNTING



In the fall 2013 semester, members of Cohort 8 began their studies in our Master of Science in Business and Management, Accounting program. The students enter each fall as a cohort, and our MS program consists of 30 credits, eight of which are electives.

Currently, we have two sections of our MS program on the College Park campus and one section at the Shady Grove campus. The Shady Grove program has classes only on Saturdays and the College Park sections have classes during the week.

This fall, we have added new flexibility to our MS program. In addition to our traditional emphasis on internal auditing, by using their eight credits of electives, students can now also choose from two additional options. The first option is an emphasis in tax, allowing a student to take up to four tax courses. The second option provides a student with the

alternative of emphasizing both internal auditing and tax.

In our efforts to meet the increasing needs of the accounting profession, for students entering in fall 2014 and beyond, the program will offer even more flexibility. We plan to extend our offerings in tax and add additional courses in financial accounting and independent auditing. This flexibility will be accomplished by permitting those students not emphasizing internal auditing to take 14 credits of electives.

More information about our Master of Science, Accounting program can be found at rhsmith.umd.edu/programs/ms-programs/accounting.

LEVERAGING TECHNOLOGY IN THE GENE CANTOR'S TAX CLASSES DRAW HIGH PRAISE

Eugene (Gene) Cantor '72 returned to his alma mater as adjunct lecturer in 2005, after earning a JD from Emory University, an LLM in tax from Georgetown University, and gaining years of experience in the government and the private sector, as well as adjunct teaching experience at other institutions. Gene is also a Maryland CPA and a member of the Florida Bar. At the Smith School, Gene teaches tax courses both at the undergraduate and graduate levels.

A naturally gifted teacher, Cantor is a leader in bringing technology into the classroom. He uses a tablet PC that enables him to post class notes and other annotated materials on the class Canvas website, and employs the Panopto Online Video Platform to deliver examination review lectures. He has experience teaching online courses and is participating in the development of the Smith School's new Online MBA Program.

NINTH ANNUAL CYBERSECURITY FORUM

FINANCIAL INFORMATION SYSTEMS AND CYBERSECURITY: A PUBLIC POLICY PERSPECTIVE

Ira Greenstein, chief information systems Officer with the Maryland State Retirement Agency, delivered the Ira Shapiro Memorial Lecture at the Ninth Cybersecurity Forum.

The University of Maryland's Robert H. Smith School of Business, in partnership with the School of Public Policy, hosted the Ninth Annual Forum on Financial Information Systems and Cybersecurity: A Public Policy Perspective, on Jan. 16, 2013. The forum brought together 70 leading experts from around the world to discuss cybersecurity issues. AIA Professors Lawrence Gordon and Martin 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 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 activities are part of a wider university focus on cybersecurity issues, which are addressed by the Maryland Cybersecurity Center (MC2). MC2 brings together experts from engineering and computer science and colleagues from across campus in fields such as economics, business, social sciences and public policy to help establish broad-based cybersecurity initiatives.

The 10th Annual Cybersecurity Forum will be held at the Smith School on Jan. 8, 2014, in cooperation with the Department of Homeland Security. The focus of the 10th forum will be on President Obama's recent directive related to cybersecurity.



CLASSROOM

Cantor's classes continue to be well-received. He has won the Top 15% Teaching Excellence Award every year since joining the adjunct faculty and in 2007 was recognized with the Smith School's prestigious Krowe Teaching Award.

He currently serves as special counsel in the Securities and Corporate Practices Division of the Law Department of the Office of the Comptroller of the Currency. His previous positions have included investigative auditor for the General Accounting (renamed Government Accountability) Office and staff attorney for the Securities & Exchange Commission.



HIGHLIGHTS OF RECENT AIA FACULTY PUBLICATIONS



Professor Lawrence A. Gordon published a paper in the November 2012 issue of *The Accounting Review*, titled, “An Analysis of Multiple Consecutive Years of Material Weaknesses in Internal Control,” co-authored with former AIA doctoral student (now Dr.) Amanda Wilford. The findings presented in the paper provide strong evidence that the negative market impact on a firm’s cost of equity from reporting material weaknesses in internal control systems increases in direct proportion to the number of consecutive years that such weaknesses are reported. The findings, however, also point out that remediation of some of the material weaknesses reported from year to year can reduce this negative market impact on the firm.

