

Patricia M. Dechow

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Present Position

Donald H. and Ruth F. Seiler Professor in Public Accounting, Haas School of Business, University of California, Berkeley, 2007 to present

Chair of the Accounting Group, Haas School of Business, University of California, Berkeley, 2008 to present

Previous Academic Positions

Visiting Professor, Haas School of Business 2006-2007

The Carleton H. Griffin-Deloitte & Touche LLP Collegiate Professor of Accounting, Ross School of Business, University of Michigan. 2002-2007.

Director, Harry H. Jones Endowment Fund for Research on Earnings Quality, Ross School of Business, University of Michigan. 2004-2005.

Visiting Fellow, University of Western Australia. January – August, 2004.

Professor of Accounting and Michael A Sakkinen Scholar, University of Michigan Business School, 1999-2003.

Associate Professor of Accounting, University of Michigan Business School, 1997-1999.

Anheuser-Busch Assistant Professor of Accounting, Accounting, The Wharton School of the University of Pennsylvania. (1992-1997).

Lecturer and Course Coordinator (1991): University of Rochester, Introductory Financial Accounting.

Tutorial Instructor (1986-1987): University of Western Australia: Introductory Accounting, and Advanced Financial Accounting.

Education

Ph.D. Accounting and Finance 1993, W. E. Simon School of Business Administration, University of Rochester (supervised by Professor Ross Watts).

M.S. Business Administration 1990, W. E. Simon School of Business Administration, University of Rochester.

Bachelor of Commerce (First Class Honors) 1986, University of Western Australia (supervised by Professor Philip Brown).

Research Interests

Nature and purpose of accounting accruals, evaluating the quality and reliability of earnings and the informativeness of earnings to capital markets, the use of earnings information in predicting stock returns, the effect of analysts' forecasts on investors' perceptions of firm value.

Published Papers

"Do Managers Time Securitization Transactions for Their Accounting Benefits?" (co-authored with Catherine Shakespeare), **The Accounting Review**, Volume 84, 2009, 99-132.

"The Persistence and Pricing of the Cash Component of Earnings." (co-authored with Richard Sloan and Scott Richardson), **Journal of Accounting Research**, Volume 46, 3, 2008, 537-566.

"The Persistence of Earnings and Cash Flows and the Role of Special Items: Implications for the Accrual Anomaly," (co-authored with Weili Ge), **Review of Accounting Studies**, Volume 11, 2006, 253-296.

"Implied Equity Duration: A New Measure of Equity Risk," (co-authored with Richard Sloan and Mark Soliman), **Review of Accounting Studies**, Volume 9, 2004, 197-228.

"Why are Earnings Kinky? A reexamination of the Earnings Management Explanation," (co-authored with Scott Richardson and Irem Tuna), **Review of Accounting Studies**, Volume 8, 2003, 335-384.

"The quality of accruals and earnings: The role of accrual estimation errors" (co-authored with Ilia Dichev). **The Accounting Review**, Volume 77, Supplement 2002, 35-59.

"Short Interest, Fundamental Analysis and Market Efficiency", (co-authored with Amy Hutton, Lisa Meulbroek, and Richard Sloan). **Journal of Financial Economics**, Volume 61, July 2001, 77-106.

"The Relation between Analysts' Forecasts of Long-Term Earnings Growth and Stock Price Performance Following Equity Offerings," (co-authored with Amy Hutton and Richard Sloan), **Contemporary Accounting Research**, Spring 2000, 1-32.

"Earnings Management: Reconciling the Views of Accounting Academics, Practitioners, and Regulators," (co-authored with Douglas Skinner). **Accounting Horizons**, 2000, 235-250.

"An Empirical Assessment of the Residual Income Valuation Model", (co-authored with Amy Hutton and Richard Sloan). **Journal of Accounting and Economics**, 1999, 1-34.

"The Correlation Structure of Earnings, Cash Flows, and Accruals," (co-authored with S.P. Kothari and Ross L. Watts). **Journal of Accounting and Economics**, 1998, 131-168.

"Returns to Contrarian Investments: Tests of the Naive Expectations Hypothesis," (co-authored with Richard Sloan) **Journal of Financial Economics**, 1997, 43, 3-27.

"Economic Consequences of Accounting for Stock-Based Compensation," (co-authored with Richard Sloan and Amy Hutton), **Journal of Accounting Research**, 1996, 1-20.

"Causes and Consequences of Earnings Manipulation: An Analysis of Firms Subject to Enforcement Actions by the SEC," (co-authored with Richard Sloan and Amy Sweeney), **Contemporary Accounting Research**, 1996, 1-36.

"Detecting Earnings Management," (co-authored with Richard Sloan and Amy Sweeney), **The Accounting Review**, 70, 1995, 193-226.

"The Effect of Restructuring Charges on Executives' Cash Compensation," (co-authored with Mark Huson and Richard Sloan), **The Accounting Review**, 69, 1994, 138-156.

"Accounting Earnings and Cash flows as Measures of Firm Performance: The Role of Accounting Accruals," **Journal of Accounting and Economics**, 18, 1994, 3-42.

