

PATON CENTER FOR

# PATON RESEARCH & EDUCATION CENTER

IN ACCOUNTING

ANNUAL REPORT 2020



## AT THE PATON ACCOUNTING CENTER

This year has presented us with extraordinary challenges as we continue to reimagine the shape of higher education in this time of COVID-19. It has also presented us with unique opportunities for transformation and innovation in the design and delivery of accounting education, teaching, and research.



In the summer months of 2020, Paton faculty and staff worked tirelessly to prepare a lengthy proposal for submission to Michigan Ross leadership, highlighting the ways in which we will change and adapt to meet the wide-ranging academic challenges of this global pandemic.

We are exceptionally proud of the leadership of Scott DeRue, Edward J. Frey Dean of Business, Michigan Ross, and his team, who have risen to the moment with steadfast commitment to provide solutions in this unprecedented time.

As we continue to address the most pressing issues facing the center, we turn our focus to our three primary constituencies: faculty, students, and public accounting firms.

One of our greatest challenges is to continue to support faculty in their research programs, particularly the junior members. We are also working with our PhD students to create greater opportunities for them to engage with faculty to advance their work and move their research programs forward. And we remain focused on strengthening our engagement with public accounting firms to improve coursework for our students and advance opportunities for recruitment and job placement.

Currently, we are preparing for the annual Harvey E. Kapnick Accounting Conference, held in April 2021, which supports our mission of excellence in accounting research at Michigan Ross. Now in its sixth year, the event brings together top academics who share their current research on various accounting topics with faculty and students. This year, due to COVID-19, we envision outside faculty members presenting their most recent research work to PhD students via online channels.

In closing, I am truly honored to be reappointed director of the Paton Center for another three-year term. Working together and building on our strengths, I am certain that we will emerge from this difficult time stronger than ever.

### **Reuven Lehavy**

Victor L. Bernard-PricewaterhouseCoopers LLP  
Collegiate Professor of Accounting and  
Faculty Director, Paton Accounting Center

# RYAN BALL, PHD, USES HIS UNIQUE BRAND OF STORYTELLING TO GENERATE INTEREST IN THE FIELD OF ACCOUNTING

As a member of the teaching faculty for the Michigan Ross Online MBA Program, Ryan Ball, PhD, clinical assistant professor of accounting, is allotted a budget and given access to a film director from the Ross Office of Digital Education to develop online educational tools.



Over the summer, Ball worked with the crew to produce a series of videos, to be used in tandem with course instruction for “Corporate Financial Reporting” (ACC 564), which was recently expanded from an in-person class for the daytime MBA program to an equivalent experience for the Online MBA Program.

“The objective of these videos is to capture the attention of students: sort of like a coming attraction,” says Ball, whose research focuses on understanding how high-frequency economic activities differentially affect and are affected by low-frequency accounting information using a mixed data sampling approach.

“Intermediate accounting can be the most boring topic on the face of the earth, but it doesn’t have to be that way. Nobody comes to an MBA program to become an accountant,

but students need to know accounting. It’s like eating your vegetables: you just have to do it,” he says. “I’ve used these trailers to tell interesting stories and to make accounting more relatable to everyday life.”

One such example is **Income Taxes: The Fluffy Truth**. “This video introduces students to the incentive role of taxes, which is different from the transparency role of financial accounting and reporting—the focus of my course,” he explains. “I use the massive tax benefits afforded to alpaca owners as a unique way to introduce these concepts. We filmed on location at the Triple Diamonds Alpaca Ranch in Howell, Michigan, just 30 minutes north of Ann Arbor. The entire crew and I had a lot of fun that day!”

Another example is **Go Blue! Or Go Buckeyes!** “This video introduces many properties of accounting through the lens of evaluating which is the better college football team in terms of their win/loss records: the U-M Wolverines or Ohio State Buckeyes,” says Ball. “The goal is to introduce students to my background from Ohio in the heart of Buckeye country; discuss how they might use information about wins and losses to decide on the better team, similar to trying to pick winner and loser companies in which to invest/divest; offer a fun way to start out our first

synchronous class session; and give students a chance to feel as if they are a part of the Wolverine culture.”

Ball was able to recruit Michael Waltrip, two-time winner of NASCAR’s Daytona 500, and a former *Dancing With the Stars* contestant, to make a cameo appearance in this video. He has also used this case in past teaching to introduce current and former NFL players to accounting as part of the annual NFL Business Boot Camp at Michigan Ross led by Francine Lafontaine.

A three-time recipient of the Michigan Ross Neary Teaching Excellence Award, Ball was also the first Michigan Ross faculty member to receive the University of Michigan’s Golden Apple Teaching Award in 2016, which gives students the unique opportunity to acknowledge an exceptional professor who then delivers a last lecture on a selected topic to the greater university community. “It was an honor to be recognized by the Ross MBA students, and to be able to give a last lecture at Rackham Auditorium. It gave me the opportunity to reflect on my life and the journey I’ve taken,” he explains.

## THE MICHIGAN ROSS ONLINE MBA PROGRAM

Since its launch in September 2019, the Michigan Ross Online MBA Program has seen an 85 percent increase in enrollment. What began with a cohort of 72 students has now risen to 133 students, and is expected to increase in number as students navigate the educational challenges associated with COVID-19.

The program includes course offerings with self-guided modules and live, interactive class sessions; three in-person residencies on leadership, innovation, and business transformation via world-famous research centers; and personalized career planning and support; and is, by design, a highly interactive learning experience.

## FORGING A NEW VISION TO MEET THE CHALLENGES OF COVID-19

In July 2020, Greg Miller, PhD, Ernst and Young Professor of Accounting and Clyne Crawford Teaching Fellow, Michigan Ross, was reappointed chair of the accounting department for another three-year term. "My vision for the next three years is really unlike any other I've planned for in my role as chair," he says. "Under normal circumstances, I would already have a three-year plan in place. Right now, I have my sights set on more short-term goals as we continue to focus on all the moving parts of COVID-19 in the academic space. My immediate priority is to make sure that our students and faculty survive, and thrive, in the fall 2020 semester."



"We want to ensure that our students get the value they deserve, despite the trials of this global pandemic and the way it is changing teaching and learning."

### THE PATON MISSION

Miller explains that it is paramount the department remains true to its commitment to maintain a tradition of excellence in accounting education and academic research. "We want to ensure that our students get the value they deserve, despite the trials of this

global pandemic and the way it is changing teaching and learning," he says. "We owe it to them to continue to deliver the same quality of education we are known for, particularly because we don't know when COVID-19 will come to an end."

### PLANNING FOR THE 2020 FALL SEMESTER

Over the summer months, Miller and his colleagues worked assiduously to align with that mission — putting new systems in place where needed, experimenting with and mastering novel technologies, and leading training sessions for faculty, all the while sharing updated information about what was working and what was not.

"There has been an incredible amount of work that's gone into preparing for the fall semester," says Miller. "But overall, and as painful as it has been, we have created many of the experiences we were hoping to have. And I think we have figured out a way

to give our students a meaningful academic experience in this new normal. These efforts have given the department a whole new set of tools to draw upon so that when this is over, we will come out much stronger, and with a broader array of ways we can educate."

Nevertheless, challenges continue to arise daily, and adaptations need to be made. "Every time a wrinkle comes up at Michigan Ross, I need to stop and think about how it impacts the department, who needs to know about it, and how to solve the issue at hand," he explains.

## INCORPORATING NEW TECHNOLOGIES

Early on, faculty joined forces to practice Zoom teaching sessions in the classroom, and to share thoughts about how best to handle processes. “Collaboratively, we tried to figure out what variables students might face during these sessions and what needed to be resolved,” says Miller, who admits that he often lost sound during Zoom sessions or found that lighting was not up to par. “I did some research and added the Yeti microphone to improve

sound, and front lights to improve screen appearance, and passed this on to the group. It’s been invaluable for all of us to be able to share what we’ve learned along the way.”