Another paper by **Gordon**, together with **Dr. Martin Loeb** and former AIA doctoral student Wenjie Zhu, was published in the May-June 2012 issue of the *Journal of Accounting Public Policy*. This paper, titled, “The Impact of IFRS Adoption on Foreign Direct Investment,” shows that the adoption of the International Financial Reporting Standards has a significantly positive impact on the amount of foreign direct investment inflows to developing countries, but not to developed countries.

The conventional view among practitioners and researchers is that organizational form does not matter for a firm’s cost of capital. In a paper titled, “Corporate Diversification and the Cost of Capital” in the October 2013 issue of the *Journal of Finance*, **Rebecca Hann**, together with Maria Ogneva and Oguzhan Ozbas from the University of Southern California, presented evidence that is contrary to the conventional view. Hann and her co-authors found that combining business units with imperfectly correlated cash flows can lead to a reduction in systematic risk and hence cost of capital. This finding has novel implications for valuation and capital budgeting as ignoring coinsurance effects may yield incorrect firm value and NPV estimates, particularly in the context of diversifying mergers and acquisitions.



◀ Rebecca Hann

When explaining earnings performance, managers often exhibit a self-serving bias wherein they attribute favorable performance to internal causes and unfavorable performance to external causes. In a paper titled, "Are Seemingly Self-serving Attributions in Earnings Press Releases Plausible? Empirical Evidence," to be published in a forthcoming issue of *The Accounting Review*, **Michael Kimbrough** and Isabel Wang from Michigan State University document that investors respond to such seemingly self-serving explanations based on the concurrent performance of same-industry peers. As well as the degree to which a firm's earnings have historically moved together with the overall market and firms in its industry. Collectively, the results demonstrate that investors neither ignore seemingly self-serving attributions nor accept them at face value, but rely on industry- and firm-specific information to assess their plausibility.

Stephen Loeb continued his work in the area of accounting ethics education publishing his paper "Education in Accountancy and Social Control: Questions and Comments" in the Nov. 2012 issue of *Issues in Accounting Education*.

In the February 2012 issue of *Management Science*, **Nick Seybert** (together with Holly Yang from the University of Pennsylvania's Wharton School) published an article titled, "The Party's Over: The Role of Earnings Guidance in Resolving Sentiment-Driven Overvaluation." This paper shows that an important link between investor sentiment and firm overvaluation is optimistic earnings expectations, and that management earnings guidance aids in resolving sentiment-driven overvaluation.

In a criminal justice system, punishments have the potential to promote a variety of valuable aims through traditional means of incapacitation, deterrence, and moral education. An article by **Jim Staihar**, published in the May 2013 issue of *The Journal of Philosophy* (one of the most prestigious journals in the field of philosophy), argues that a punishment can also fulfill another valuable function previously unexamined. Staihar's paper, titled, "Punishment as a Costly Signal of Reform," presents the case that a punishment has the potential to serve as a costly signal of a criminal's reform.

Most stock market experts believe shareholder input is good because it presses managers to do their best to maximize returns. But how does liquidity — the availability of shares to buy and sell — affect that shareholder involvement? To probe this question, **Emanuel Zur** along with Vivian Fang of University of Minnesota, and Alex Edmans of the University of Pennsylvania's Wharton School, examined three issues: how liquidity affects the likelihood that a hedge fund acquires a large stake, how liquidity affects the governance mechanism that the hedge fund chooses to employ after acquiring the large stake, and how liquidity affects the stock price reaction to these acquisitions. Their conclusion, described in their paper, "The Effect of Liquidity on Governance" published in the June 2013 issue of *Review of Financial Studies*, is that higher liquidity does encourage shareholders to behave in ways that effectively press managers to improve returns.