"Executive Incentives and the Horizon Problem: An Empirical Investigation," (co-authored with Richard Sloan), **Journal of Accounting and Economics**, 14, 1991, 51-89.

"The Share Market's Assessment of Initial Acquisitions by Seven Controversial Investors," **Australian Journal of Management**, 12, 1987, 23-48.

Discussions and Other Publications

"Asymmetric Sensitivity of CEO Cash Compensation to Stock Returns: A Discussion," **Journal of Accounting and Economics**, Volume 42, October 2006, 192-202.

"Discussion of "Operational restructuring charges and post-restructuring performance," **Contemporary Accounting Review**, Volume 21, Issue 3, Fall 2004,.

"Solving the New Equity Puzzle", with Richard Sloan and Amy Hutton, **The Financial Times Mastering Finance Series**, June 1997.

"Stock Based Compensation and the Cost of Capital," (coauthored with Amy Sweeney and Richard Sloan) **Strategy & Business**, 6, 1997, 15-17.

Monographs / Books:

"Earnings Quality," (coauthored with Catherine Schrand), **Research Foundation of CFA Institute**. 2004.

Completed Manuscripts

"Predicting Material Accounting Manipulation." (coauthored with Weili Ge, Chad Larson, and Richard Sloan).

"Fair Value Accounting and Gains from Asset Securitizations: A Convenient Earnings Management Tool with Compensation Side-Benefits." (co-authored with Catherine Shakespeare and Linda Myers)

"Implications of Non-Discretionary Accruals for Earnings Management and Market-Based Research," (co-authored with Jowell Sabino and Richard Sloan).

Discussion of Work in Press Articles

“F is for Fudging” Forbes, October 29, 2007, 72-76.

“Fraud”, Journal of Accountancy News Digest, September 2007

“Predicting Accounting Manipulations,” Center for Audit Quality Alert#2007-46, August 14, 2007

“What’s your fraud score?” CFO.com, August 20, 2007

“Lifting the Lid, securitization right for results massaging”, Reuters, February 9, 2007

Teaching Responsibilities at Haas School of Business (2007-present)

MBA Students:	Fall 2008	Financial Information Analysis
Ph.D Students:	Spring 2007	Capital Market Research in Accounting
	Fall 2007	Seminar Series in Accounting
EW MBA Students:	Spring 2007	Financial Information Analysis
	Fall 2007	Financial Information Analysis

Teaching Responsibilities at University of Michigan (1997 to 2006)

Ph.D Students:	Winter 2006, 2002, 2000	Capital Market Research in Accounting.
M.Acc Students:	Fall 2004, 2002, 2001	Financial Statement Analysis
MBA Students:	Fall 2005, 2004, 2002, 2001	Financial Statement Analysis
	Fall 1998, 1997	Introduction to Financial Accounting.
Undergraduates:	Fall 2000, 1999	Intermediate Financial Accounting.
	Fall 2005, 2004, 2001	Financial Statement Analysis
Executive Education:	Summer 2000	National Investor Relations Institute (NIRI) Program, Disclosure Research.

PhD Committees: University of California, Haas School of Business

Chair: Kwang Lee, Kevin Li

PhD Committees: University of Michigan

Chair: Troy Jane, Weili Ge, Peter Demerjian.

Committee Member: Mark Soliman, Scott Richardson, Irem Tuna, Sarah McVay, Nader Hafzalla, Katherine Guthrie.

Committees: University of California, Haas School of Business

General Management Concept Committee 2008-2009. A committee organized by the Dean as part of the Campaign Strategy. Made various recommendations for changes to the Core MBA program.

Committees: University of Michigan (1999 through 2006)

Research Committee 1999-2002, 2004-2006. Evaluate professors for various research awards and determine summer support.

Women Faculty Advisory Committee 2005 (Chairperson of Committee). Provide support and advice for women faculty.

Strategic Planning Committee 1999- 2003. Elected to serve on this committee by faculty vote.

Community Values and Standards Committee 2003. Evaluated standing of poorly performing students and honor code violations.

Admissions, Student Services & Career Development Advisory Committee AASCDAC 1999. Completed Honor Policy for University of Michigan Business School, evaluate honor policy violations, various other administrative duties.

Committees: American Accounting Association

Financial Accounting Research Section (FARS) Best Paper Award 2009. Chair
 Financial Accounting Research Section (FARS) Best Paper Award 2008. Committee Member
 AAA Competitive Manuscript Award 2004. Committee Member.
 AAA (Financial Accounting and Reporting Section) 2004. Plenary Session Committee Member.
 AAA Notable Contribution Award 2003. Committee Member.
 Deloitte & Touche Wildman Medal Award for 2001. Chairperson of Committee. Evaluate nominees' work based on the significance of contribution to the advancement of the public practice of accountancy

Other Related Work Experience

Academic Advisory Council (2005-2007) Huron Consulting Group, Chicago, USA

Auditor (1986): Price Waterhouse, Perth, Western Australia.

