Dear Accounting Alumni and Friends:

Greetings! What an eventful year 2017-2018 has been! First, we welcomed three new tenure track faculty, Jon Durrant (Texas Tech), Edward Lynch (Virginia Commonwealth), and Pureum Kim (USC), to our accounting fold. They bring with them expertise in tax, audit, and financial accounting. Joining them as a full-time professor of taxation is Barry Gershenovitz who recently retired from EY as a tax partner. With Barry’s help, we were able to overhaul our Master of Science in taxation program. It is a streamlined tax program that is intensive and cutting edge! The Master of Science in accountancy program has also undergone renovation.

We have new faces in the accounting office as well. Sarah Radcliffe and Katy Simnitt joined as permanent staff members over the summer. They have taken on the challenges of running the operations of one of the largest accounting departments in the country with unbridled gusto and panache!

With the help of a committee of partners from public accounting, the capstone course, ACCT 597, has been redesigned and is set for launch in fall 2018. We introduced a data analytics concentration and offered a seminar course in accounting analytics, ACCT 503, that was taught in collaboration with faculty from the Department of Information Systems and Decision Sciences. Two new courses are proposed for fall 2018 – an analytics course for our undergraduates and an income tax provision course, ASC 740, for our graduate taxation students. We also welcomed the first cohort of the GAP 4 + 1 program with Irvine Valley College onto our Irvine campus. The tradition of offering a forward-looking and innovative curriculum that is focused on real-world practices continues at Mihaylo Accounting!

The department continually and vigorously engages the professional community by hosting events, a few of which warrant special mention. In February 2018, we hosted a presentation by EY on the new Tax Reform Act. CSUF President Framroze Virjee welcomed guests and kicked off the campaign to raise funds for a school of accounting. Additionally in March, we hosted the Southern California Accounting Research Forum (SCARF), which brought faculty from our neighboring institutions to CSUF to present their research.

To conclude, the state of our Accounting Department is brighter than ever before. All of this would not be possible without your help. I thank our donors and we look forward to your continuing support.

Vivek
Vivek Mande, Ph.D.
Accounting Department Chair
Mihaylo College

ETHICS Symposium

Students enrolled in Accounting 415 attended the fourth annual Accounting Ethics Symposium hosted by the Department of Accounting on October 19, 2017. The theme of the symposium was “Giving Voice to Values,” which is based on an ethics framework adopted by major corporations. Two distinguished keynote speakers made presentations: Mary Gentile, professor of practice from the University of Virginia, and Thomas Hasty, ethics director from Lockheed Martin. Supported by an Instruction Related Activity grant awarded to James Gong by the university’s Associated Students Inc., the symposium aimed to help students recognize, speak, and act appropriately when ethical dilemmas arise.

ACCOUNTING Expo

More than 600 students attended the annual Accounting Expo on September 13, 2017. The event, sponsored by Mihaylo College’s Department of Accounting and Mihaylo Career Services, featured a discussion with public accounting executives, résumé- and interview-preparation advice from professional recruiters, and a review of careers in non-public/government accounting. The annual event provides students with the opportunity to gain awareness about the accounting field, learn about the types of opportunities available, and hear speakers’ perspectives about working in the various industries. Panelists included executives from major firms, including Deloitte, Ernst & Young, Grant Thornton, HCVT, KPMG, Moss Adams, PricewaterhouseCoopers, RSM US LLP and White Nelson Diehl Evans – as well as officials from state and federal agencies.
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CASE Competition

The Department of Accounting held its 11th Accounting Case Competition on November 3, 2017. Four out of the five participating teams were selected to present their cases to a panel of judges. The judges included three managers from Deloitte: Leo Debourse, Annie Gregory, and Jason Martinez. Four faculty members also made up the case competition committee: Fatima Alali, Jon Durrant, James Gong (chair), and Myungsoo Son.

The winning teams:

**FIRST PLACE**
Kathleen Nguyen, Adrian Llorente, Aaron Sanchez, and Anali Sheth

**SECOND PLACE**
Yi Li, Minh-Tu Nguyen-Le, Xiaoyan Wei, and Shu-Ming Yang

**THIRD PLACE**
Vickie Chew, Prerana Gutla, Kimberly Hong, and Rezaei Lafmejani

NEW PROGRAMS

**MASTER’S IN ACCOUNTANCY**

Change

The Department of Accounting approved significant changes to its Master of Science in accountancy program to make the program more streamlined and competitive. The changes in the curriculum were based on discussions with the Advisory Board, Orange County accounting firms, and the Mihaylo College graduate curriculum committee. Changes include streamlining the prerequisite requirements for newly admitted students as well as providing a GMAT waiver to applicants with a strong academic background.