WALL ST





▲ **2013-2014 Accounting Teaching Scholars:** From left: 2012-2013 Faculty Co-Champion Gregory Pfeiffer, Leslie Cox, Ashley Caudle, Matthew Chin, Annette Schibler, Chris MacLane, Kristen Ballou, Stefan Iacono, Dennis Tran, Jude Hanlein, Kendall Sterling, 2012-2013 Faculty Co-Champion and 2013-2014 Faculty Champion Progyan Basu. *Not pictured:* Sara Bleistein and Hubert Shiau

ACCOUNTING TEACHING SCHOLARS PROGRAM CONTINUES TO SHINE

The Accounting Teaching Scholars (ATS) program, which is a part of the Smith School's Undergraduate Fellows Program, has established a reputation for being one of the most rewarding and engaging experiences for Smith undergraduate accounting majors. The program selects 12 of our top undergraduates majoring in accounting to serve as teaching assistants in our department's two Accounting Principles courses. These classes are taught in large lecture sections, and are supplemented by smaller breakout sections. The ATS serve as discussion leaders in these breakout sections and hold several office hours

A DOZEN COMPETITIVELY SELECTED AIA STUDENTS GAIN IN GIVING

every week to provide one-on-one help to over 2,000 students enrolled in these two classes. In the process, our ATS develop amazing communication and problem-solving skills. Working as a team, our scholars go a long way toward improving the learning environment in the Principles courses. In the end-of-semester course evaluations, a large number of our students remark how they appreciate the help received from our ATS. Thanks to the support received from our corporate and accounting firm sponsors, we are pleased to provide a stipend to our scholars!

ACCOUNTING TEACHING SCHOLARS BANQUET



▲ Dulany Wagner and Wesam Hasnain



▲ Leslie Cox and Hubert Shiau

“Being an ATS heightened the caliber of my education at the Smith School. Through the ATS program, I was able to apply my hard skills and hone my soft skills. The ATS program taught me to be quick on my feet and to see information through others’ eyes. Professionally, I feel more adaptable and prepared for challenges.”

— DULANY WAGNER

A GRAND SLAM FOR EY PROFESSOR!

LAWRENCE GORDON
WINS 4TH KROWE TEACHING
EXCELLENCE AWARD



Lawrence A. Gordon, EY Alumni Professor of Managerial Accounting and Information Assurance, was the recipient of the coveted 2012-2013 Krowe Teaching Excellence Award. Thanks to the generosity of Accounting alumnus and former Texaco VP Allan Krowe, the Krowe Teaching Excellence Awards were established in 1986 to recognize those who have shown superior teaching skills.

These awards are considered to be the Smith School's most prestigious award honoring teaching excellence. Winning one of these coveted awards is a clear mark of a faculty member's teaching excellence. In Gordon's case, **this is the fourth time he has won a Krowe Award — setting what appears to be a Smith School record!**

WELL DONE!

NEW LIVING-LEARNING PROGRAM IS ACES

ADVANCED CYBERSECURITY EXPERIENCE FOR STUDENTS

The University of Maryland's Honors College is offering a new interdisciplinary Living-Learning Program in cybersecurity called ACES (Advanced Cybersecurity Experience for Students). This new program educates future leaders in the field of cybersecurity by offering a living-learning undergraduate program (aces.umd.edu). In the spring of 2014, **Lawrence A. Gordon** will be offering a new Honors Seminar as part of this program, "**Accounting and Economic Aspects of Cybersecurity.**" Gordon was invited to participate in this new program based on his pioneering research activities related to Cybersecurity Economics (with Martin Loeb). Gordon and Loeb's research on Cybersecurity Economics has been supported by the National Security Agency and is currently being funded by the Department of Homeland Security. In 2007, Dr. Gordon provided congressional testimony on their stream of research before a subcommittee of the U.S. House Committee on Homeland Security.

RESEARCH OF DEPARTMENT'S PHD

ACCOUNTING INSIGHTS INTO FUTURE MOVES BY THE FED

PhD Students Gallo and Li Present Findings at the American Accounting Association's Annual Meetings

At the 2013 Annual Meetings of the American Accounting Association (AAA) in August, doctoral students **Lindsey Gallo** and **Congcong Li** presented their paper, "Aggregate Earnings Surprises, Monetary Policy, and Stock Returns," which was co-authored with faculty member **Rebecca Hann**. The Fed's monetary policy has been in the spotlight in the wake of the recent financial crisis. It has been widely argued that the Fed's loose monetary policy contributed to the recovery of the equity market. Not

surprisingly, investors and market analysts (including the so-called "Fed watchers") spend a considerable amount of time and effort to predict the Fed's future monetary policy stance. Is accounting information useful in predicting the Fed's next move?

