

## DOUGLAS J. SKINNER

August 2003

Neubauer Faculty Fellow and  
Visiting Professor of Accounting  
University of Chicago  
Graduate School of Business  
1101 East 58<sup>th</sup> Street  
Chicago IL 60637  
[douglas.skinner@gsb.uchicago.edu](mailto:douglas.skinner@gsb.uchicago.edu)

KPMG Professor of Accounting  
University of Michigan Business School  
701 Tappan Street  
Ann Arbor, MI 48109-1234  
Phone: 734-764-1239  
Fax: 734-936-0282  
[dskinner@umich.edu](mailto:dskinner@umich.edu)

### **Educational Background**

B.Ec. (First Class Honours), Accounting, Macquarie University, 1985.  
M.S., Applied Economics, University of Rochester, 1988.  
Ph.D., Accounting, University of Rochester, 1989.

### **Appointments**

The University of Chicago, Graduate School of Business  
Neubauer Faculty Fellow and Visiting Professor of Accounting, 2003-2004

University of Michigan Business School  
Accounting Area Chair, 2001-  
KPMG Professor of Accounting, 1998-  
Professor of Accounting, 1997-  
Associate Professor of Accounting, 1993-1997.  
Assistant Professor of Accounting, 1989-1993.

*Journal of Accounting and Economics*  
Editor, 2000-

Macquarie University (Sydney)  
Visiting Lecturer in Accounting, 1989

Coopers & Lybrand (Sydney)  
Auditor, 1980-82.

## Scholarly Honors and Awards

Neubauer Faculty Fellow, 2003-2004, University of Chicago  
 Graduate of School of Business  
 CQA/IBES Research Competition, 1998.  
 KPMG Peat Marwick Faculty Fellow 1993-1996.  
 KPMG Peat Marwick Research Fellow 1991-1993.  
 Deloitte Haskins & Sells Foundation Doctoral Fellow 1986-88.  
 American Accounting Association Doctoral Consortium Fellow 1988.  
 University of Rochester Sproull Fellow 1985-1987.

## Main Publications

- "Options Markets and Stock Return Volatility." Journal of Financial Economics 23, 1, June 1989: 61-78.
- "Options Markets and the Information Content of Accounting Earnings Releases." Journal of Accounting & Economics 13, 3, October 1990: 191-211.
- "Dividends and Losses." With Harry DeAngelo and Linda DeAngelo. Journal of Finance 47, 5, December 1992: 1837-1863.
- "The Investment Opportunity Set and Accounting Procedure Choice: Preliminary Evidence." Journal of Accounting & Economics 16, 4, October 1993: 407-445.
- "Accounting Choice in Troubled Companies." With Harry DeAngelo and Linda DeAngelo. Journal of Accounting & Economics 17, 1-2, January 1994: 113-143.
- "How Do Taxes Affect Investors' Stock Market Realizations? Evidence from Tax-Return Panel Data." With H. Nejat Seyhun. Journal of Business 67, 2, April 1994: 231-262.
- "Why Firms Voluntarily Disclose Bad News." Journal of Accounting Research 32, 1, Spring 1994: 38-60. (This article is abstracted in The CFA Digest 24, 4, Fall 1994.)
- "Reversal of Fortune: Dividend Policy and the Disappearance of Sustained Earnings Growth." With Harry DeAngelo and Linda DeAngelo. Journal of Financial Economics 40, 3, March 1996: 341-371.
- "Earnings Disclosures and Stockholder Lawsuits." Journal of Accounting & Economics 23, 3, November 1997: 249-282.
- "Determinants of the Valuation Allowance for Deferred Tax Assets under SFAS-109." With Gregory S. Miller. The Accounting Review 73, 2, April 1998: 213-233.