**MASTER’S IN TAXATION**

Change

A master’s in taxation program that is forward looking and provides a tax-intensive curriculum was approved by the department. Launching in spring 2019, this program includes four core classes, four tax electives, two business electives, and a capstone class. A new course on income tax provision (ASC 740) will be taught for the first time in fall 2018. The new program was unveiled by Vivek Mande and Barry Gershenovitz to tax partners at BDO, EY, KPMG, PwC, Grant Thornton, and Deloitte.

**NEW DATA ANALYTICS**

Concentration

The new concentration in accounting and business analytics provides students with another choice in Mihaylo College programs and caters to an increasing demand for a workforce with skill sets in analyzing and forecasting financial performance of organizations using modern business analytics methods. Students who are interested in an education in accounting as well as business analytics methods will find this new concentration appealing. To complete the concentration, students only need 24 units to fulfill the program’s core courses; whereas, double concentrations in accounting and business analytics would require 39 units to complete. The new concentration would save about a semester’s worth of coursework and will be offered in fall 2018.
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ACCT 402 Development

In fall of 2017, the Accounting Department and Professor Christine Gagnon piloted Accounting 402 via video conference. Having relocated to London, England, for her position as a director within EY, Professor Gagnon and the department secured the technology necessary for the video conference. Given the increase in mobility and alternative teaching and instruction methods, this served as an opportunity for a pilot of this delivery. The class proved to be successful, and we hope it will pave the way for additional exploratory delivery methods to accommodate various learning modes and provide students with both challenging course content and cutting-edge instruction.

ACCT 407 New Course Development

Data analytics has become a highly sought-after skill in business, engineering, economics, government, services, science, health care and other domains. In particular, accounting professionals have access to the data that can help them maintain or develop a strategic advantage or remain competitive in today’s fast-paced business environment. Accounting Data Analytics, ACCT 407, uses emerging technology to demonstrate the practice of data analytics in the real world. Students will develop skills with select software through hands-on experience and guided exercises.

ACCT 503 Development

We are currently collaborating with the Information Systems and Decision Sciences Department to offer a graduate course, ACCT 503, focused on emerging technologies and data analytics. Students are expected to understand the implications of blockchain and similarly emerging technologies on business in general and accounting specifically. They are also expected to understand and apply various data analysis tools such as Excel and Tableau to solve business and accounting problems. The spring 2018 course is jointly taught by Accounting and ISDS faculty.

GUARANTEED ACCOUNTING Program (GAP4+1)

The Guaranteed Accounting Program (GAP4+1), an accelerated program allowing students to graduate from CSUF with a bachelor’s and a master’s degree in accountancy, accountancy and finance, or taxation within five years, continues to gain traction at high schools around the Southland. Members of the 2016–2017 and the 2018 cohorts include students from Woodbridge, Irvine High, University High, Foot Hill High, Mater Dei, St. John Bosco, Tustin High and other schools. The first cohort (2016) will take Intermediate Accounting, ACCT 301A, at the CSUF Irvine Campus in spring 2018. Two members of the 2017 cohort have already landed internship positions with Murphy, Murphy & Murphy, Inc. starting in the spring, and the 2018 cohort is expected to be filled early in the year. Applications have already been submitted for the 2019 cohort. Overall, this program continues to record great successes.
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STUDIES

OC FOCUSED Research

Dedicated to exploring and examining hot-topic issues in the financial and accounting world as they relate to the local Orange County community, the center for Corporate Reporting and Governance conducts and disseminates its findings to news outlets, firms, and local organizations. Analyses of CEO compensation are presented by the Center at the annual CEO compensation conference hosted by the Forum of Corporate Directors. The research is also regularly picked up by the Daily Titan, the Orange County Register, the Orange County Business Journal, and the data is referenced by various panels at numerous local conferences.

The center’s most recent study delves into an upcoming hot topic in 2018: the mandatory disclosure of CEO pay ratio. Pursuant to the Dodd-Frank Act, the SEC adopted the CEO pay ratio disclosure rules requiring public firms to disclose the ratio of CEO pay to the median pay of the firm’s employees, with the first disclosures to appear in the 2018 proxies. Efforts to convince Congress to repeal this provision bore no fruit. A CEO pay ratio survey conducted by CCRG found that 38% of respondents were in management, 21% worked as auditors, and 10% identified as directors. The survey showed that more than 50% considered CEOs both in Orange County and nationwide to be overpaid. However, the majority agreed that neither government intervention nor imposing a CEO pay ratio limit was the answer. While the impact of CEO pay ratio disclosure is uncertain, respondents believe that the disclosure will affect perceptions about CEOs and affect employee morale.

In another study, CCRG explored CEO pay in Orange County and audit fees in Orange County. As has been confirmed in later studies, CEOs in Orange County are paid less than their nationwide counterparts. The study found CEOs of pharmaceutical, bioscience and life science industries to have the best-paid CEOs, with a median pay of more than $5.6 million a year. Insurance, banking and real estate followed closely with their top-earning executives earning a median pay of $4.6 million a year.

