

Publications

(First goal: to conduct research that I am proud of.

Second goal: to publish research in top-tier academic journals.)

1. "[Does Income Smoothing Improve Earnings Informativeness?](#)" with Paul Zarowin. *The Accounting Review*. January 2006, vol. 81(1): 251-270.

Comment: This paper is easy to read and provides a good literature review for Ph.D. students.

2. "[Classification and Market Pricing of the Cash Flows and Accruals on Trading Positions](#)" with Stephen Ryan and Paul Zarowin. *The Accounting Review*. March 2006, vol. 81 (2): 443-472.

Comment: This paper has found an untapped niche in the literature and uses panel data well.

3. "[Is openness penalized? Stock returns around earnings warnings.](#)" *The Accounting Review*, July 2007, vol. 82 (4): 1055-1087.

Comment: This paper is a good read for researchers who are interested in self-selection issues and has been used in Ph.D. seminars at numerous schools.

4. "[To guide or not to guide? Causes and consequences of stopping quarterly earnings guidance.](#)" with Joel Houston and Baruch Lev. *Contemporary Accounting Research*, Spring 2010, vol. 27(1): 143-185.

Comment: This paper has been widely cited by premier financial press and has been used in Ph.D. seminars at numerous schools.

5. "[Within-industry timing of earnings warnings: Do managers herd?](#)" with Senyo Tse. *Review of Accounting Studies*, December 2010, vol. 15 (4): 879-914. It was formerly titled "Industry-wide dynamics in earnings warnings."

Comment: This paper is unique in identifying the research issue, questing for theories, and applying duration models. The paper has inspired financial theorists and is the only study cited in the introduction text of Acharya, Demarzo, and Kremer ("Endogenous information flows and the clustering of announcements," *American Economic Review*, 2011, 101: 2955-2979).

6. "[Is silence golden? Earnings warnings and subsequent changes in analyst following.](#)" *Journal of Accounting, Auditing & Finance*, Summer 2010, vol. 25 (3): 431-456.

Comment: This paper is one of only a few archival accounting papers examining the role of reputation in voluntary disclosure.

7. "[Large sample evidence on firms' year-over-year MD&A modifications.](#)" with Stephen V. Brown. *Journal of Accounting Research*, May 2011, vol. 49 (2): 309-346.

Comment: This paper has introduced the cosine similarity method to the accounting literature.

8. “[Do managers use earnings guidance to influence street earnings exclusions?](#)” with Ted Christensen, Kenneth Merkley, and Shankar Venkataraman. *Review of Accounting Studies*, 2011, vol. 16: 501-527.

Comment: This is the first empirical paper on non-GAAP earnings guidance.

9. “[Selection bias and econometric remedies in accounting and finance research](#)”. *Journal of Accounting Literature*, 2010, vol. 29: 31-57.

Comment: The article discusses two types of bias—selection bias due to observables and selection bias due to unobservables—in a unified framework and shares my observations about the applications of the propensity score matching method that addresses selection bias due to observables and the Heckman inverse-Mills-ratio method that addresses selection bias due to unobservables. The article has been used in Ph.D. seminars at numerous schools.

10. “[Non-earnings Corporate Guidance](#)” with Hung-Yuan (Richard) Lu. *Financial Management*, winter 2012: 947-977.

Comment: The article is the most extensive study about non-earnings forward-looking disclosure and an attempt to expand the management forecast literature from its narrow focus of earnings. It uses two years of data from S&P 500 firms.

We voluntarily excluded a reconciliation table from the notes for Table IV of the published version. The table reconciles the odds ratio in a multinomial logit model with the marginal effects. [Click here](#) to see the reconciliation table at the end of that document. Now I regret excluding this table at the last minute.

11. “[Causes and consequences of disaggregating earnings guidance](#),” with Benjamin Lansford and Baruch Lev. *Journal of Business, Finance and Accounting*, January/February 2013, vol. 40 (1)&(2): 26-54. The paper was formerly titled “Why do firms issue disaggregated earnings guidance? The archival evidence.”

Comment: This is the first archival study on management earnings forecast disaggregation and another attempt to expand the management forecast literature from its narrow focus of earnings. It uses two years of data from S&P 500 firms. The study has been widely cited.

We excluded Appendix C from the published version to reduce paper length. The appendix compares hand-collected earnings guidance with CIG guidance and also describes the frequency of non-GAAP earnings guidance. [Click here](#) for that appendix. Now I regret excluding this table at the last minute.

