

Patricia M. Dechow

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Present Position

The Carleton H. Griffin-Deloitte & Touche LLP Collegiate Professor of Accounting and Michael A. Sakkinen Scholar, Ross School of Business, University of Michigan.

Previous Academic Positions

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

Professor of Accounting, 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

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

"Why are Earnings Kinky? A reexamination of the Earnings Management Explanation." Coauthored 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

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

"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:

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

Completed Manuscripts

"Playing with assumptions to report a rosy future today: The role of corporate governance in the reporting of asset securitizations," (co-authored with Catherine Shakespeare and Linda Myers)

"Another Look at the Persistence of Cash Flows." (co-authored with Richard Sloan and Scott Richardson).

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

Teaching Responsibilities at University of Michigan (1997 to present)

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

PhD Committees: University of Michigan

Chair: Troy Jane, Weili Ge.

Committee Member: Mark Soliman, Scott Richardson, Irem Tuna, Sarah McVay

Committees: University of Michigan (1999 and present)

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

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

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

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

Profession Responsibilities

Editor, *The Accounting Review*, June 2002 to present

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

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

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

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

Editorial Advisory and Review Committee, *The Accounting Review* 1994-1996, 1999-2002.

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 (1999-2005)

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| 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). |
| 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), 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).

Awards

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, vegetarian cooking, wine, and travel.