The study of audit fees in Orange County found a contradicting trend: Where audit fees in Orange County decreased from $605,000 to $437,500 from 2008 to 2012, fees nationwide had an upward trend. The study also found over the same time period that Big 4 auditors had decreasing market share locally in Orange County, but increasing market share nationwide. CCRG Director Vivek Mande, also interviewed Todd Van der Wel, a partner at Moss Adams, on various auditing issues, such as the new requirement for partner signatures. The studies and the executive interviews are an example of how CSUF faculty collaborate with the local community and seeks to answer pressing questions in the industry.

Do you believe that CEOs of public companies are overpaid relative to the average worker?

YES 63% CEOs Nationwide
54% CEOs Orange County
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Joonho Lee, assistant professor of accounting at California State Polytechnic University, Pomona, presents “Analysts’ Reactions to Firms’ Real Activities Management.”

The Center for Corporate Reporting and Governance (CCRG), helmed by CSUF’s Ernst & Young Professor of Accounting and Chair of the Department of Accounting Vivek Mande, held its 16th Annual SEC Hot Topics Conference in September 2017. This year more than 500 attendees gathered at the Irvine Marriott, and close to 50 viewers looped in via webcast (provided in partnership with CalCPA) looking to get the scoop on key legal and governance issues directly from regulators at the SEC, PCAOB and FASB. An audience favorite was the afternoon panel, Business Disruption: Real Estate and Tax Reform with industry executives John Babel of CalAtlantic Group, Inc. and Bradley Blank of TRI Pointe Group.

Big names from the 16th Annual Hot Topics Conference included keynote speaker Alexis Crow, U.S. advisory lead geopolitical investing team of PricewaterhouseCoopers, and Joe Kiani, founder and CEO of Masimo. Regulatory speakers included Lance Jasper, senior counsel of the Enforcement Division from SEC; George Wilfert, deputy director of PCAOB; and Marc Siegel, Board Member of FASB.

On November 9, 2017, the Forum for Corporate Directors in collaboration with Mihaylo College’s Center for Corporate Reporting and Governance hosted their 8th Annual Executive Compensation Summit at the Pacific Club in Newport Beach. The panel provided insight on the upcoming year-end pay decisions, tax implications, disclosure of pay ratios, and other topics of relevance to chief executive officers.

During the panel discussion, Arnie Pinkston, director of the Sustainability Accounting Standards Board for Bio-Rad Laboratories, provided insights regarding the Dodd-Frank Act and tax reforms in relation to CEO compensation.

The conference marked eight years of successful collaboration between the Forum for Corporate Directors and the Mihaylo College of Business and Economics’ Center for Corporate Reporting and Governance.
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SOUTHERN CALIFORNIA ACCOUNTING RESEARCH FORUM (SCARF)

Each year, the Southern California Accounting Research Forum (SCARF) is held at a different university. In March 2018, SCARF made its way to CSU Fullerton, hosted by the Center for Corporate Reporting and Governance. This forum brought faculty from eleven Southern California universities together to present, discuss, and receive feedback on their latest research as well as promote collegiality among academics in accounting. 2018’s forum included research topics on corporate governance, capital markets, auditing, and taxation.

CONGRATULATIONS

Michael Martinson ‘06
Ambry Genetics
Orange County Business Journal’s CFO of the Year

Association of Latino Professionals For America

The Association of Latino Professionals For America (ALPFA) is a national nonprofit membership organization for Latino business professionals and students. They are dedicated to enhancing opportunities for Latinos in business, accounting, finance and related professions and creating more diversity in corporate America.

Accounting Society

Cal State Fullerton has one of the largest accounting societies in the state. The Accounting Society (AS) is a nonprofit organization run by students. The Accounting Society is based on three core values: integrity in business, the pursuit of knowledge, and professionalism. The society provides networking opportunities between students and professionals in the industry; throughout the semester, the Accounting Society organizes a variety of events to help facilitate interactions between the members and employers.
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Beta Alpha Psi

Beta Alpha Psi (National Accounting Honor Society) is an honorary organization for financial information students and professionals. Beta Alpha Psi provides opportunities for development of technical and professional skills to complement university education; participation in community service; and interaction among students, faculty, and professionals.

BAP Chapter Earns Superior Rating for 2016-2017 Reporting Year

Mihaylo’s Delta Beta Chapter of Beta Alpha Psi (National Accounting Honor Society) received the Superior Chapter Award at the Beta Alpha Psi national meeting held in Anaheim, California, in August 2017. To earn a superior award, the chapter had to meet all professional and service-hour requirements along with all reporting requirements for the 2016-2017 academic year. “The superior chapter designation was due to the hard work of last year’s officers and members,” states Vivek Mande, chair of the Department of Accounting. “The award also serves as a testimony to the excellence of Mihaylo’s accounting program.”