The paper by Gallo, Li and Hann provides evidence suggesting that it is. Specifically, they find that aggregate earnings growth can predict future changes in inflation and unemployment—two key inputs to the Fed's monetary policy decisions. More importantly, they find that aggregate earnings can predict future changes in the federal funds rate. In particular, the Fed tends to adjust monetary policy by increasing the federal funds rate (i.e., adopt tight monetary policy) following positive aggregate earnings and (i.e., adopt loose monetary policy) following negative earnings growth.

Gallo's primary research interest is the role of disagreement and uncertainty in the capital markets. Besides presenting at this year's AAA Annual Meeting, she served as a discussant at the 2013

Financial Accounting and Reporting Section meeting of the AAA. Lindsey is a graduate of the University of Michigan's Ross School of Business where she received her undergraduate and master's degrees in accounting.

In addition to her work on the role of accounting in macroeconomics, Congcong Li is also interested in disclosure, assets mispricing, litigation and debts. Li presented her first year summer paper, "The Effect of SEC New Disclosure Requirement on CEO Pay-Performance Sensitivity" at the 2012 AAA Annual Meetings.



▲
Lindsey Gallo



▲
Congcong Li

STUDENTS TAKES CENTER STAGE

AIA DOCTORAL STUDENT CHAD HAM AWARDED \$5,000 RESEARCH PRIZE

Charles (Chad) Ham, now a fourth-year doctoral student, was recognized with the Gerald and Deana Stempler Competition Award for his work titled, "Narcissism is a Bad Sign: CEO Signature Size, Investment, and Performance." The award is granted to a Smith School doctoral student for the best research paper examining issues related to leadership and principles of management in organizations. Ham's paper, co-authored with AIA faculty member **Nick Seybert** and Sean Wang from the University of North Carolina, measures narcissism via CEOs' signature sizes in public filings. They find that firms led by more narcissistic CEOs overinvest and perform worse, yet their CEOs earn higher compensation. Their work has gained the attention of the popular press, being featured in articles published by the *Harvard Business Review*, *Businessweek.com*, and *ABCNews.com*, among others.

FROM PARIS TO LA, MARYJANE RABIER TAKES HER RESEARCH TO LEADING CONFERENCES

AIA doctoral student **MaryJane Rabier** has a special research interest in mergers and acquisitions. She currently is working on a dissertation examining the role of accounting in target valuation and how accounting can be used to measure financial and operational synergies. At the European Accounting Association (EAA) Congress in May, Rabier presented the results of one research project, and at the American Accounting Association (AAA) Meetings in August, she presented her work on another project.

At the EAA meetings in Paris, Rabier presented her paper titled, "Do Merger Market Participants Use Accounting Information?" In this paper, MaryJane finds that accounting information is used by both acquirers and target firms as a

bargaining tool in the merger market, and that matched acquirers and targets tend to have similar pre-merger accounting performance.

At the AAA meetings held in Anaheim, Calif., Rabier presented her paper, titled, "Disclosure of Management Accounting Information and Operational Efficiency: An Examination of Same Store Sales Disclosures," co-authored with AIA faculty members **Michael Kimbrough** and **Hanna Lee**. In this paper, which reflects MaryJane's other interest in voluntary disclosure mechanisms, the authors find that the disclosure of same store sales, a popular performance metric used in the retail industry, shifts retail managers' focus to short-term performance and has negative consequences for operational efficiency and long-term earnings growth.



▲
Charles Ham

▲
MaryJane Rabier

FULL-TIME ACCOUNTING AND INFORM



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 8) 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 now serves as the Associate Chair of the Department and a Tyser Teaching Fellow. He holds a doctorate in accounting from Northwestern University and a Masters degree in Engineering Science 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*. Recently he has been working on corporate financial policy choice and evolution in China, a key project funded by the National Natural Science Foundation of China.

AIA FACULTY

ATION ASSURANCE FACULTY

Michael Finch, PhD, is the senior Tyser Teaching Fellow in the department. 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.



Lawrence A. Gordon, PhD, is the EY 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 PhD seminars on empirical financial accounting research. Her research examines issues surrounding financial reporting and disclosure, corporate diversification, financial distress, and the role of accounting information in the macroeconomy. Hann has published in leading accounting and finance journals, including *The Accounting Review*, the *Journal of Accounting and Economics*, the *Journal of Accounting Research*, the *Journal of Finance*, and the *Review of Accounting Studies*.