- “An Empirical Examination of Conference Calls as a Voluntary Disclosure Medium.” With Richard Frankel and Marilyn Johnson. Journal of Accounting Research 37, 1, Spring 1999: 133-150.
- “Earnings Management: Reconciling the Views of Accounting Academics, Practitioners, and Regulators.” With Patricia Dechow. Paper delivered at the AAA/FASB Financial Reporting Issues Conference in December, 1999. Accounting Horizons, 14, 2, June 2000: 235-250.
- “Special Dividends and the Evolution of Dividend Signaling.” With Harry DeAngelo and Linda DeAngelo. Journal of Financial Economics, 57, 3, September 2000: 309-354.
- “Earnings Surprises, Growth Expectations, and Stock Returns or Don’t Let an Earnings Torpedo Sink Your Portfolio.” With Richard Sloan. Review of Accounting Studies, 7, 2/3, June/September 2002: 289-312. This paper won the 1998 CQA/IBES Research Competition.
- “Large Sample Tests of the Debt Covenant Hypothesis.” With Ilia Dichev. Journal of Accounting Research, 40, 4, September 2002: 1091-1123.
- “Are Dividends Disappearing? Dividend Concentration and the Consolidation of Earnings.” With Harry DeAngelo and Linda DeAngelo. Forthcoming, Journal of Financial Economics.
- “The Role of Supplementary Statements with Management Earnings Forecasts.” With Amy P. Hutton and Gregory S. Miller. Revised February 2003. Forthcoming, Journal of Accounting Research.

### **Invited Discussions**

- "Are Disclosures About Bank Derivatives and Employee Stock Options 'Value Relevant'?" Journal of Accounting & Economics 22, 1-3, Aug.-Dec. 1996: 393-405.
- "What Motivates Managers' Choice of Discretionary Accruals?" With Victor L. Bernard. Journal of Accounting & Economics 22, 1-3, Aug.-Dec. 1996: 313-325.
- "Do Options Markets Improve Informational Efficiency?" Contemporary Accounting Research 14, 2, Summer 1997: 193-201.
- “How Well Does Net Income Measure Firm Performance? A Discussion of Two Studies.” Journal of Accounting & Economics, 26, 1-3, January 1999: 105-111.
- “Should Firms Disclose Everything to Everybody? A Discussion of ‘Open versus closed conference calls: The determinants and effects of broadening access to disclosure.’” Journal of Accounting and Economics 34, 1-3, January 2003: 181-187.

### **Other Publications**

“Are the SEC's Safe Harbor Provisions Effective in Encouraging the Disclosure of Forward-Looking Information?” Financial Analysts Journal 51, 4, July-August 1995: 38-44.

“Issues in Foreign Exchange Hedge Accounting.” With Michael H. Moffett. Journal of Applied Corporate Finance 8, 5, Fall 1995: 82-94.

### **Conference Proceedings**

"Stock Returns, Trading Volume, and Bid-Ask Spreads Around Earnings Announcements: Evidence from the NASDAQ National Market System." Proceedings: Seminar on the Analysis of Security Prices, 36, 1, May 1991: 289-329.

### **Current Working Papers**

“Earnings Momentum and Earnings Management.” With Linda Myers. Working paper, May 1998. Revised July 2002. Under revision.

“Employee Stock Options, EPS Dilution, and Stock Repurchases.” With Dan Bens, Venky Nagar, and Franco Wong. Working paper, February 2002. Revised December 2002. Accepted for presentation at the Journal of Accounting and Economics conference, October 2002. Under review (fourth round) at the Journal of Accounting and Economics.

“What Do Dividends Tell Us About Earnings Quality?” Working paper, April 2003. Revised June 2003.

## AAA Financial Accounting Standards Committee Work

The Financial Accounting Standards Committee of the AAA is charged with responding to requests by standards setters on issues related to financial reporting. As a member of that Committee (beginning in 1999) I have contributed to comment letters to the Financial Accounting Standards Board (FASB), the International Accounting Standards Committee (IASC), and the U.S. Securities and Exchange Commission (SEC). Published versions of these comment letters are as follows:

- Response to the Special Report of the G4+1, “Reporting Financial Performance: A Proposed Approach,” (with J. M. Wahlen, Chair, J. R. Boatsman, R. H. Herz, G. J. Jonas, K. G. Palepu, S. G. Ryan, K. Schipper, and C. M. Schrand). Accounting Horizons December 2000, Vol. 14, No. 4, pp. 489-499.
- Response to the SEC Concepts Release on *International Accounting Standards* (with J. M. Wahlen, Chair, J. R. Boatsman, R. H. Herz, G. J. Jonas, K. G. Palepu, S. G. Ryan, K. Schipper, and C. M. Schrand). Accounting Horizons December 2000, Vol. 14, No. 4, pp. 489-499.
- Response to the FASB Preliminary Views: Reporting Financial Instruments and Certain Related Assets and Liabilities at Fair Value. *Principal author* (with J. M. Wahlen, Chair, J. R. Boatsman, R. H. Herz, G. J. Jonas, K. G. Palepu, S. G. Ryan, K. Schipper, and C. M. Schrand). Accounting Horizons December 2000, Vol. 14, No. 4, pp. 501-508.
- Response to the SEC Proposed Rule S7-13-00, *Revisions of the Commission’s Auditor Independence Requirements*. With S. G. Ryan, Chair, R. H. Herz, T. E. Iannaconi, L. A. Maines, K. Palepu, C. M. Schrand, L. Vincent. Accounting Horizons December 2001, Vol. 15, No. 4, pp. 373-386.
- Evaluation of the FASB’s Proposed Accounting for Financial Instruments with Characteristics of Liabilities, Equity, or Both. With S. G. Ryan, Chair, R. H. Herz, T. E. Iannaconi, L. A. Maines, K. Palepu, C. M. Schrand, L. Vincent. Accounting Horizons December 2001, Vol. 15, No. 4, pp. 387-400.
- Evaluation of the Lease Accounting Proposed in the G4+1 Special Report. With S. G. Ryan, Chair, R. H. Herz, T. E. Iannaconi, L. A. Maines, K. G. Palepu, K. Schipper, C. M. Schrand, L. Vincent. Accounting Horizons December 2001, Vol. 15, No. 4, pp. 387-400.
- Equity Valuation Models and Measuring Goodwill Impairment. With S. G. Ryan, Chair, R. H. Herz, T. E. Iannaconi, L. A. Maines, K. G. Palepu, K. Schipper, C. M. Schrand, L. Vincent. Accounting Horizons December 2001, Vol. 15, No. 4, pp. 387-400.
- Recommendation on Hedge Accounting and Accounting for Transfers of Financial Instruments. With S. G. Ryan, Chair, R. H. Herz, T. E. Iannaconi, L. A. Maines, K. G. Palepu, K. C. M. Schrand, L. Vincent. Accounting Horizons March 2002, Vol. 16, No. 1, pp. 81-93.
- Reporting Fair Value Interest and Value Changes on Financial Instruments. With S. G. Ryan, Chair, R. H. Herz, T. E. Iannaconi, L. A. Maines, K. G. Palepu, K. C. M. Schrand, L. Vincent. Accounting Horizons September 2002, Vol. 16, No. 3, pp. 259-267.
- Recommendations on Disclosure of Nonfinancial Performance Measures. With L. A. Maines, Chair, E. Bartov, P. M. Fairfield, D. E. Hirst, T. E. Iannaconi, R. Mallett, C. M. Schrand, L. Vincent. Accounting Horizons December 2002, Vol. 16, No. 4, pp. 353-362.

- Evaluation of the FASB's Proposed Accounting and Disclosure Requirements for Guarantors. With L. A. Maines, Chair, E. Bartov, P. M. Fairfield, D. E. Hirst, T. E. Iannaconi, R. Mallett, C. M. Schrand, L. Vincent. *Accounting Horizons* March 2003, Vol. 17, No. 1, pp. 51-58.
- Evaluating Concepts-Based vs. Rules-Based Approaches to Standard Setting. With L. A. Maines, Chair, E. Bartov, P. M. Fairfield, D. E. Hirst, T. E. Iannaconi, R. Mallett, C. M. Schrand, L. Vincent. *Accounting Horizons* March 2003, Vol. 17, No. 1, pp. 73-89.
- Implications of Accounting Research for the FASB's Initiatives on Disclosure of Information about Intangible Assets. *Principal Author*. With L. A. Maines, Chair, E. Bartov, P. M. Fairfield, D. E. Hirst, T. E. Iannaconi, R. Mallett, C. M. Schrand, L. Vincent. *Accounting Horizons* June 2003, Vol. 17, No. 2, pp. 175-185.