Faculty also met regularly to consider new technologies and devices that might be a good fit for the department. This led to the addition of tripods, microphones, lighting aids, cameras, and monitors. With the

assistance of U-M Information and Technology Services, the department acquired a number of Wacom cordless, battery-free, pressure-sensitive digital pens for use by faculty. “I worked to get the device installed in all of our classrooms,” says Miller. “You just plug the Wacom into the computer and you can write on a PowerPoint.”

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## THE HYBRID LEARNING MODEL

In this new normal, Michigan Ross has adopted the hybrid learning model, which includes a combination of in-person and remote instruction. “We’re trying to draw a distinction between remote learning, which happens in real time, often with a set class schedule and required login times, and online teaching, such as the Michigan Ross Online MBA Program [OMBA],” says Miller. “These are two different approaches, and one is not necessarily better than the other. Rather, students select the learning experience that best fits them.”

A large part of the OMBA, which launched in 2019, does not require real-time interaction. Instead, content is available online for students to access when it best suits their schedules, and assignments are completed to deadlines. “The good news is that the Online MBA Program has given Michigan Ross an important digital resource to draw upon in this time of COVID-19,” says Miller. “I think relative to some of our peers, this is certainly an advantage.”

## THE CLASSROOM EXPERIENCE

As the remote component of the fall semester continues, some faculty have opted to teach from home, while others still head to the Michigan Ross building on Tappan Street to conduct

classes. “My classes are remote, but I still go to my room at Ross to make it a more class-like experience,” he explains. “I’m a huge proponent of the idea that things are better if we’re

standing and teaching, and moving around, than if we’re sitting still at a desk. A large portion of our faculty feel the same.”

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## MAINTAINING RESEARCH PRIORITIES

Another departmental priority is to continue to take care of faculty, particularly junior faculty, in their research endeavors. “We want to remain aware of how COVID-19 is going to impact their productivity, and

how they can keep their research going,” says Miller. “Although teaching often feels very immediate and so gets our attention, it is important that we not overlook the critical role of research to our mission.”

### MILLER’S RESEARCH IS RECOGNIZED BY IR UPDATE

Greg Miller, Ernst and Young Professor of Accounting, Clyne Crawford Teaching Fellow, and chair of the department of accounting, Michigan Ross, teaches the elective course, “Financial Communication and Investor Relations” (ACC 618) in the MBA program. The course, which is based on Miller’s research in investor relations, helps students learn about the flow of information in financial markets.

In the summer of 2019, the course was recognized by IR Update in an article titled “IR Courses Gaining a Foothold in Universities,” by Evan Pondel, illustrating the need for more investor relations courses at the university level. “There really aren’t many other universities teaching on this topic, despite the importance of communication with investors, creditors, and stakeholders as a whole,” says Miller.

# A NEW ROLE IN A NEW WORLD

## CATHY SHAKESPEARE ASSUMES INAUGURAL ROLE AS ASSOCIATE DEAN FOR TEACHING AND LEARNING

Cathy Shakespeare, PhD, associate professor of accounting and Arthur Andersen Professor of Accounting, was appointed Associate Dean for Teaching and Learning, effective July 2020. “This is a brand-new role at Michigan Ross,” says Shakespeare, whose research focuses on the effects of the financial reporting process on the decisions of managers and capital market participants. “My charge, which is multifaceted and evolving, is to elevate teaching and learning at the school. I’m very enthusiastic about getting started.”



Shakespeare credits the exceptional foresight of Scott DeRue, the Edward J. Frey Dean of Michigan Ross, in creating this new three-year term position well before the onset of COVID-19. “Scott has always embraced innovation. In this case, he decided that there would be value to having an appointed faculty member focused on teaching and learning, very broadly and across all degree programs,” she explains. “This global pandemic is rapidly changing where we are and how education will happen in this new normal. We have all been forced to change how we teach. I don’t think we will revert back to where we were at this time last year. Really, I don’t think we’re ever going back to that.”

Shakespeare notes that Michigan Ross was already moving into this new space, with offerings such as the

Online MBA Program and other digital education. “We already had capabilities that were embedded within the school that we could deploy,” she says. “As such, I think we are well placed to embrace this new normal in a way that will serve our students well.”

In addition to her other duties, Shakespeare runs the Michigan Ross sophomore signature learning experience. “We use a really cool online tool, called ‘Tandem,’ that was developed by the U-M Center for Academic Innovation to enhance teamwork in courses,” she says. “Recently, Tandem was adapted in our course, ‘Businesses and Leaders: The Positive Differences’ [BA 200]. One of my charges in this new role is to inform my colleagues about tools such as this, and how they might be valuable to others across the school. That’s how we will capture and push out innovation.”

All the while, Shakespeare remains vigilant about faculty development for her junior assistant professor colleagues. “While teaching is important to them, they’re also under a lot of pressure to conduct research. We want to make sure that everyone is getting the right combination of faculty development for teaching, given the rest of their portfolio requirements,” she notes.

In the months to come, Shakespeare will devote considerable attention to

STEM. “A lot of people think about the MAcc program and don’t really associate it with being STEM-based. Instead, they associate accounting with bookkeeping and not much more than debits and credits,” she says. “In reality, there’s a huge amount of data analytics happening in that space, and I think there has to be a rethink around it. Accounting is shifting to a much more dynamic world where STEM capabilities are critical. Many of our classes are introducing, or have incorporated aspects of, what’s really necessary for the data analytics world. Our challenge is to think about how we can give our students the STEM skills and capabilities to manage in an ever-changing world.”

She will also take a deeper dive into the concept of “assurance of learning,” which is a large part of academic learning. “As a school, how do we know that students are learning what we think they’re learning?” says Shakespeare. “Michigan Ross is up for accreditation in AY2022/2023, so we want to continue to evaluate our strategies to ensure that all of our degree programs are extremely robust.”

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## FOCUS ON RESEARCH AND INNOVATION

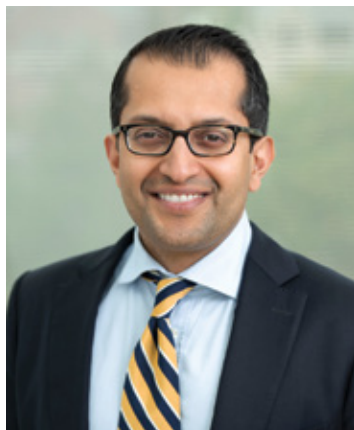


### VENKY NAGAR

**Venky Nagar**, PhD, KPMG Professor of Accounting, and Teitelbaum Research Scholar, Michigan Ross; Merle Ederhof, PhD, research scientist, Stanford University; and Madhav Rajan, PhD, University of Chicago Booth School of Business, published a study titled **“How Economically Significant Are Unused Capacity Costs? A Large-Scale Empirical Analysis,”** in the March issue of *Management Science*. In this research they used confidential census data on manufacturing plants to examine the reporting effects of unused capacity costs. These costs are almost always listed as a major risk factor in the management discussion and analysis section of the annual reports of manufacturing firms, but actual data on them is scarce.

The confidential census data on manufacturing plants used in this study is available at a highly secure facility on campus. Access to this facility, which is connected to the census on a private network with no internet access, is monitored by the AAPD and requires FBI and other federal agency approval. Michigan is among a handful of schools in the country with such facilities on campus.

Nagar and his colleagues found that changes in accounting for unused capacity can change reported operational profit metrics by up to 26 percent, on average. This significant result explains why the Statement of Financial Accounting Standards 151 Proposal to immediately expense parts of unused capacity received such severe pushback from firms that the Financial Accounting Standards Board capitulated. Nagar presented this study at various prestigious conferences, including the London Business School Accounting Symposium.



### MIHIR MEHTA

A study by **Mihir Mehta**, PhD, assistant professor of accounting, and Ernst & Young Faculty Fellow, Michigan Ross, titled **“Shadow Trading,”** was recently accepted for publication in *The Accounting Review*, one of the leading academic accounting journals. In the study, Mehta and his colleagues, David Reeb, PhD, and Wanli Zhao, PhD, professor of finance at Hanqing Advanced Institute of Economics and Finance at the Renmin University of China in Beijing, investigate and find that corporate insiders attempt to circumvent insider trading restrictions by facilitating trading in competitors

and supply chain partners, an activity the authors label as “shadow trading.”