Volunteer Income Tax Assistance

Volunteer Income Tax Assistance (VITA) is an IRS-sponsored nationwide program that provides free tax services to help low and middle-income individuals file their federal and state tax returns. VITA members go through various training sessions and testing prior to certification by the IRS. During the 2017 tax season, CSUF VITA served more than 800 clients via traditional VITA and FSA (Myfreetaxes.com) and was recognized as having the lowest rejection rate among all Orange County VITA sites. Services for the 2018 tax-filing season run from February 2 to April 14.

MEET THE FIRMS

On September 28, 2017, Beta Alpha Psi and the Accounting Society hosted the Department of Accounting’s largest professional networking event of the semester: Meet the Firms. With more than 50 public, private, and government firms in attendance, this event boasted a record of nearly 900 guests at the Irvine Marriott. Known as the most important recruiting event of the semester, Meet the Firms is the ideal opportunity for students to network with professionals one-on-one and potentially land an interview for a summer leadership program, internship, or full-time offer. Congratulations to everyone on a successful recruiting season!

AWARDS BANQUET

The Awards Banquet is another celebrated event hosted by Beta Alpha Psi and the Accounting Society every semester, and student organizations recognize the outstanding academic and extracurricular achievements of their members. Scholarship recipients and Case Competition winners are also announced and recognized by Accounting Department faculty. The Awards Banquet is an opportunity to thank the professionals and faculty members who contribute abundantly to the success of the students. As the last major event of the semester, it gives students a chance to cap off a great semester of academics and networking with an acknowledgement of their success.

MOCK INTERVIEWS

Beta Alpha Psi and the Accounting Society hosted the fall 2017 Mock Interviews. More than 70 students attended each of the events and had the opportunity to practice and improve their interviewing skills. Knowledgeable accounting professionals from PwC, Deloitte, EY, KPMG, RSM, BDO, Moss Adams, HCVT, White Nelson Deihl Evans, SingerLewak, Frazer, and KSJG donated their time to interview accounting students who are making their way into the professional world. The Department of Accounting greatly appreciates their time and dedication to our department and students.
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Alumni and donors gather to discuss "friendlier" charitable giving under the Trump Tax Reform Act.

TOP 10 REASONS for a School of Accountancy at CSUF

The Department of Accounting is passionate about providing better resources for both students and faculty who are part of our school and community. One of our greatest ambitions in releasing that passion is by the Department of Accounting becoming its own School of Accountancy. Listed here are 10 crucial reasons why distinguishing ourselves as the School of Accountancy is an important feat to achieve:

1. Increases the likelihood of attracting a naming donor.
2. Sets us apart from other, often unaccredited, accounting programs in the region.
3. Attracts better students and faculty.
4. Indicates that the Department of Accounting is not only an academic unit in the college, but one that serves the professional community.
5. Signals to the external community that CSUF has a commitment to academic quality.
6. Promotes greater involvement from the external community in curriculum development and support.
7. Attracts greater external funding.
8. Allows our department to take its place among other AACSB accredited accounting programs in Southern California that have been designated as schools of accountancy.
9. Presents incomparable opportunities for students to participate in special events sponsored and paid for by the large accounting firms at the national level.
10. Gives the external/professional community what it is ready for and has been demanding: a school of accountancy in Orange County.

SCHOOL OF ACCOUNTANCY

February 26, 2018, saw Framroze Virjee, president of California State University, Fullerton welcome an audience of more than 50 alumni and donors to CSUF at the O’Brien Family Innovation Center. The event warranting the president’s attention was Smart Giving in the New Tax Environment hosted by the Department of Accounting. Present were distinguished panelists from EY: Scott Jaconetty, Robert Kies, and Temple Turner, who expounded upon the implications of the Trump Tax Reform Act on charitable giving. Dean Morteza Rahmatian spoke to the group emphasizing why the Department of Accounting needed to be elevated to a school of accountancy. He outlined a plan of action for the year to raise $5 million for the school. Barry Gershenovitz then introduced the panelists who discussed the impact of the Tax Cuts and Jobs Act of 2017 on individuals and small business in Orange County. An upbeat audience heard how the new act was generally “friendlier” for charitable giving.

Mihaylo College of Business and Economics invites you to support our endowment fund effort to establish a school of accountancy. You may contact Enrique Gonzalez-Salgado, senior director of development, at egonzalez-salgado@fullerton.edu or (657) 278-2857 to discuss specific giving opportunities, or you may make a gift online by visiting business.fullerton.edu/support-accounting. Check with your organization’s human resources department for gift-matching details.
Alumni and donors gather to discuss "friendlier" charitable giving under the Trump Tax Reform Act.