New AIA Faculty

Mary Thomas Keim, PhD, Tyser Teaching Fellow, joined the AIA faculty in January 2013. She earned her PhD in 1998 from Carnegie Mellon University and her BA from Hastings College. She is a licensed CPA and has more than 20 years of experience teaching accounting and business topics at the undergraduate and graduate level. Her research areas have been in accounting for not-for-profits and in teaching cases, primarily in the area of accounting ethics. She has been an active member of the American Accounting Association, the American Institute of CPAs, and the California Society of CPAs. At the Robert H. Smith School of Business, she teaches primarily Intermediate Accounting, Auditing and Managerial Accounting at the undergraduate level. She also serves as an Assistant Program Director for our MS program.



FULL-TIME ACCOUNTING AND INFORM



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.



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 a member of the American Accounting Association and currently serves on the editorial board of *The Accounting Review*.



Hanna Lee, PhD, Assistant Professor of Accounting and Information Assurance, joined the AIA faculty in 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.



Martin Loeb, PhD, is Professor of Accounting and Information Assurance, a Deloitte & Touche Faculty Fellow, and an affiliate professor in the University of Maryland Institute of Advanced Computer Studies. He earned his doctorate at Northwestern University, and published papers in *The Accounting Review*, *ACM Transactions on Information and System Security*, *The American Economic Review*, *Contemporary Accounting Research*, *Journal of Accounting Research*, *Journal of Computer Security*, *Journal of Law and Economics*, *Management Science*, and *MIS Quarterly*. Loeb served on editorial boards of *The Accounting Review*, *Journal of Business Finance & Accounting*, and *Review of Accounting Studies*. He is currently an editor of the *Journal of Accounting and Public Policy*. Loeb's papers have over 4,000 Google Scholar citations.



Stephen Loeb, PhD, is EY 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. In 2010, Steve received the Accounting Exemplar Award, from the Public Interest Section of the American Accounting Association "for his notable contributions to professionalism and ethics in accounting education." He continues to serve as Academic Director of the Smith School's Master of Science in Business and Management—Accounting program. He also is an Associate Director of the new Center for the Study of Business Ethics, Regulation, and Crime.

ATION ASSURANCE FACULTY

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 a member of the University Senate and 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.



Nick Seybert, PhD, Assistant Professor of Accounting and Information Assurance, 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 in 2010, Seybert was a faculty member at the University of Texas at Austin's McCombs School of Business.



James Staihar, JD, PhD, Assistant Professor of Accounting and Information Assurance joined the Accounting and Information Assurance faculty in 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, Staihar 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 recent paper in *The Journal of Philosophy*.



New AIA Faculty

Emanuel Zur, PhD, Assistant Professor of Accounting and Information Assurance, joined the faculty this fall. Prior to joining Maryland's AIA faculty, Emanuel was an assistant professor of accounting at Baruch College and a visiting assistant professor at MIT's Sloan School of Management. He holds an LLB in law and a BA in economics from Tel-Aviv University in Israel, as well as an MPhil in management, and a PhD in business administration (accounting) from New York University's Stern School of Business. Before entering academia, Emanuel worked as a consultant for EY and as a lawyer for one of the leading law firms in Israel. His research has been published in the *Journal of Finance* and the *Review of Financial Studies* and he has presented research papers at leading universities in Asia, Europe, and North America. His work on hedge fund activists have been cited in such media outlets as CNBC, *The Washington Post*, *Forbes Magazine*, and *The New York Times*. When not working, Emanuel spends time with his wife and children or lifts odd objects while crossfitting.





GLORY DAYS!

▲ **NABA Team and Advisor:**

From left: Jeff Megayo, Shanice Sandiford, Seymone Ellis, Nkem Nwogbo, and James McKinney

▲ **ALPFA Team:**

From left: Avilene Rubio, Johanna Perdomo, Valeria Nogales, Jacqueline Reyes

AIA STUDENTS RETURN WITH GOLD AND SILVER IN NATIONAL CASE COMPETITIONS

In June, a team of Maryland AIA students returned victorious from a national case competition held in Nashville, Tenn.