To identify situations in which insiders could use their private information to facilitate shadow trading, the researchers focus on corporate announcements related to earnings news, mergers and acquisitions activity, and the release of new products. These announcements represent the release of private information held by corporate insiders. The authors then document that immediately before one of these corporate announcements by a focal firm, the focal firm’s competitors and supply chain partners display increased informed trading levels in their stocks. Each news event appears to represent a significant opportunity for profitable trading — the researchers estimate that the average profit from a single shadow trading event ranges from about \$140,000 to over \$650,000.

The authors also consider that there are alternate and less-nefarious explanations for their findings. For instance, shadow trading may reflect trading activity by sophisticated investors who use proprietary (and legal) methods to acquire private information or reflect unobserved market structure characteristics. To examine these possibilities, they conduct two sets of analyses using events that change insiders’ incentives to engage in shadow trading but are unlikely to affect other possible explanations. The findings from both groups of tests support the notion that the primary results reflect shadow trading activity.

The authors also examine whether firms can directly influence the extent of shadow trading. Firms have incentives to prohibit their employees from engaging in shadow trading because the public revelation of such activities could adversely affect their business relationships. Further analyses show that shadow trading activity is

relatively lower when firms explicitly mandate prohibitions against it in their employee handbooks.

Overall, the study has important regulatory implications because investor confidence in the integrity of capital markets is a critical factor in the design of prohibitions and enforcement against insider trading (e.g., see Bushman et al. 2005). Consistent with the paper’s potential impact, it was recently selected for the Best Paper in Corporate Finance Award by the Financial Management Association at their annual meeting.



### JIM OMARTIAN

**Jim Omartian**, PhD, assistant professor of accounting, Clyde Crawford Teaching Fellow, and Teitelbaum Research Scholar, Michigan Ross, published a paper titled **“Regulatory cooperation and foreign portfolio investment,”** co-authored with Mark Lang, Mark Maffett, and Roger Silvers, in the *Journal of Financial Economics*. A large literature on cross-listing shows that foreign firms cross-list in the US to take advantage of the US financial markets. However, given that cross-border enforcement is so difficult for the SEC, the value of cross-listing as a bonding mechanism has been questioned. The paper exploits a setting where, in a staggered fashion, countries’ securities regulators agreed to greater



cooperation. Once a country agrees, funds tilt their portfolios toward firms from that country that cross-list in the US. The impact is quite large—the enforcement shift accounts for roughly \$110 billion in foreign investments. Cross-sectional results suggest that regulatory cooperation matters the most for funds that are most likely to have difficulty obtaining information about the firms, and from non-US investors, pointing to significant spillovers for foreign investors from the SEC's enforcement efforts. Omartian presented this paper during the plenary session of the American Accounting Association's Financial Accounting and Reporting Section's 2019 Midyear meeting.



## HEIDI PACKARD

**Heidi Packard**, PhD, Coopers and Lybrand, Norman E. Auerbach Assistant Professor of Accounting, Michigan Ross, continues her research in the area of executive compensation and corporate governance. She recently wrote a paper titled **"Voluntary Performance Disclosures in the CD&A,"** which was selected for the 2020 Colorado Summer Accounting Research Conference. The paper finds that voluntary discussion of performance in the proxy statement can help shareholders better assess pay packages. Her paper, "The Cyclicity of CEO Turnover," was featured on Bloomberg.com in December 2019. The paper finds that CEOs time their

retirement around economic growth periods, and avoid retiring during recessions. She presented this paper at several prestigious accounting conferences and universities during the past academic year.



## CHRIS WILLIAMS

**Chris Williams**, PhD, associate professor of accounting, Clyne Crawford Teaching Fellow, Michael and Joan Sakkinen Faculty Fellow, and faculty director of the accounting PhD program, Michigan Ross, along with Regina Wittenberg-Moerman, PhD, Accounting Circle Professor of Business Administration, The Marshall School of Business, University of Southern California, and Michigan accounting PhD graduate Andrea Down, PhD, assistant professor of accounting in the Department of Management at the University of Toronto Scarborough, have a new working paper titled **"Strategic Syndication: Is Bad News Shared in Loan Syndicates?"** In the paper, the authors use loan syndication data and FDA inspections assembled through the Freedom of Information Act to investigate whether lead arrangers of loan syndicates exploit their informational advantage at the expense of the participant lenders. The evidence supports the idea that lead arrangers do seem to exploit their informational advantage at the expense of participating banks. The paper also

provides evidence that the mandatory disclosure from the Open Government Initiative that made all FDA inspections publicly available as well as voluntary disclosure by borrowers mitigated the lead arranger's ability to take advantage of participating banks. These findings provide evidence on the potential impact of both voluntary and mandatory disclosure in contracting arrangements.



## GWEN YU

**Gwen Yu**, PhD, Arthur Andersen Professor of Accounting, and associate professor of accounting, Michigan Ross, published two papers on the role of information intermediaries in emerging markets. In the first paper titled **"Network-based agency conflicts and delegated portfolio management,"** Yu examines whether social ties facilitate information flows within the context of the mutual fund industry in China. Prior US-based studies have shown this to be true. However, it is also possible that close ties can also foster inefficient favoritism, leading to collusion and corruption. She shows evidence of favoritism where mutual funds overweigh connected firms' stocks in their portfolio, especially in times of poor investee performance.

The second paper **"Information dissemination through embedded financial analysts,"** delves more deeply into the role of private networks for

financial analysts in China. Yu shows how connected analysts act as information disseminators in markets where information contains proprietary information that is hard to verify. When connected analysts stop covering a firm, firms experience lower quality in their information environment. The findings suggest that there are positive externalities from having an embedded analyst through the information transfers that spill over to analysts outside the network. Both papers were recently published in *The Accounting Review*.

Currently, Yu is working on new projects that are closer to the field, collaborating with regulators and firms in emerging markets. In her most recent study **"Calling for transparency,"** she partnered with a social media platform operated by a major stock exchange in China to examine how investors can pressure firms to provide better disclosure using a field experiment. Her goal is to better understand the drivers of transparency, or the lack thereof, and find ways to better promote corporate disclosure in these markets.

# NEARY TEACHING EXCELLENCE AWARDS

The Neary Teaching Excellence Awards are selected by the student body in recognition of outstanding contributions to the academic learning experience at Michigan Ross. The stipends that accompany the awards are made possible by the generosity of the late Robert D. Neary (1934–2017), BBA '55, and Janet E. Neary, AB '54. Robert Neary's career with Ernst & Young spanned 38 years. One award is given per academic program: BBA, BMA, PhD, Executive MBA, Global MBA, and MAcc.

## FULL-TIME MBA TEACHING EXCELLENCE AWARD



Assistant Professor of Accounting  
Lindsey Gallo, PhD, who is also the

Coopers and Lybrand, Norman E. Auerbach Assistant Professor of Accounting, and Jones Research Scholar, Michigan Ross, received the Full-Time MBA Teaching Excellence Award for her course, "Corporate Financial Accounting" (ACC 564). The six-week class is an intermediate financial accounting instruction to deepen understanding of the advantages and limitations of using the accounting model to track firm performance in economic decision-making.

"I was surprised and so happy to receive this award, since it was my first semester teaching in the MBA program," says Gallo, who recently made the transition from the BBA program. "It was validation that the students got a lot out of the course. As an educator, there's not really much more you can ask for than being acknowledged by your students."

Gallo clearly enjoys working with the MBA program. "The MBA students have been in the workforce and are approaching each problem with their own

set of experiences," she says. "This really adds to the richness of the discussions you can have in the classroom. Also, it gives me a little more opportunity to bring a real-world spin to everything that I am teaching."

Gallo's research focuses at the intersection of accounting and macroeconomics, and looks at how firms respond to macroeconomy. She earned a PhD in accounting from the University of Maryland Robert H. Smith School of Business, and her MAcc and BBA in accounting and finance at Michigan Ross.