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TOP 10 REASONS for a School of Accountancy at CSUF

The Department of Accounting is passionate about providing better resources for both students and faculty who are part of our school and community. One of our greatest ambitions in releasing that passion is by the Department of Accounting becoming its own School of Accountancy. Listed here are 10 crucial reasons why distinguishing ourselves as the School of Accountancy is an important feat to achieve:

1. Increases the likelihood of attracting a naming donor.
2. Sets us apart from other, often unaccredited, accounting programs in the region.
3. Attracts better students and faculty.
4. Indicates that the Department of Accounting is not only an academic unit in the college, but one that serves the professional community.
5. Signals to the external community that CSUF has a commitment to academic quality.
6. Promotes greater involvement from the external community in curriculum development and support.
7. Attracts greater external funding.
8. Allows our department to take its place among other AACSB accredited accounting programs in Southern California that have been designated as schools of accountancy.
9. Presents incomparable opportunities for students to participate in special events sponsored and paid for by the large accounting firms at the national level.
10. Gives the external/professional community what it is ready for and has been demanding: a school of accountancy in Orange County.

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Check with your organization's human resources department for gift-matching details.
ACCOUNTING Annual Report  |  2017-2018

NEW FACULTY Fall 2016-Fall 2017

ANTHONY CHEN earned his bachelor’s and master’s degrees in accounting at Old Dominion University. In 2016, he received his Ph.D. in accounting at Florida State University, where he served as a research assistant. Chen has a wide variety of research interests, and he has recently focused on earnings management, earnings quality and corporate governance.

MATTHEW DRISKILL received a master’s in finance from Baruch College in 2007. In 2015, he earned his Ph.D. in accounting from the University of Florida, where he taught Intermediate Financial Accounting II to undergraduate students. His teaching interests include financial accounting, financial statements analysis and valuation.

JONA THAN DURRANT, CPA, graduated with a doctorate in accounting from Texas Tech University in May 2017. Prior to his doctoral program, he obtained Bachelor of Science degrees in accounting, finance, and economics from the University of Utah and his Master of Accountancy from Utah State University. After receiving his master’s degree, Durrant worked for a small local CPA firm in the Salt Lake area for more than five years (six tax seasons). Durrant’s research interests include international taxation and how tax incentives affect managerial decisions.

BARRY GERSHENOVITZ earned his bachelor’s degree in accounting from CSUF in 1985 and his master’s degree in taxation from Golden Gate University in 1992. His 32 years of experience as a tax partner at EY includes accounting for income taxes under ASC 740 for both public and closely held corporations, tax planning for mergers and acquisitions, stock-based compensation, multistate and international expansion, representation before the IRS and various state tax authorities, and other issues affecting high-growth businesses. In 2011, Gershensonitz was awarded Alumni of the Year by California State University, Fullerton.

PUREUM KIM earned his bachelor’s and master’s degrees at Duke University. In 2017, he received his Ph.D. in accounting at University of Southern California. Kim has a wide variety of research interests, and he has recently focused on IPO, auditing, and corporate governance.

ED LYNCH earned his Ph.D. in accounting from Virginia Commonwealth University. His research interests include judgment and decision making, the impact of big data on teaching and practice in accounting, and analytical techniques (including the use of eye-tracking technology). Lynch is a CPA with experience as an internal auditor for a Fortune 200 company and as an auditor for a nationwide CPA firm. He is also the founder of Audit Workshop LLC. He is the author of Good Times! My Freshman Year in College (available on Amazon).

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RESEARCH Spring 2016-Spring 2017

PUBLISHED PAPERS

We investigate whether the nature of differences between national GAAP and IFRS is associated with differential changes in the value relevance of R&D expenses after the adoption of IFRS across countries. Using a difference-in-differences study on a sample of public companies in nine countries that covers pre-IFRS and post-IFRS periods during 1997-2012, we find that the value relevance of R&D expenses declines after IFRS adoption in countries that previously mandated immediate expensing or allowed optional capitalization of R&D costs. On the contrary, there is no change in the value relevance of R&D expenses for countries that switched from national GAAP to IFRS. We also investigate the moderating effects of national institutions on the changes in the value relevance of R&D expenses after IFRS adoption. We find that in countries with stronger investor protection, the changes in the value relevance of R&D expenses are larger. In addition, changes in the value relevance of R&D expenses are smaller for countries whose national culture is characterized by higher uncertainty avoidance. Our findings highlight the importance of both accounting standards and national institutions in explaining the changes in the value relevance of accounting information after IFRS adoption.