Profession Responsibilities

Editor, *The Accounting Review*, June 2002-2005

Editor, *Accounting Horizons* for a Special Issue on Earnings Quality, 2002

Editorial Advisory & Review Committee, *The Accounting Review* 1994-1996, 1999-2002, 2006-present.

Editorial Board, *Journal of Accounting and Economics*, 2000 to 2006

Editorial Board, *Review of Accounting Studies*, 2003 to present

Editorial Board, *Accounting and Finance*, 1998 to present

Ad hoc Referee:

Journal of Accounting Research
 Contemporary Accounting Research
 Journal of Accounting, Auditing and Finance
 Journal of Accounting and Public Policy
 Accounting Horizons
 Journal of Financial Economics
 Journal of Finance

Conference Presentations and Invited Presentations (1999-2008)

2009 Santa Clara University (May); Tsinghua University (Beijing) Conference: Keynote Speaker on Research on Earnings Management, (June)

2008 Gerson Lehrman Group (GLG) Seminar, Palo Alto (August); Duke/UNC Conference (invited participant) (February), Penn State (May), University of Oregon (May)

- 2007 University of Texas, Austin Conference (invited participant) (February); New York University Conference (May), PriceWaterhouseCoopers, San Jose Office (October), Burrige Center for Securities Analysis and Valuation Conference in Denver (October), University of Colorado, Boulder (October).
- 2006 Cornell University (February), American Accounting Association Meetings, Washington DC (August), Stanford University (October), Prudential Equity Group, LLC 21st Annual Quantitative Research Conference (November).
- 2005 AAA Financial Accounting Reporting (FARS) Meetings, La Jolla, CA (January), Michigan State University (April), Barclays Global Investors, San Francisco, CA (May), University of California, Berkeley (May), American Accounting Association Doctoral Consortium, Lake Tahoe (July), American Accounting Association Meetings (August), Review of Accounting Studies Conference, New York (October), Participant at the American Accounting Association/Financial Accounting Standards Board Financial Reporting Issues Conference (December).
- 2004 University of New South Wales and Ernst and Young Conference on Earnings Quality and Capital Markets (February), University of Queensland (April), University of Western Australia (May), Melbourne University (May), Accounting and Finance Association of Australia and New Zealand Conference (July), Journal of Accounting and Economics Conference - discussant, Michigan (November).
- 2003 Review of Accounting Studies Conference at UCLA (October), London Business School (November), Participant at the American Accounting Association/Financial Accounting Standards Board Financial Reporting Issues Conference (December).
- 2002 University of Chicago (February), Emory University (April), Keynote speaker at the AAANZ meetings in Perth, Western Australia (July), American Accounting Association/Financial Accounting Standards Board Financial Reporting Issues Conference (December).
- 2001 University of Iowa (February), MIT (April), UCLA (May), Journal of Accounting and Economics Conference (June), Columbia University (October).
- 2000 Contemporary Accounting Research Annual Conference - discussant (November). Stanford Summer Camp (August). American Accounting Association (August) European Financial Management Meetings (June). University of Southern California (February 2000).
- 1999 American Accounting Association (August). American Accounting Association /Financial Accounting Standards Board Financial Reporting Issues Conference (December).

Academic Interest

"Accounting Earnings and Cash flows as Measures of Firm Performance: The Role of Accounting Accruals," is reported in the top ten most highly cited papers per year between 1983-1996 in the **Journal of Accounting and Economics**. (See "Commemorating the 25th Volume of the Journal of Accounting and Economics, Ross Watts, **Journal of Accounting and Economics**, 25, (1998) table 2, page 222.)

Listed among the most prolific authors of accounting literature for my year of Ph.D. graduation (see, Exhibit 5, page 114, "Prolific Authors of Accounting Literature." By James R. Hasselback, Alan Reinstein, and Edward S. Schwan, **Advances in Accounting**, 2003, Volume 20, 95-125).

Listed in the top five 1991-1997 US Accounting Ph.D Graduates publishing in TAR, JAR, and JAE (See Appendix B, “Accounting Ph.D. Program Graduates: Affiliations and Publications in Premier Accounting Journals.” Lawrence D. Brown and Indrarini Laksmana, Working Paper, Georgia State University, 2005).

Awards

The Earl F. Cheit Outstanding Teaching Award for Doctoral Students, The Haas School of Business, (2006-2007).

“The Persistence of Earnings and Cash Flows and the Role of Special Items: Implications for the Accrual Anomaly,” co-authored with Weili Ge, awarded Prize for *Best Paper* Presented at the *Review of Accounting Studies* Conference (2005)

I/B/E/S Award for Earnings Expectation Research (1998)

Outstanding Professor Award, University of Pennsylvania (1996)

University of Pennsylvania Research Foundation Award (1994)

University of Pennsylvania Research Foundation Award (1993)

AAA Doctoral Consortium Fellow (1991).

Olin Foundation Fellowship, University of Rochester (1987-1991).

Australian Graduate School of Management Research Fellow (1986)

Other Interests

My family, yoga, jogging, hiking, swimming, skiing, vegetarian cooking, wine, and travel.