## MAcc TEACHING EXCELLENCE AWARD



Gwen Yu, PhD, Arthur Andersen Professor of Accounting, and associate professor of accounting, Michigan Ross, is this year's recipient of the MAcc Teaching Excellence Award. The honor highlights the course "Financial Statement Analysis I" (ACC 711), a six-week, master of accounting capstone course providing a comprehensive, systematic framework for using financial statements in business analyses, and

demonstrating how to use the information to evaluate financial performance of firms.

"What is unique to this course is that it takes an interdisciplinary approach," says Yu. "Unlike a lot of other accounting classes — where you start with the accounting and then try to understand how the accounting accounts for the economic transaction — we start with trying to understand the nature of the business and the economics first, and then we ask what would be the best way to account for this transaction. This approach allows students to be creative with accounting."

Yu points to the common skepticism in the accounting profession with regard to earnings management and financial reporting fraud. "Whenever you become creative or try to put your own

thoughts into the measurement process, people get nervous and think you're doing something fishy," she explains. "But at the end of the day, accounting is about measurement. And measurement is not that straightforward. It requires judgment and thinking and creativity, and this course brings that back into place. The reason that we exist, especially in this age of AI and technology, is that our MAcc students are better than the machine. They can make these judgment calls and think like human beings."

Her research focuses on how accounting information affects economic outcomes, especially in the international setting. "I study how information travels across borders, and the restrictions that arise inside and outside the firm when you go from one

country to another, such as language and cultural barriers, and how those barriers manifest in the communication process," says Yu.

She earned a PhD in accounting from the University of Michigan, where she also earned a master's degree in applied economics. Prior to joining Michigan Ross in 2017, Yu was a faculty member at the Harvard Business School in the accounting and management unit.

Yu is especially honored to be acknowledged by this prestigious award, despite the unexpected challenges of the onset of COVID-19. "The course ended abruptly this year with the pandemic, and for many students it was the last in their degree program. I hope I was able to put a good end-note to their Ross experience. If I did, that in itself would be an honor," she explains.

# DAVID WOOTEN

## NAMED ASSOCIATE DEAN FOR ONE-YEAR MASTER'S PROGRAM AT MICHIGAN ROSS

David Wooten, PhD, is the Alfred L. Edwards Collegiate Professor, University Diversity and Social Transformation Professor, and professor of marketing at Michigan Ross. He previously served on the faculties of the Columbia Business School, University of Florida Warrington College of Business, and Cornell Charles H. Dyson School of Applied Economics and Management. In July 2020, he was appointed associate dean for the one-year master's program at Michigan Ross.



### Q. How long have you worked at Ross and in what capacities?

A. I have worked at Ross for 21 years, mostly as a faculty member. However, I also served as interim marketing area chair (2014), marketing area chair (2016-2017), faculty director of diversity and inclusion (2016-2017), and now associate dean for one-year master's programs.

### Q. What was the focus of your last research?

A. My last published paper examined the "presenter's paradox" in the context of customer service interactions. A presenter's paradox is exhibited when presenters, in this case service providers, act in ways that are misaligned with the preferences of their audience. In that paper, my co-author and I showed that, as presenters, waiters/waitresses favor uninformative explanations when customers ask about poor service.

They also tend to accept blame for poor service even when it is not their fault. However, as their audience, customers tend to give lower tips when they receive uninformative explanations or when they believe that the waiter/waitress was responsible for the poor service.

### Q. What does it mean to become the associate dean for the One-Year Master's Program?

A. The One-Year Master's program encompasses the MAcc program, the Master of Management, as well as the Master of Supply Chain Management. I think of it as a new challenge and as an opportunity to work with a team of accomplished individuals for the benefit of a bunch of talented students.

### Q. What do you see as the greatest challenge currently facing the MAcc program?

A. I think the greatest challenge is maintaining a leadership position in a dynamic market. We continue to compete with top programs for the best and brightest students from around the world. Thus, there are competitive pressures to innovate and there are challenges associated with competing for global talent, especially during these unusual times.

### Q. What are your priorities for the MAcc program in the coming year?

A. The MAcc has a long and successful history at Michigan Ross. Our curriculum has always gone beyond the basics, but it's been several years since a formal curriculum review has commenced. As such we have prioritized such a review. With a curriculum task force led by Gwen Yu, I know we continue to exceed the expectations of stakeholders.

### Q. What else do you want MAcc students, alumni, and friends to know about you?

A. Good question. I imagine that the kinds of things people want to know are not the kinds of things I want to share and vice versa. I guess I'm pretty boring!



## CHARLES KLEMSTINE, PHD RETIREES AFTER 32 YEARS OF SERVICE

Lecturer Chip Klemstine, PhD, retired in August, 2019, after 32 years of service at Michigan Ross. During his tenure (1987-2019), Klemstine taught a wide range of courses, including: Advanced Management Accounting (graduate); Auditing and Assurance Services (graduate and undergraduate); Cost Accounting (undergraduate); Cost Management Systems (graduate); Entrepreneurial Accounting (graduate); Financial Accounting (graduate and undergraduate); Managerial Accounting (graduate, undergraduate, Daewoo Executive Program, and William Davidson Institute Executive Education); Multidisciplinary Action Projects (graduate); and Strategic Cost Management (graduate). Over the years he won five student awards for teaching excellence.

“From the first “Intro to Accounting” lecture sophomore year to the last audit class in the MAcc program, Professor Klemstine was a legend of Michigan accounting. His lectures were engaging and peppered with outbursts of valuable business and life advice. His cries of ‘You gotta draw a line in the sand!’ and ‘Keep your head on a swivel!’ were catchphrases in our MAcc class. Congratulations to Professor Klemstine (and what we assume is the last still-in-use overhead projector in the country) on a well-deserved retirement!

— Michael and Alison (Dunbar)  
Proppe, BBA ‘14/MAcc ‘15



### **Q. What are you most proud of in your long-standing career?**

**A.** I’m most proud of the number of students I taught and the fact that I was able to teach across seven graduate and undergraduate degree programs. Michigan Ross was a very rewarding environment because of the quality of the students and the administration’s commitment to providing a large number of elective courses for the students.

### **Q. Is there a mentor at Michigan Ross you’ll always be grateful for?**

**A.** My primary mentor at Michigan Ross was Professor Emeritus of Accounting Gene Imhoff, PhD. He advised me to focus on teaching auditing and accounting, and was most instrumental in setting me up for success. I also benefited from the guidance of Dave Wright, PhD, associate professor of accounting, and Bill Lanen, PhD, KPMG Professor Emeritus of Accounting, when I first began teaching at the graduate level. Finally, I want to mention Jeff Williams, lecturer of accounting, who advised and assisted me for 16 years in the introductory BBA financial accounting course.

### **Q. What is one of the major shifts you witnessed during your tenure?**

**A.** The major shift was the move from traditional lecturing to interactive teaching. When I first started in 1987, we would introduce material in class and then apply it in static settings. It was an efficient method for teaching technical material, but it didn’t set the students up for making decisions in the real world. A few years later, we moved to interactive lectures, student group work, and case-based class discussions that emphasized more realistic situations. This in turn led to the action-based courses that are now a signature feature of the Ross method.

### **Q. What legacy would you like to leave behind?**

**A.** I hope that my legacy is reflected in the impact I have had on the students I’ve taught over the last 32 years. As time passed, students would send me letters and emails to keep me up to date on their activities and the progress of their careers, many of them CPAs and corporate officers. It was always nice to hear from former students and this was one of the best parts of the job.

### **Q. What will you do next?**

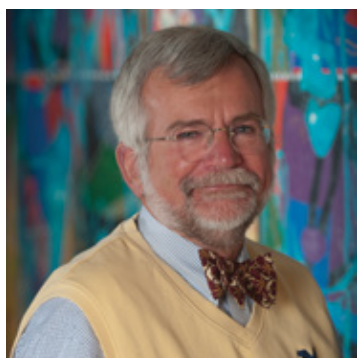
**A.** Initially, when I retired in 2019, I accepted a post-retirement appointment as an instructor, expecting to use a few years of part-time teaching to ease into the transition. But when the COVID-19 pandemic emerged in early 2020, I thought better of the idea and decided to fully retire. My wife and I expect to do many of the things other retirees do, such as spending more time with our kids and grandkids. We’re hoping to do some traveling as well. And there’s always a lot of reading to catch up on.