We examine the role of financial and nonfinancial performance measures in managing revenues derived from life cycles of a type of intellectual property products – motion pictures. Our study focuses on the first two markets in which audiences can watch a motion picture – the upstream theatrical market and the downstream home video market. We combine data collected from numerous public and proprietary sources and form a final sample of 654 motion pictures. Then we perform regression analysis on the data. First, three measures of a movie’s performance in the theatrical market, opening box office revenue, peak rank, and...
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**YUANYUAN MA** graduated from Peking University, in Beijing, China, with a master’s degree in finance. She recently obtained her Ph.D. in accounting from the University of Minnesota where she served as a teaching assistant and instructor. Her research interests include voluntary disclosure, incentive contracts and effectiveness of accounting rules on business strategies.

**JIE ZHOU** earned her Ph.D. in accounting from Northwestern University, Kellogg School of Management, where she served as both a tutor and teaching assistant. Zhou’s teaching and research interests include financial accounting and accounting information systems.

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UNPUBLISHED WORKING PAPERS

Prior research documents that analysts herd their earnings forecasts where less-experienced analysts copy more-experienced analysts’ forecasts. This results in superficial agreement between analysts on a firm’s forecasted earnings which does not reflect the true uncertainty about the firm’s future earnings. Using an experimental study, I examine when investors are likely to consider the possibility of analyst herding when investors use analyst forecasts to make investment judgments and decisions. Results reveal that, as expected, investors consider the possibility of analyst herding only when analyst forecasts imply that investors will lose money on their investment. However, investors rely on analyst forecasts without much scrutiny when these forecasts imply that investors will make money on their investment. In other words, investors’ directional preferences, or wishful thinking, are one factor that prevent investors from identifying analyst herding.


A 2017 working paper by our own James Gong, Vivek Mande, and Myungsuo Son, “Compensation Consultants and Shareholders’ Say on Pay Votes,” was cited by Harvard Professor Tatiana Sandino in their 2017 working paper, “Compensation Consultants and the Level, Composition and Complexity of CEO Pay.” Gong, Mande, and Son’s cutting-edge research examines the effect of compensations consultants on say on pay.

PAPERS ACCEPTED FOR PUBLICATION

This study examines whether and how U.S. bank holding companies that early adopted SFAS 133, “Accounting for Derivative Instruments and Hedging Activities,” experience changes in their external financing activities relative to banks that did not early adopt the standard. SFAS 133 stipulates stringent rules by requiring all derivatives to be fair valued and gains or losses on ineffective hedging activities to be reflected in current income, potentially introducing more volatility in earnings. Adopting SFAS 133 early suggests that banks would forego flexibilities in accounting for derivatives as allowed in the pre-SFAS 133 era and techniques to manage earnings or regulatory capital through the use of derivatives. Consequently, banks which adopt the standard early are expected to have already managed risks effectively using derivatives or are motivated to use derivatives to hedge risks rather than to speculate. Extant banking literature suggests that bank funding strategies vary with the match between bank assets and liabilities; banks bear higher leverage if their risks are lower and are financed more heavily by deposits following increases in risk. Consistent with predictions, the study shows that early adopters hold higher and experience greater changes in their leverage compared with non-early adopters and that early adopters experience greater shifts in weights of liabilities other than insured deposits in banks’ funding mix. This finding is consistent with banking literature that banks have shifted towards non-deposit debts to finance their balance sheet growth.

Betty Chavis’ Lasting Legacy

BETTY CHAVIS has retired after 19 years of service at California State University Fullerton, leaving behind a lasting legacy that will continue to affect the Department of Accounting for years to come. A dedicated and active chair, Chavis created an environment where students have access to the necessary resources to succeed by leading the department through several AACSB re-accreditations, by developing deep connections with the professional community, by hiring new faculty, and by developing new courses. Her endeavors to strengthen the department resulted in the Department of Accounting being regarded as the best Orange County school of accounting. The Department of Accounting would like to wish her the best.

The California Society of Certified Public Accountants selected RANDY HOFFMAN, Mihaylo College accounting lecturer, as their Outstanding Accounting Educator of the Year for 2016. Hoffman was honored at the Cal CPA Annual Council Meeting, where he was presented with a plaque and a $1,000 cash award, which he requested be donated directly to the Department of Accounting’s Scholarship Fund. The Cal CPA Award recognizes contributions to accounting education for

- Excellence in teaching and mentoring, as evidenced by receiving various awards or citations.
- Educational innovation, including developing curriculum, case studies, and new programs.
- Published articles in professorial or academic journals and/or written textbooks for use in accounting classes.

Hoffman has been a full-time member of the Department of Accounting since 2008. In addition to teaching, he has extensive private-industry experience as president of Bushnell when it was a division of Bausch & Lomb and as the CEO and co-founder of Magellan Systems, a GPS company. He earned his Bachelor of Science degree from USC and his master’s degree from Harvard Business School. He is a certified public accountant and certified management accountant.
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ADVISORY BOARD

News

On October 24, 2018, new faculty members who joined the Department of Accounting in fall 2017, Jon Durrant, Pureum Kim, and Edward Lynch, were formally introduced at the Advisory Board meeting.