### **Professional Activities**

*Journal of Accounting & Economics*:  
 Editor, 2000-  
 Associate Editor, 1994-2000;

*Asia-Pacific Journal of Accounting & Economics*, Associate Editor, 1999-.

*The Accounting Review*, Editorial Advisory and Review Board, 1992-1996; 1997-1999.

*Review of Accounting Studies*, Co-Editor, 1999-2000.

Ad hoc referee for numerous accounting and finance journals

Member: American Accounting Association, American Finance Association.

American Accounting Association Committees:

- Financial Accounting Standards Committee, 1999-2002
- AAA/FASB Annual Financial Reporting Issues Conference Organizing Committee, 1999, 2000.
- 2001-2002 Competitive Manuscript Prize Committee.

### **Ph.D. Committees (chronological order)**

Arun Kumar (Finance)  
 Christine Botosan  
 Li Li Eng  
 Karen Nelson  
 Lillian Mills  
 Brian Bushee  
 Marlene Plumlee (Chair)

David Heike (Finance)  
 Timothy Burch (Finance)  
 Gregory Miller (Chair)  
 Mark Bradshaw  
 Anchada Charoenrook (Finance)  
 Darren Roulstone (Co-chair)  
 Linda Myers (Chair)  
 Irem Tuna (Chair)  
 Scott Richardson  
 Fai Cang (Finance)  
 Jef Doyle

### **Presentations at Schools and Conferences**

- 1990: Columbia University.
- 1991: *CRSP Seminar on the Analysis of Security Prices*, AAA Meetings at Nashville, Second Conference on Financial Economics and Accounting (SUNY at Buffalo), University of Rochester, University of Chicago, University of Southern California.
- 1992: Purdue University, University of Notre Dame, Washington University at St. Louis, Third Conference on Financial Economics and Accounting (NYU), University of Iowa, Michigan State University, Yale University.
- 1993: Harvard Business School, The Ohio State University, Fourth Conference on Financial Economics and Accounting (Washington University at St. Louis), MIT Sloan School.
- 1994: University of Washington, AAA Northeast Meetings in Buffalo (Discussant), *NBER Summer Institute* (Behavioral Finance and Asset Pricing), AAA Meetings in New York (Moderator), University of Pennsylvania (Wharton School), Fifth Conference on Financial Economics and Accounting (University of Michigan), University of Illinois at Urbana-Champaign.
- 1995: University of British Columbia, Big Ten Doctoral Consortium (Presenter), FASB Faculty Program, AAA Meetings in Orlando (Discussant), University of Texas at Austin, UCLA, *JAE* Conference (Discussant), University of Arizona.
- 1996: University of Alabama, University of New South Wales, Australian Graduate School of Management, Stanford University (Summer Accounting Camp), AAA Meetings in Chicago (Discussant), Penn State University, *Contemporary Accounting Research* Conference (Discussant), Indiana University.

- 1997: Northwestern University, University of Missouri, Hong Kong Polytechnic University, AAA Financial Reporting Section Conference at the University of North Carolina at Chapel Hill (Discussant).
- 1998: *JAE* Conference (Discussant), Emory University, University of Oregon, Chicago Quantitative Alliance (CQA) Meetings, University of North Carolina.
- 1999: Harvard Business School, Penn State University, Western Finance Association Meetings in Los Angeles (Discussant), Cornell University, University of Washington, AAA/FASB Financial Reporting Issues Conference, University of Rochester.
- 2000: University of Utah, William Davidson Institute Conference on Accounting in Transition and Emerging Economies (Discussant), Northwestern University, University of Technology – Sydney, Columbia University.
- 2001: University of California, Berkeley (Berkeley Accounting Research Talks), University of Colorado, *JAE* Conference at MIT (Discussant), London Business School (LBS Accounting Symposium).
- 2002: University of Minnesota, University of Iowa, University of Technology, Sydney, University of British Columbia.
- 2003: MIT Sloan School, London Business School.