## MICHIGAN ROSS LECTURER

# THOMAS CRISTE

### RETIRES IN SEPTEMBER 2020

Lecturer of Accounting Thomas Criste retired in September 2020, after six years of service at Michigan Ross. During his tenure, Criste taught Accounting Information System Design (ACC 601) and Auditing and Assurance (ACC 630) during the fall and winter semesters. Prior to that, he was a partner at Deloitte, where he served in a number of national roles, including chief learning officer. Criste started his career in Pittsburgh and was transferred to Detroit, retiring after nearly 30 years with the firm. He and his wife Karen currently live in Harbor Springs, in northern Michigan.



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#### **Q. What are you most proud of in your career at Michigan Ross?**

**A.** I would say it was building relationships with the students, and mentoring them. That's why I taught: to spend time with young people who chose to enter the accounting profession. My focus was always very practical, not theoretical. I wanted to teach the students exactly what they needed to know when they showed up for their first job at an accounting firm. I still get feedback from firm partners that the students were well prepared for what they needed to do. I also wanted to instill in them the importance of the profession and the need for absolute integrity, independence, and trust.

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#### **Q. How did your longstanding career at Deloitte inform your teaching?**

**A.** The students would often ask me about my 30-year career at Deloitte. I don't think you could teach the two courses I taught as effectively without having been a practitioner. It was helpful to bring my unique experience and skillset to the classroom. The accounting profession requires judgment, planning, and an in-depth understanding of your client. It also requires you to think about risks, such as what the client might be doing that you don't know about and that you need to find out about.

Toward the end of my career at Deloitte, I convinced the firm that we should build our own training facility. In 2011, Deloitte launched "Deloitte University: The Leadership Center," an 800-room training facility in Dallas, Texas, which many of us in the firm believe has become the cultural center for the company.

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#### **Q. Was there a mentor at Michigan Ross you will always be grateful for?**

**A.** Roby Lehav, Victor L. Bernard-PricewaterhouseCoopers LLP Collegiate Professor of Accounting, and faculty director, Paton Accounting Center; and Greg Miller, PhD, Ernst and Young Professor of Accounting and Clyne Crawford Teaching Fellow, were the two people I would go to for advice and counsel. Both were always very receptive and responsive to helping me.

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#### **Q. How did your teaching style evolve over the years?**

**A.** As time went on, I learned how to better engage the students. Early on, I was doing most of the talking during a teaching session. Although I knew this wasn't the right course, at that point, I still wasn't comfortable getting the class engaged. One of the things I did to improve that was moving to a flat classroom [with straight tables, or pods]. Previously, I'd had a tiered classroom where students sat in a semi-circle. With the flat classroom, I could teach more efficiently. I tried to engage the students at their tables to discuss issues or mini-cases and share their views with the rest of the class.

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#### **Q. What role did you play in the Annual Datathon event at Michigan Ross?**

**A.** I was part of the judging panel. This annual event challenges students to develop solutions for complex business problems based on provided datasets. Teams are given some broad objectives for a problem to be solved by analyzing the data provided, along with additional data they may find relevant. They assemble a summary of their findings that is reviewed by a panel of faculty members and volunteers from the business community. The top teams coming out of that process prepare a presentation to a panel of judges who select the top three groups. They are judged on how well they use the data to address a problem, their ability to

integrate that data analysis into actionable business insights and plans, and the creativity applied in defining the problem and developing a solution. I enjoyed serving on the panel of final judges, and was very impressed with the Ross students' ability to quickly comprehend the problem and come up with very unique solutions, all in a matter of hours.

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#### **Q. What will you do next?**

**A.** My wife and I are traveling a lot now with a small RV that we recently purchased, along with everyone else it seems! We are getting ready to drive to Seattle to see our son and his fiancée. Also, we just got back from Long Island where my daughter and her husband, and our granddaughter, live right now. We also have a son in Chicago and a daughter, son-in-law, and two granddaughters in Milwaukee, so there are lots of travel options. The rest I will have to figure out as I go along, but I think it's safe to say I'm done working for a living.

**John Aland** - John investigates how bank subsidiaries' financial reporting decisions are influenced by peer subsidiaries reporting decisions. The findings from his paper suggest that subsidiaries take financial reporting actions that lead to financial performance measures that are similar to those of their related subsidiaries during periods of poor performance. Providing evidence that subsidiaries not only focus on their own performance but their performance relative to other subsidiaries within the holding company.

**Jerry Mathis** - Jerry examines how equity investors influence — and subsequently use — the sustainability information provided by publicly traded firms and how managers respond to this influence. Examining a mandatory conflict mineral disclosure required under Dodd-Frank, his results suggest that institutional investors shape the content of the information disclosed and can use the tailored disclosure to gain an informational advantage over retail investors. His findings show that management choose what information is disclosed based on the preferences of influential stakeholders and that this tailoring may change the usefulness of the disclosure for other stakeholder groups.

**Madeline Thompson** - Madeline investigates how transparency influences performance. Transparency is a popular solution currently for issues accountability for both corporations and governments. Using the fiscal transparency initiatives of state governments, Maddy assesses how being more transparent about spending impacts state performance. The findings from her paper suggest that while more transparent states are more efficient in their expenditures and more responsive to voters in how they allocate funds, they are also more selective in this responsiveness and less solvent. Providing evidence that while transparency improves current performance, it is also tied to more myopic decision making.



### CURRENT STUDENTS

Top Row: John Aland, McKenna Bailey, Kendall (Verbeek) Lynch, Jerry Mathis  
Bottom Row: Wei Shao, DJ Stockbridge, Madeline Thompson, Heather Woodcock

## PHD PROGRAM UPDATE

Eight highly qualified students comprise the 2019 cohort of Ross' PhD program, which is dedicated to educating the accounting researchers of tomorrow. The size of the group reflects the school's commitment to providing its students with close contact to faculty as well as real-world research opportunities.

- John Aland presented his paper (co-authored with Jeff Burks at Notre Dame) at AAA, and he attended the Deloitte Doctoral Consortium virtually in June
- Madeline Thompson attended the 2020 FARS Doctoral Consortium in January
- Wei Shao attended the 2020 FARS Doctoral Consortium in January
- DJ Stockbridge was selected to attend the first annual Hawaii Accounting Research Doctoral Institute (HARDI) PhD consortium in June 2021

### RECENT GRADUATES

2020	Andrea Down
2019	Ruby Lee
2018	Reginald Edwards
2017	Ryan McDonough
2017	Nayana Reiter
2016	Christina Synn
2015	Jason Chen
2015	Randall Hucks
2015	Jordan Schoenfeld
2015	Jed Neilson
2014	Brad Hendricks

### CURRENT JOB PLACEMENT

University of Toronto
University of Florida
Industry
Rutgers University
University of Toronto
University of North Carolina at Chapel Hill
University of Illinois Chicago
Eastern Michigan University
Dartmouth College
Pennsylvania State University
University of North Carolina at Chapel Hill



# DEVELOPING THE NEXT GENERATION OF ACADEMIC LEADERS

## WEI SHAO

Fourth year doctoral student Wei Shao joined the Michigan Ross PhD Accounting program in 2017. Shao earned an MA in East Asian languages and civilizations at the University of Pennsylvania, and a BA in accounting from Tsinghua University, Beijing, China.



### **Q. What is the focus of your research?**

**A.** My research focuses on how non-firm-initiated disclosure affects accounting behavior. For example, I look at changes in government regulations with regard to research and development disclosure, and how that affects capital markets. I also look at newspapers and how they play a role in detecting and reporting financial fraud.

### **Q. What brought you to Michigan Ross to pursue a PhD in accounting?**

**A.** Michigan Ross has an exceptionally good accounting program, and it's always been at the top of my list. My undergraduate work was in accounting, and I worked in public accounting at PricewaterhouseCoopers. I also worked in consulting. What I have learned through all of this is that research in how accounting works is what really interests me.