At the meeting, accounting professionals and faculty discussed various aspects of the accounting program. This discussion highlighted the faculty members' ability to incorporate real-world experience into the classroom and their capability of leveraging technology and analytics into the curriculum. With the issue of networking and technology becoming more and more present, changes to the curriculum were discussed to improve the accounting program. Suggestions included developing case studies with faculty and greater involvement of the advisory board as guest lecturers, helping incorporate technology to bring real-world cases to the classroom.

Additionally, fundraising for the School of Accountancy was discussed and the senior director of development for Mihaylo College of Business and Economics was asked to present different options for fundraising. Subsequently, a subcommittee met with the dean of the college to discuss the next steps for a School of Accountancy.

EVENTS

EY Meeting

On October 20, 2017, Cal State Fullerton's Department of Accounting faculty members and EY representatives held a meeting to discuss current issues regarding recruitment.

Jon C. Smith, partner at EY, kicked off the event with a welcome and provided recruiting statistics showing that EY has the largest cohort of incoming recruits from CSUF with more than 125 alumni! Additionally, he discussed changes in the profession and in the skill sets that EY will be recruiting for in the years to come.

Smith also introduced EY resources available to our faculty which included module content on data analytics and case studies with real data. These resources can be woven into existing courses or even leveraged as content for an entirely new course.

With more than 20 faculty members present, a productive exchange of ideas followed. Faculty in attendance introduced themselves and gave an overview of their research and teaching.

Vivek Mande, chair of the Department of Accounting, updated EY representatives on campus statistics, future plans – including the School of Accountancy project – and ways that EY’s continuous support and involvement have benefitted both CSUF and EY.

SPEAKER Series

On November 28, 2017, student success experts Allan Ludgate and Scott Friedman from Deloitte addressed Mihaylo faculty on the topic of “Pointing the Way to Success for all Mihaylo Students.” The takeaways from this presentation included ways to address and improve student success – especially as it relates to students who are the first in their families to go to college and/or come from low-to moderate-income household. The essence of improving student success is creating a “student-centered” system – much like the Guaranteed Accounting Program (GAP4+1). In fact, the GAP4+1 model was highlighted by Ludgate and Friedman, who pointed to the proactive approach taken to counsel, mentor, and remove barriers to graduation for the students accepted into this program.
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SCHOLARSHIP AWARD WINNER
Jocelyn Lee

Accounting major JOCelyn Lee ’19 was awarded a $10,000 scholarship from the Public Company Accounting Oversight Board (PCAOB) for the 2017-18 academic year. Lee, a member of the accounting honor society, Beta Alpha Psi (BAP), and treasurer for the Accounting Society, has a GPA of 4.0. She has been on the Mihaylo College Dean’s Honors List for each semester since fall 2015.

The PCAOB scholarship program is merit based and awarded to select students who demonstrate interest and aptitude in accounting and auditing while maintaining and demonstrating high ethical standards. Honorees are nominated by a select group of universities across the United States, and the awards are funded by the monetary penalties imposed for noncompliance with PCAOB policies. “We are honored to have been selected to participate in the PCAOB scholarship program,” said Vivek Mande, chair, Department of Accounting, “and believe it to be in recognition of the strength of our program and quality of our students like Jocelyn Lee.”

Mihaylo Accounting Major Receives $3,000 Financial Executive International Scholarship

VICENTE CORREA ’17, a senior accounting major and fall 2017 graduate of Mihaylo College, was awarded a $3,000 scholarship at the Financial Executives International (FEI), Orange County Chapter, dinner on May 10, 2017. This award is given to an accounting major who can best demonstrate how the FEI foundational values – networking, knowledge, advocacy and ethical leadership – have contributed to growth in his or her personal and professional life. Candidates for the award must also be enrolled in Mihaylo’s undergraduate or graduate accounting program full time, have a cumulative GPA of 3.0 or higher, and submit an essay on how they have applied FEI’s values. Correa interned the past two summers in KPMG’s Orange County Office and will be joining the firm after graduation. He is a member of Beta Alpha Psi and has held a number of leadership positions in CSUF’s chapter of the Association of Latino Professionals For America (ALPFA), most recently as its president. “Vicente is an outstanding student and we want to congratulate him on his award,” said Vivek Mande, chair, Department of Accounting. “We also want to thank the Orange County Chapter of FEI for their continuing support of our program and our students.” In addition to the cash award, Correa received a one-year electronic subscription to FERF publications, Financial Executive magazine and FEI Daily, and a certificate of academic excellence from the president and CEO of Financial Executive International.