The case competition was held as part of the national convention of the **National Association of Black Accountants (NABA)**. The Maryland team consisted of Smith School NABA chapter members, senior **Seymone Ellis**, junior **Jeff Megayo**, freshman **Nkem Nwogbo**, and junior and current NABA Chapter President **Shanice Sandiford**. **James McKinney**, the faculty advisor for the Maryland NABA chapter, along with KPMG professionals, coached the team.

At the national convention of the **Association of Latin Professionals in Finance and Accounting (ALPFA)** held at the National Harbor in August, the Smith School's team won second place in this year's KPMG/ALPFA Case Study Competition. The competition included teams from over twenty universities. The team consisted of **Valeria Nogales**, **Johanna Perdomo**, **Jacqueline Reyes**, and **Avilene Rubio**, with **Alex Grant** serving as an alternate. ALPFA's faculty advisor, **James McKinney**, served as a coach for the team along with KPMG professionals.

Student-run accounting organizations, NABA and ALPFA, along with the **Accounting and Business Association (ABA)**, provide Smith School students with numerous opportunities to enhance their education and career opportunities. In addition to sponsoring educational presentations from accounting professionals, these organizations provide social and community outreach events. All these activities and events give students numerous chances to network with professionals and fellow students.

Gary Bulmash serves as the faculty advisor for the College Park ABA Chapter and **Nile Webb** (a retired Deloitte partner and a long-time adjunct in the department) for the Shady Grove Chapter.



The College Park ABA's signature event is its annual **Accounting Career Fair**, which attracts a variety of firms, professional accounting organizations, and hundreds of students.

Pictured are the Co-Presidents of the College Park ABA Chapter, **Matt Chin** and **Danielle Renaldo**.

AIA FACULTY PARTICIPATE IN INTERDISCIPLINARY RESEARCH CENTERS

MARYLAND CYBERSECURITY CENTER (MC2)

In 2010, the University of Maryland created the Maryland Cybersecurity Center (MC2). MC2 provides a comprehensive approach to cybersecurity education, research and technology development, stressing interdisciplinary solutions to complex cybersecurity related problems. AIA faculty members, **Lawrence Gordon** and **Martin Loeb**, pioneers in the area of cybersecurity economics research, are involved in the innovative research associated with MC2. For example, the **Gordon-Loeb Model** (published in a leading computer science journal and later featured in *The Wall Street Journal* and the

Financial Times) addresses the issue of the appropriate amount to invest in cybersecurity activities. Gordon and Loeb's research has been supported by the National Security Agency and is currently being supported by the Department of Homeland Security.

CENTER FOR THE STUDY OF BUSINESS ETHICS, REGULATION, AND CRIME (C-BERC)

The University of Maryland has approved the establishment of a new center, the Center for the Study of Business Ethics, Regulation, and Crime (C-BERC), which involves both the Smith School and the

College of Behavioral and Social Sciences. The director and four associate directors of the center include a faculty member from the Department of Criminology and Criminal Justice and four faculty members from the Smith School. Both **Stephen Loeb** and **James Staihar**, AIA faculty members, are associate directors of C-BERC.



A TERP RETURNS: LEI ZHOU ENJOYING BEING BACK AT SMITH SCHOOL

After earning a BS degree in Economics and Management from China's prestigious Tsinghua University, Lei Zhou, currently a visiting assistant professor in the AIA Department, came to the Smith School to do her doctoral work. Lei's doctoral thesis was on information security auditing and, upon completing her PhD, she joined the accounting faculty of McGill University. She has published her research in the *Journal of Computer Security* and the *European Accounting Review*. Zhou enjoys teaching managerial accounting to Smith MS and undergraduate honors students, and continuing her research on cybersecurity economics.



How you can help:

As with any organization, the department, the Smith School, and the university welcome your contributions to fund their activities. The department uses contributions to fund items and actions that include the cost of this newsletter, Advisory Board activities, curriculum development grants for course revision and creation, and faculty travel and research. If you would like to contribute, please make your check payable to the "University of Maryland College Park Foundation" and indicate on the check where you would like your money applied.

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ALUMNI ENGAGEMENT OPPORTUNITIES

Have you been looking for ways to get more involved with the Smith School and its students? The Office of Alumni Relations is seeking alumni to share their time and talent to help strengthen Smith's brand. There are opportunities for alumni to be mentors, case competition judges, panelists, participate in events and so much more. Send an email to alumni@rhsmith.umd.edu.

Accounting News 2013- 2014

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