### **Q. What are your plans after finalizing your PhD program?**

**A.** I would like to find a tenure-track research position. I've been impacted by the exceptional faculty members here, and it's hard to imagine that I could someday be as wise as these mentors. I hope that I can pass down the same kind of wisdom and kindness to younger scholars.

### **Q. What important contributions would you like to make to the field?**

**A.** Traditional accounting research has focused on financial disclosure, such as earnings announcements, financial statements, and annual reports. Within the research community, I see an emerging trend to look at accounting outside of the traditional accounting reach. As a researcher, I would like to be a part of that trend, and to expand our understanding of the broader accounting world.

When I was teaching last semester, I asked my students on the first day of class what their impression was of accounting. Some, being quite honest, said, "It's boring." I want to change that when I become a scholar, by introducing the fun and exciting side of accounting to my students, and to the general public, through my research and stories that bring a new kind of interest to the profession.

### **Q. What is one of the best pieces of advice you received from a U-M faculty member?**

**A.** It would be about learning how to deal with your own imperfections and not being too harsh on yourself. Many times, when I compare myself to the established scholars, I feel so far behind. But the faculty here are very kind and generous and have reminded me that they, too, have been in this place and felt this way. To succeed you have to deal with your imperfections, and accept yourself.

### **Q. How would you describe the mentoring culture at Michigan Ross?**

**A.** There are so many good parts about Michigan Ross, and the mentoring portion is one that has benefited me very much. I especially enjoyed the casual daily contact with faculty members in the office, pre-COVID-19. We would talk in the hallways or during lunch about research and our lives. The faculty genuinely care about the students. These days, given the pandemic, we have regular Zoom meetings to keep in touch.

# NAMED SCHOLARSHIPS ARE AWARDED TO 50+ PHD AND MAcc STUDENTS



"This scholarship allowed me to complete my graduate degree without the financial burden that would it have put on me and my family. Had I not received a scholarship, I likely would have looked to another school, and I'm confident that I would not have gotten the quality and breath of programs that Ross offers. I will always be thankful for the support of the donors that made my fifth year in Ann Arbor possible."

—COOPER JENKINS, MAcc 2020



"In transitioning from my Kinesiology background into Accounting, very few people demonstrated any faith in my ability to successfully make the change. To me, this scholarship displays faith in my ability to succeed in Accounting and that means so much to me."

—DANIEL ROSE, MAcc 2020

Each year, dozens of advanced-degree Accounting students benefit from donor support in the form of scholarships. For some, it's the primary reason they are able to afford to further their education. For others, it's an affirmation of the commitment they are making to serve the public, both personally and professionally.

Scholarship recipients for academic year 2020-2021 include the following students.

## ACCOUNTING PHD SCHOLARSHIP RECIPIENTS

### *William A. Paton Accounting Scholarship*

John Aland  
McKenna Bailey  
Kendall (Verbeek) Lynch  
Jerry Mathis  
Angie Pae  
Wei Shao  
DJ Stockbridge  
Madeline Thompson  
Heather Woodcock

### *Robert F. and Phyllis J. Westover Scholarship*

Kendall (Verbeek) Lynch

## MAcc SCHOLARSHIP RECIPIENTS

### *William J. Adams Accounting Scholarship*

Tyler Davis

### *William J. and Donna W. Adams Scholarship*

Jackson Clark  
Geshuai Jiang

### *Arthur Andersen LLP Minority MAcc Scholarship*

Sarah Humphrey

### *Pamela Jane Bryant Accounting Scholarship*

Mackenzi Wagner

### *John Robert & Minnie Lee Bussey Scholarship*

Sarah Humphrey

### *Ralph G. Conger, Jr. Scholarship*

Holden Greene

### *Howard J. Cooper Scholarship*

Benjamin Fu

### *Deloitte Foundation-Carleton Griffin MAcc Scholarship*

Brian Galvin

### *Ernst & Young Scholarship for Excellence in Accounting Education*

Yifei Shu

### *Roy M. Jacklin Scholarship*

Axel Steinmetz

### *Harvey Kapnick Scholarship*

Jarod Char

### *Kelley, Peter M., MAcc Scholarship*

Nicolas Taylor

### *John & Michelle Koppin Scholarship*

Benjamin Fu

### *Leonard J. Kujawa/Arthur Andersen Scholarship*

Ryan Rodriquez

### *L. L. Laing Scholarship*

Yaqi Hu

### *Walter P. Lossing Memorial Educational Scholarship*

Daniel Bronska

### *MAcc Alumni Scholarship*

Mackenzi Wagner

### *MAcc Paton Scholarship*

Dylan Ehrnst  
Joshua Estell  
Alexandra Lorenz  
Gabrielle Otto  
Mackenzie Piesko  
Madison Ross  
Paul Rozek  
Benjamin Wolf

### *John F. McCarthy MAcc Scholarship*

Jackson Clark

### *Susan Meyer MAcc Scholarship*

Vince Tierney

### *Dorris C. Michalske Scholarship*

Nicolas Taylor

### *William A. Paton Accounting Scholarship*

Ryan Allport  
Sarah Humphrey  
John Lapceovich

Ryan Metzger  
Allison Rivi  
Tess Rubenzahl  
Vince Tierney  
Yuqi Zhang

### *William A. Paton MAcc Scholarship*

Jonathan Fite  
Hsiang Chen Meng  
Mary Mikha

### *Steven J. Petras Scholarship*

Jackson Clark

### *PriceWaterhouseCoopers MAcc Scholarship*

Hannah Vogelsang

### *Michael and Joan Sakkinen Accounting Scholarship*

Joanna Williams

### *Steih, Paul and Gail, Family Scholarship*

Axel Steinmetz

### *Gary Stein Memorial Scholarship*

Zhiyi (Jennie) Wang

### *Charles E. and Barbara C. Stilec Scholarship*

Yaqi Hu

### *Lynn A. Townsend Scholarship*

Tyler Davis

### *David Weston Scholarship*

Alexandra Lorenz

### *Robert F. and Phyllis J. Westover Scholarship*

Alexandra Lorenz

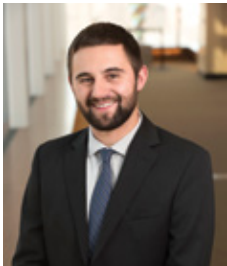
The Paton Center wishes to thank all the donors who made these scholarships possible.

# CONGRATULATIONS TO THE MA<sub>cc</sub> CLASS OF 2020

The One-Year Master's Program Office is pleased to announce that 92 graduates joined our alumni base last May! Among the class of 2020, 30 earned their undergraduate degree at U-M and 50 percent of graduates are female. The class boasted an incoming GPA of 3.7 and average GMAT of 670. Despite COVID-19, within six months of graduation, 95 percent of survey respondents had been offered a full-time job. Their MA<sub>cc</sub> experience didn't end quite the way they planned, but they navigated the term's uncertainty with a brilliance that foreshadows future success. Best wishes, Class of 2020 — we are so proud of you!