12. “[Does the midpoint of range earnings forecasts represent managers’ expectation?](#)” with Will Ciconte and Marcus Kirk. *Review of Accounting Studies*, June 2014, vol. 19 (2): 628-660.

Comment: The study questions the conventional wisdom of using the midpoint of range earnings forecasts as managers’ expectations.

13. “[Analyst information production and the timing of annual earnings forecasts](#),” with Sami Keskek and Senyo Tse. *Review of Accounting Studies*, December 2014, vol. 19 (4): 1504-1531.

Comment: The study is a combination of an intriguing question, well-grounded theories (e.g., herding), and excellent graphs. We were surprised and entertained by what we found.

14. "[Meeting individual analyst expectations](#)," with Marcus Kirk and David Reppenhagen. *The Accounting Review*, November 2014, vol. 89 (6): 2203-2231.

Comment: The study looks through consensus forecast to the gems of individual forecasts.

15. "[The relation between disclosure quality and reporting quality: A discussion of Cassell, Myers, and Seidel \(2015\)](#)." *Accounting, Organization and Society*, 2015, vol 46: 39-43.

Comment: This discussion emphasizes the portfolio view of corporate disclosure.

16. "[Securitization and insider trading](#)," with Stephen Ryan and Ying Zhou. *The Accounting Review*, March 2016, vol. 91(2): 649-675.

Comment: This is my second paper about banks. We find that one consequence of complex financial engineering is that insiders take advantage of the complexity and therefore opacity by trading for personal benefits.

17. "[Corporate disclosure and research opportunities in China](#)," with Xinmin Zhang. *China Journal of Accounting Studies*, 2016, vol. 4 (1): 1-14.

Comment: The article is based my keynote speech at the Accounting Research Conference (November 2014, Beijing) organized by the Chinese Accounting Association.

18. "[Board hierarchy, independent directors, and firm value: Evidence from China](#)," with Jigao Zhu, Kangtao Ye, and Kam Chan. *Journal of Corporate Finance*, 2016, vol 41: 262-279.

Comment: We observe an interesting phenomenon that Chinese companies do not list their directors alphabetically or in any other mechanical order. We interpret the listing order as board hierarchy, reflecting power allocation within the board. Our evidence suggests that empowering independent directors increases firm value through stronger monitoring. The study uses both questionnaire survey and archival analysis.

19. "[The spillover effects of SEC comment letters on qualitative corporate disclosure: Evidence from the risk factor disclosure](#)," with Stephen V. Brown and Xiaoli Tian. *Contemporary Accounting Research*, 2018, 35 (2): 622-656.

Comment: We use the risk factor disclosure as a setting to examine the deterrence benefit of the SEC review of qualitative disclosures. To my knowledge, this is the second study examining the risk factor disclosure (Item 1A of 10-K filings). The study is one of the top downloaded *CAR* articles within the 12 months following online publication.

20. "[The effects of a mixed approach toward management earnings forecasts: Evidence from China](#)," with Xiaobei (Beryl) Huang, Xi Li, and Senyo Tse. Formerly titled "Mandatory vs. voluntary management earnings forecasts in China" and "The effects of management earnings forecast mandate: Evidence from China," *Journal of Business Finance & Accounting*. 2018, 45: 319-351.

Comment: Many financial reporting and disclosure regulations are not purely through the visible hand (the government mandate) or the invisible hand (the market forces). We examine a mixed approach (one hand is visible and the other is not) in China and document the pros and cons of this approach. Even though we use Chinese data, our study provides insights on information disclosure issues, especially in emerging markets.

21. “[Technological peer pressure and product disclosure](#),” with Sean Cao, Chi Wan, and Guang Ma. *The Accounting Review*, 2018, 93 (6): 95-126. The technological peer pressure (TPP) measure is available at the link: <http://guangma.info/data.html>.

Comment: We introduce a cool measure of product-market competition that can be used for individual firms in any given year. More importantly, we call researchers’ attention to the multidimensionality of product-market competition and capital-market disclosure. The study uses both experimental and archival methods. It cost me some gray hair to learn how to design and run experiments.

22. “[Concurrent earnings announcements and analysts’ information production](#),” with Matthew Driskill and Marcus Kirk. *The Accounting Review*, 2020, 95 (1): 165-189.

Comment: Our evidence suggests that even financial analysts, who serve as information specialists, are subject to limited attention. To our knowledge, this is the first study that provides direct evidence on analysts’ limited attention.

23. “[The tradeoff between relevance and comparability in segment reporting](#),” with Lisa Hinson and Diana Weng. *Journal of Accounting Literature*, 2019, 43: 70-86.