STUDY ABROAD INTERNSHIP
Ada Fu

In the summer of 2017, ADA FU had the opportunity to complete a four-week internship at Ernst & Young Germany in their assurance practice. During the internship, she was able to divide her time working in both the audit and financial accounting advisory services (FAAS). She decided to take the internship abroad to gain exposure to different accounting standards and to work with individuals from diverse backgrounds.

“As an intern, I learned different accounting standards such as IFRS and the German GAAP. I also conducted a research project on the International Public Sector Accounting Standard (IPSAS) and its integration into the Latin American market,” said Fu. “In addition, I was given the opportunity to work at a client site to help audit consolidated financial statements. The biggest challenge I had to overcome while interning abroad was the language barrier. Fortunately, the team I worked closely with guided me in the right direction by helping to translate when necessary.”

Fu’s favorite part about this experience was meeting people from diverse backgrounds, working in EY’s new office, and getting a taste of the German and company culture.

Accounting Major and Presidential Scholar

Accounting major MEGGIE HUYNH is a CSUF Presidential Scholar. The President’s Scholars program is the premier scholarship on campus, awarding a “full-ride” to those with outstanding merit in leadership, mentoring, community service, and academics. Hundreds of students apply for the scholarship each year but only 15 to 20 are selected. The application process is extensive and the interviews are rigorous. We want to congratulate Huynh on her selection as a President’s Scholar and are proud she chose accounting as her major. Huynh serves as an instructional student assistant for Managerial Accounting and will be interning in the transfer pricing section of PwC’s Orange County office during the summer of 2018.
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The PCAOB scholarship program is merit based and awarded to select students who demonstrate interest and aptitude in accounting and auditing while maintaining and demonstrating high ethical standards. Honorees are nominated by a select group of universities across the United States, and the awards are funded by the monetary penalties imposed for noncompliance with PCAOB policies. “We are honored to have been selected to participate in the PCAOB scholarship program,” said Vivek Mande, chair, Department of Accounting, “and believe it to be in recognition of the strength of our program and quality of our students like Jocelyn Lee.”

Mihaylo Accounting Major Receives $3,000 Financial Executive International Scholarship

VICENTE CORREA '17, a senior accounting major and fall 2017 graduate of Mihaylo College, was awarded a $3,000 scholarship at the Financial Executives International (FEI), Orange County Chapter, dinner on May 10, 2017. This award is given to an accounting major who can best demonstrate how the FEI foundational values – networking, knowledge, advocacy and ethical leadership – have contributed to growth in his or her personal and professional life. Candidates for the award must also be enrolled in Mihaylo’s undergraduate or graduate accounting program full time, have a cumulative GPA of 3.0 or higher, and submit an essay on how they have applied FEI’s values. Correa interned the past two summers in KPMG’s Orange County Office and will be joining the firm after graduation. He is a member of Beta Alpha Psi and has held a number of leadership positions in CSUF’s chapter of the Association of Latino Professionals For America (ALPFA), most recently as its president. “Vicente is an outstanding student and we want to congratulate him on his award,” said Vivek Mande, chair, Department of Accounting. “We also want to thank the Orange County Chapter of FEI for their continuing support of our program and our students.” In addition to the cash award, Correa received a one-year electronic subscription to FERF publications, Financial Executive magazine and FEI Daily, and a certificate of academic excellence from the president and CEO of Financial Executive International.

STUDY ABROAD INTERNSHIP

Ada Fu

In the summer of 2017, ADA FU had the opportunity to complete a four-week internship at Ernst & Young Germany in their assurance practice. During the internship, she was able to divide her time working in both the audit and financial accounting advisory services (FAAS). She decided to take the internship abroad to gain exposure to different accounting standards and to work with individuals from diverse backgrounds.

“As an intern, I learned different accounting standards such as IFRS and the German GAAP. I also conducted a research project on the International Public Sector Accounting Standard (IPSAS) and its integration into the Latin American market,” said Fu. “In addition, I was given the opportunity to work at a client site to help audit consolidated financial statements. The biggest challenge I had to overcome while interning abroad was the language barrier. Fortunately, the team I worked closely with guided me in the right direction by helping to translate when necessary.”

Fu’s favorite part about this experience was meeting people from diverse backgrounds, working in EY’s new office, and getting a taste of the German and company culture.

Accounting Major and Presidential Scholar

MEGGIE HUYNH is a CSUF Presidential Scholar. The President’s Scholars program is the premier scholarship on campus, awarding a “full-ride” to those with outstanding merit in leadership, mentoring, community service, and academics. Hundreds of students apply for the scholarship each year but only 15 to 20 are selected. The application process is extensive and the interviews are rigorous. We want to congratulate Huynh on her selection as a President’s Scholar and are proud she chose accounting as her major. Huynh serves as an instructional student assistant for Managerial Accounting and will be interning in the transfer pricing section of PwC’s Orange County office during the summer of 2018.
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Cordially,

Vivek Mande, Ph.D.
Accounting Department Chair

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