Xiaofei (Cassie) An	Mitchell Galovic	Min Gyu (Shane)	Kihoon Park	Xintong (Joyce)
Riley Berg	Zhenghong (Emma)	Kwak	Ryan Penkowski	Wang
Matthew Bluish	Gao	Jenie Li	Zoey Provenzano	Alexander Wang
Kyle Bujese	Emily Gordon	Jiatong Li	Dane Reinhart	Samuel Weeks
Mingming Cai	Claire Gordon	Guanyu (Alex) Li	Yi (Luna) Ren	Xinlu Wen
Dominic Cascino	Erika Hagglund	Grace Lindeman	Daniel Rose	Hui Wen
Whitney Chen	Yuwen (Mandy) He	Yang Liu	Ying Ruan	Tristin Wiegiers
Mengqi Chen	Yunong (Allen) He	Mengbo (Laurie) Liu	Ahmad Saad	Lauren Wong
Nan Chen	John Hood	Cameron Livernois	Anke Shi	Yiqian (Iris) Wu
Jackson Collis	Xiaoyi (Stanley)	Muqiu (Autumn) Ma	Allen Smith-Buford	Lili Xie
Mason Day	Huang	Yujie (Sarah) Ma	Kexin (Sophie) Su	Kevin Xu
Melina Delaporta	Alex Hulka	Hannah Ma	Blaise Surhigh	Zechao Xu
Michael Domiano	Matthew Israel	Timothy Martin II	Jillian Sweeney	Jiaying Xue
Zhangyin (Arthur)	Cui Jakubas	Andrew McAnelly	Chuan (Jessica) Tang	Qian (Claire) Yang
Dong	Cooper Jenkins	Joseph McDonald	Angelo Tolias	Xuelizi (Annabelle)
Alexis (Lexi) Dubreuil	Timothy Joumas	Xiangyu (Jeremy)	Tiffany Tsang	Zhang
Michael Ellerbrock	Kenneth Joynet	Mu	Eric VanVoorst	Bohan Zhang
Zachary Ford	Taylor Kinney	Noreen Nader	Kaitlin Waldron	Mengtao (Thomas)
Erica Freeburg	Benjamin Knowlton	Yiqing Niu	Shuqiang Wang	Zhang
Drew Galasso	Connor Krish	Zijian (Jack) Pan	Yuying Wang	Xiruo Zhao

## 2019 MA<sub>cc</sub> GRADUATES EARN THE PRESTIGIOUS ELIJAH WATT SELLS AWARD



Matthew Bauerbach



Maxwell Bradley



Sydney Samson

This award recognizes Uniform CPA Examination candidates who pass all sections of the exam on the first attempt within one calendar year, achieving a cumulative average score greater than 95.50 across all four sections.



PHOTO WAS TAKEN AT ORIENTATION WITH ALL ONE-YEAR MASTER'S PROGRAMS IN AUGUST 2019



# PATON FELLOWS SCHOLARSHIP PROGRAM WELCOMES 52 NEW ENTRANTS

In 2013, the Paton Fellows Scholarship Program was established to encourage and influence U-M undergrads to consider an accounting-related career.

Each year, a select group of rising juniors and seniors are chosen as Paton Fellows. If those students achieve a cumulative GPA of 3.3 in the fall term of their Paton Fellow year, they are automatically promoted to Senior Fellow. If Senior Fellows decide to pursue admission to the master of accounting program and maintain a 3.5 cumulative GPA at the time of application, they are guaranteed tuition assistance of at least \$15,000 in the form of a Graduate Student Instructor, Graduate Student Staff Assistant position or Paton scholarship funding.

The Paton Fellow classes of 2020-21 boast 52 students.

Our sincere thanks to the Kapnick family for their generous support of the Paton Fellow Program.

## 2020-2021 Senior Paton Fellows

Jessie April	Matt Frazin	Austin Morton	Vince Tierney
Grant Buchmiller	John Gadbois	Alex Munteanu	Jung Tuan
Benny Chen	Gabriella Gessner	Alana Papa	Hayley Vassallo
Roger Crimmins	Joshua Hartman	Garrett Powell	
Aryanna Dadabbo	Kevin Kapanowski	Michael Sternbach	
Thomas Dye	John Lapcewich	Christopher Streng	
Darryl Frank	Liyang (Leo) Luo	Sierra Taylor	

## 2020-2021 Paton Fellows

Madeline Adler	James Fadden	William Lee	Leo Sabin
Savannah Ahluwalia	Elizabeth Frucci	Thomas Mack	Evelyn Velasco
Andrew Arias	Odessa Fung	Sydney Maddox	Justin Wilton
Zeinab Ayoub	Caley Halloran	Alec McAnelly	Suzanna Yik
Lindsey Bertone	Joshua Klein	Sarah Morgan	Richard Yoo
Lucy Buie	Matt Kocis	Hursh Motwani	Xinyu (Cindy) Yu
Nakul Chadha	Elias Koury	Sandie Quinn	
Julia Chapman	Kate Krolkowski	Elizabeth Randall	





# MICHIGAN ROSS HOLDS FIRST SCHOOLWIDE VIRTUAL COMMENCEMENT CEREMONY VIA ZOOM

## NINETY-TWO STUDENTS FROM THE MICHIGAN ROSS MAcc PROGRAM ATTEND PERSONALIZED COMMENCEMENT CEREMONY

Due to the onset of COVID-19, Michigan Ross held its first schoolwide virtual commencement ceremony via Zoom on May 1, 2020. As part of that celebration, 92 graduating students from the Master of Accounting (MAcc) Program, the #1 mid-sized MAcc program in the United States, joined together for a personalized commencement ceremony via Zoom.

"The Michigan Ross Program Office did a really great job in planning and executing the event. The ceremony

was very special and very personal," says Taylor Kinney, former president of the Michigan Ross MAcc Student Association, who has since returned to her hometown of Houston, Texas, where she works at Deloitte in the multistate tax service line. "We were able to have friends and family join as well, many of whom might not have been able to travel to Ann Arbor to be here in person."

The MAcc group worked together to create a class video that played during

the commencement ceremony. "This wouldn't have happened if it had been the traditional in-person commencement," she explains. "The event lasted for about 30-45 minutes. We read names as if students were actually walking across the stage, and we had a slideshow with everyone's photo. We also hosted a variety of speakers. Although it was not exactly how we had all originally envisioned, it turned out to be a really nice celebration."

## BUILDING DIGITAL COMARADERIE

### The Michigan Ross MAcc Program Hosts First Virtual Prom Via Zoom

On April 17, 2020, the Michigan Ross Master of Accounting (MAcc) Program hosted its first virtual prom

via Zoom. "It was really fun," says Kinney. "About 30 students joined, which is about a third of our class.

Most of us were dressed up. Although we didn't actually dance, it was a nice opportunity to connect and catch up."

### Tiger King Zoom Happy Hours

The class also met up to talk about the Netflix documentary Tiger King, via Zoom. "When Netflix released the documentary, one student suggested that we all watch the show individually

and then come together at the end of the week to discuss what took place via Zoom," said Kinney. "When we logged on to Zoom, some students were dressed in cat print clothing with

stuffed cats sitting on their shoulders. It was a great thing."







CLASS OF 2020 AT PROM

## JEFFREY HOOPES

Jeffrey Hoopes, PhD, is an associate professor at the Kenan-Flagler Business School, University of North Carolina (UNC) at Chapel Hill, a post he has held since 2019. He is also research director at the UNC Tax Center and chief curator at the UNC Tax Museum.



**Q. How has your career evolved since leaving the University of Michigan?**

**A.** After finishing my PhD in business administration at Michigan Ross in 2013, I worked for three years at the Fisher College of Business at The Ohio State University. In 2016, I started as an assistant professor at UNC, and, as of July 2019, became an associate professor. The University of North Carolina is the clear leader in corporate tax accounting research, so I was really excited to move here.

**Q. What is the focus of your research?**

**A.** I examine issues at the intersection of accounting, public economics, and finance. For example, I'm interested in companies' disclosure decisions, specifically regarding their tax-related disclosures. My economics colleagues are very interested in what companies actually do, an interest I share. In addition to what firms actually do, what they say about what they do is also interesting and useful to study, and gives a window into the market forces they face.

My interest in corporate disclosure began when I interacted with Michigan faculty, such as my dissertation advisor Greg Miller, PhD, Ernst and Young Professor of Accounting, Clyde Crawford Teaching Fellow, and chair of accounting, about his work on corporate disclosure. Tax disclosure is similar to many other corporate disclosures, but is also different in a lot of interesting ways. The non-investing public does not care much about most non-tax disclosures. But if a firm discloses that they are involved in tax planning, the public sees it as shady and may well care about such tax disclosures, as does the IRS.

**Q. How would you describe your experience at Michigan Ross?**

**A.** I had an excellent experience. There was a lot of cohesiveness among the students, and the faculty were extremely supportive, both within the accounting group and outside it. Outside of the accounting group, I enjoyed extremely valuable mentoring from some of the economics faculty at U-M, especially Joel Slemrod, PhD, the Paul W. McCracken Collegiate Professor of Business Economics and Public Policy, Michigan Ross, and professor of economics in the Department of Economics. I continue to meet people in the business world who have a tie with Michigan Ross. It's great to be part of that family.