Comment: We examine the tradeoff between financial reporting relevance and comparability due to the use of the management approach for segment reporting.

24. “[The corroboration role of management earnings forecasts in private loan markets](#)” with Xinghua Gao, Yonghong Jia, and Nick Krupa. *Journal of Accounting, Auditing & Finance*. Forthcoming.

Comment: I have enjoyed learning about debt contracting—a new research area for me. Thanks to the open-minded editor, the published version is close to and has improved from our original idea of interest.

25. “[Textual analysis in accounting: What’s next?](#)” with Khrystyna Bochkay, Stephen V. Brown, and Andy Leone. *Contemporary Accounting Research*, 2023, 40 (2): 765-805.

Comment: We overview various natural language processing (NLP) methods in one unified framework. We discuss various approaches for establishing construct validity in the context of text-based measures. Our coverage of the revolution of deep learning models can help readers understand what P (for “pre-training”) and T (for “transformers”) mean in the buzz word ChatGPT. Many accounting and finance scholars have considered the article a must-read for doctoral students and junior researchers.

26. “[Technological peer pressure and skill specificity of job postings](#)” with Yi Cao, Shijun Cheng, and Chi Wan. *Contemporary Accounting Research*, 2023, 40 (3): 2106-2139.

Comment: Human capital is a major impetus for technological innovation. We examine the relation between the technological dimension of product market competition and the disclosure of skill

requirements in job postings. This is one of the first accounting studies that use job postings big data.

27. [“Financial statement similarity,”](#) with Stephen V. Brown and Guang Ma. *Contemporary Accounting Research*, 2023, 40 (4): 2577-2615. The firm-pair and firm-year measures of financial statement similarity along with coding guidance are downloadable at <https://guangma.info/data.html>.

Comment: We propose financial statement similarity as a measure of financial reporting comparability. Our measure uses the presence and amounts of almost all financial items reported by a firm. The firm-pair version of our measure can help managers and market participants identify peer firms. The firm-year version of our measure can help market participants, regulators, and auditors screen firms for further attention. This study is the first in accounting to use Mahalanobis transformation.

28. [“Incremental usefulness of parent-only balance sheets to debt holders: Evidence from banks,”](#) with Ying Zhou and Jigao Zhu. *Accounting Horizons*. Forthcoming.

Comment: General-purpose financial statements prepared under GAAP are for a consolidated reporting entity—a collection of legal entities that include the parent and any subsidiaries it controls. This reporting model results in a loss of information about the individual legal entities within the consolidated reporting entity. Driven by the research question, we have dived in and learned a ton.

29. [“Private-loan disclosure covenant and voluntary public disclosure of management guidance,”](#) with Nick Krupa and Ruby Lee. *Journal of Accounting, Auditing & Finance*. Forthcoming. The paper won the Best Plenary Session Paper award at the 2023 JAAF Conference.

Comment: Debt markets and equity markets are the two major sources of corporate capital. Prior research typically examines only one type of markets standalone. We examine whether the information demands of *private* lenders affect the information environment of borrowers' *public* shareholders. We find that a firm's contractual obligation to provide projected financial information to private lenders increases the quantity and breadth of its voluntary guidance to public shareholders.

30. [“Financial statement adequacy and firms' MD&A disclosure,”](#) with Stephen V. Brown and Lisa Hinson. *Contemporary Accounting Research*, 2024, 41 (1): 126-162.

Comment: Firms are required to provide financial information via the financial statements and the MD&A—a narrative explanation of the financial statements. Our study examines how firms use the MD&A channel when their financial statement channel is inadequate. This study is one of the first in accounting and finance to use deep learning models on textual data. See Figure 2 on p.44-45. This study is the first to systematically document the variety of non-GAAP disclosures in the MD&A vs. the earnings announcement press release. See Figure 1 on p.43.

31. [“Intraday disclosure timing deviations and subsequent financial misreporting,”](#) with Angie Wang. *Journal of Accounting and Public Policy*.

Comment: The same management team makes multiple reporting and disclosure decisions under similar incentives based on input from the same information system. We examine whether the way in which a firm makes minor disclosure decisions (e.g., using a different intraday window from its recent pattern) is a telltale sign for outsiders to evaluate seemingly unrelated but more consequential financial reporting decisions. Our study challenges the conventional wisdom that

managers hide bad news outside of normal trading hours. We started the project with 8-K filings and later executed the idea on earnings announcements. Among all reviewers we have had, the *JAPP* reviewer provided the most insightful suggestion. Despite the long journey, the project has been fun.

Very grateful to my coauthors, anonymous reviewers, and editors.