**Q. Is there a key lesson you took with you from your education at U-M?**

**A.** I learned just how important and useful it was to ask for help from other students. You can be much more successful when you are learning as a collective group. It's really valuable to be an active part of that kind of network.

**Q. What contributions would you like to make to the field?**

**A.** I aspire to do research that's useful to someone outside academia — in my case, tax administrators and policymakers. I would like to create research that answers useful questions about the way we conduct corporate tax policy in the United States, and the way in which the tax code is administered.

# JONATHAN PECK

A native of northern California, Jonathan Peck, CPA, CFE, earned a BS in economics with an accounting concentration from California Polytechnic State University, San Luis Obispo, in 2016. During his undergraduate studies, Peck interned as a forensic accountant with PwC in San Francisco, and with the United States Department of Justice in Washington, DC. He earned a master of accounting degree with distinction from Michigan Ross in 2017. Peck currently works in financial planning and analysis for the YouTube team at Google in the San Francisco Bay area.



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## **Q. How has your career evolved since leaving the University of Michigan?**

**A.** After graduating with my master of accounting (MAcc) degree from Michigan Ross, I joined Google for a two-year rotational finance program. Prior to starting, I passed all four CPA exams and was able to gain qualifying work experience at Google to become a CPA in California.

After the rotational program, I took a position in financial planning and analysis for the Google YouTube team. In this role, I support YouTube Originals, Spaces, Content Operations, Content Partnerships, and Strategy with budget management, spend governance, and annual planning. I am also a certified fraud examiner, volunteer emergency medical technician, and treasurer of the University of Michigan Alumni Association, San Francisco Chapter.

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## **Q. How would you describe your experience at Michigan Ross?**

**A.** Even today, I believe that going to Michigan Ross for my MAcc was the best decision I could have made. It was an incredible program where I learned so much more about accounting, made great friends, went to a “real sports school,” and had the chance to try living in the Midwest for a bit.

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## **Q. Is there a key learning you took with you from your education at U-M?**

**A.** When I first started studying accounting, I thought it was a pretty straightforward profession with clear rules. The Michigan Ross MAcc program helped me realize that there is actually a lot of ambiguity when making accounting judgment calls. We had a whole class dedicated to the accounting research and policy debate taught by Cathy Shakespeare, associate professor of accounting, Arthur Andersen Professor of Accounting, and associate dean for teaching and learning, Michigan Ross. This was my favorite class and it opened my eyes to the incredible levels of nuance that exist in accounting. At graduation, my class voted me “Most Likely to Write an Accounting Standard,” in addition to “Best Accounting Puns.” Hopefully that shows I have a balance of nerdiness and humor.

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## **Q. What is the focus of your current role at Google?**

**A.** Although I work in finance, I still get to flex my accounting brain. I own the month-end operating expense accruals process for YouTube’s business organization. I also lead a semiannual process to classify all expenses at YouTube into sales and marketing, cost of revenues, general and administrative, and research and development categories for external financial reporting. This involves interviewing business partners, writing an accounting memo, and meeting with our CFO, controller, and technical accounting teams.

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## **Q. What contributions would you like to make to the field?**

**A.** I want to ensure that the accounting profession has a bright future. Mentoring students brings me great joy, and I would love to teach an introductory accounting class for high school, community college, or undergraduate students one day.



## PAUL STEIH

### NAMED NEW CHAIR OF THE WILLIAM A. PATON CENTER ADVISORY BOARD

Michigan Ross alumnus Paul Steih (BBA '83, MBA '94), was elected new chair of the William A. Paton Center Advisory Board, effective January, 2020. A senior global client service partner with Ernst & Young, Detroit, Michigan, Steih brings more than 30 years' experience serving SEC-registered, multinational manufacturing companies.

“Our goal is to provide faculty with insight and real-life examples about what we see in the marketplace, such as the type of students we’re looking to hire, and the academic coursework we value. All of this helps the academic world stay connected with the practicing world.”



“We have this great group of board members, made up of industry leaders and Michigan Ross accounting faculty, that have tremendous knowledge and experience,” says Steih, who has served on the board for the past eight years. “The changes that this group has made in recent years have been very transformative.”

Steih hopes to build on the strengths of the board’s collective expertise in a way that can provide value and thought lead-

ership to Paton faculty and leadership about what is ahead in the profession. “Our goal is to provide faculty with insight and real-life examples about what we see in the marketplace, such as the type of students we’re looking to hire, and the academic coursework we value. All of this helps the academic world stay connected with the practicing world,” he says. “From our vantage point, we have the unique ability to see how our teams are directly impacted. We also have people who are setting the agenda for three, five, and seven years out, as to what our model is going to look like.”

Steih points to the enormous changes taking place in both the university and business spaces since COVID-19.

“There is a lot of disruption now and things are moving at a very rapid pace,” he notes. “We are not only looking at how we can navigate this crazy time, but how we can emerge much stronger. In times of rapid change the role of the board, and this interconnectedness, is more critical than ever.”

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The Paton Advisory Board is comprised of industry leaders (who are also Michigan alumni) and Ross accounting faculty members. The Board meets on campus twice per year and participates in various subcommittees throughout the year. Many thanks to our Board members for their guidance and time.

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[rtball@umich.edu](mailto:rtball@umich.edu)

**Karen Bird**

Lecturer Emeritus  
of Accounting

**Anna Costello**

Paton & Drebin Faculty Fellow  
and Assistant Professor of  
Accounting  
[amcost@umich.edu](mailto:amcost@umich.edu)

**James DeSimpelare**

Lecturer of Accounting  
[desimpel@umich.edu](mailto:desimpel@umich.edu)

**Emily Drogot**

Clyne Crawford Teaching  
Fellow and Lecturer  
of Accounting  
[edrogot@umich.edu](mailto:edrogot@umich.edu)

**Lindsey Gallo**

Coopers & Lybrand, Norman E.  
Auerbach Assistant Professor  
of Accounting  
[gallo@umich.edu](mailto:gallo@umich.edu)

**Eugene Imhoff**

Ernst & Young Professor  
Emeritus of Accounting

**Raffi Indjejian**

Carlton H. Griffin-Deloitte &  
Touche LLP, Collegiate  
Professor of Accounting  
[raffii@umich.edu](mailto:raffii@umich.edu)

**Itay Kama**

Clinical Assistant Professor  
of Accounting  
[ikama@umich.edu](mailto:ikama@umich.edu)

**Charles Klemstine**

Emeritus Lecturer of  
Accounting  
[cfk@umich.edu](mailto:cfk@umich.edu)

**Debra Krolick**

Lecturer of Accounting  
[krolick@umich.edu](mailto:krolick@umich.edu)

**William Lanen**

KPMG Professor Emeritus  
of Accounting

**Reuven Lehavy**

Victor L. Bernard-Price  
Waterhouse Coopers LLP  
Collegiate Professor of  
Accounting, Faculty Director,  
Paton Accounting Center  
[rlehavy@umich.edu](mailto:rlehavy@umich.edu)

**Mihir Mehta**

Ernst & Young Fellow  
and Assistant Professor  
of Accounting  
[mmehta@umich.edu](mailto:mmehta@umich.edu)

**Gregory Miller**

Ernst & Young Professor of  
Accounting, Clyne Crawford  
Teaching Fellow, Chair  
of Accounting  
[miller@umich.edu](mailto:miller@umich.edu)

**Venky Nagar**

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Fellow and Assistant Professor  
of Accounting  
[omartian@umich.edu](mailto:omartian@umich.edu)

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[denniso@umich.edu](mailto:denniso@umich.edu)

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**Jefferson Williams**

Lecturer of Accounting  
[williamj@umich.edu](mailto:williamj@umich.edu)

**David W. Wright**

Associate Professor  
of Accounting  
[dwwright@umich.edu](mailto:dwwright@umich.edu)

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Associate Professor of  
Accounting, Arthur Andersen  
Professorship of Accounting  
[gwyu@umich.edu](mailto:gwyu@umich.edu)

### QUESTIONS? CONTACT:

**Susan Slavin**

Paton Center Program Coordinator  
(734) 763-2376  
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