Meiling Zhao

Ph.D. Candidate, Dhaliwal-Reidy School of Accountancy
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EDUCATION

Ph.D. in Management (Major: Accounting; Minor: Finance) May 2022 (Expected)
University of Arizona Tucson, AZ

Master of Science in Accountancy May 2017
Syracuse University Syracuse, NY

Bachelor of Science in Accountancy June 2014
Beijing Forestry University Beijing, China

INTERESTS

Research

- Auditing (audit quality; audit partners)
- Financial (activist short sellers; information intermediaries; corporate disclosure)

Teaching: Financial accounting; Managerial accounting; Auditing; Data analytics

RESEARCH

Dissertation (abstract on final page)

- "Timely Signals of Systematic Audit Quality from Market Participants: Evidence from Activist Short-Seller Campaigns"
  Presentation(s): University of Arizona; 2021 EAA Doctoral Colloquium
  Adivisors: Paul Michas (co-chair); Shyam V. Sunder (co-chair); Mei Cheng; Lin Cheng

Working Papers (abstracts on final page)

- "The Responses of Non-Switching Audit Clients and Investors to Damaged Auditor Office Reputation"
  Co-authors: Mei Cheng and Paul Michas
  Status: Ready for submission to Journal of Accounting Research
  Presentation(s): University of Arizona; 2021 Doctoral Student Faculty Interchange for the Western Region; 2021 AAA Annual Meeting; 2021 BYU Research Conference; 2021 PCAOB Conference on Auditing and Capital Markets; 2022 Auditing Midyear Meeting (Scheduled); 2022 FARS Midyear Meeting (Scheduled)

- "The Impact of Partner Industry Knowledge Sharing within Audit Offices on Audit Quality"
  Co-authors: Paul Michas and Dan Russomanno
  Status: Ready for submission to Contemporary Accounting Research
  Presentation(s): 2021 PCAOB Conference on Auditing and Capital Markets; 2022 Auditing Midyear Meeting (Scheduled)

- "Equity Underwriting Relationships and Corporate Disclosure: Evidence from the Collapse of Lehman Brothers"
  Co-authors: Mei Cheng and Yuan Zhang
  Status: Ready for submission to The Accounting Review
  Presentation(s): University of Arizona

Work in Progress

- "Borrower Monthly Reporting Covenant and Corporate Innovation"
  Co-authors: Lin Cheng and Mark Yan
  Status: Revision of draft
  Presentation(s): University of Arizona

TEACHING EXPERIENCE

- University of Arizona Doctoral Programming Camp (SAS, STATA) — Summer 2020
- Introduction to Financial Accounting (ACCT200) — Winter 2019
  Teaching Evaluation Rating 4.9/5.0
- Introduction to Financial and Managerial Accounting — Summer 2018
  Teaching Evaluation Rating 4.0/5.0
- Advanced Auditing (Teaching Assistant) — Spring 2017
- Auditing Theory/Practice (Teaching Assistant) — Fall 2016

CONFERENCE PARTICIPATION

FARS Midyear Meeting (Reviewer, Presenter)	2022
Auditing Midyear Meeting (Reviewer, Presenter for two papers; Discussant)	2022
2021 PCAOB Conference on Auditing and Capital Markets (Presenter for two papers)	2021
2021 BYU Research Symposium (Reviewer, Presenter)	2021
AAA Annual meeting (Reviewer, Moderator, Presenter)	2021
MIT Asia Conference in Accounting	2021
JIAR Doctoral/New Faculty Consortium	2021
AAA Audit Educators Bootcamp	2021
AAA Western Regional Conference (Reviewer for two papers)	2021
CUHK Accounting Research Conference	2021
Doctoral Student Faculty Interchange for the Western Region (Presenter)	2021
FARS Midyear Meeting (Reviewer for three papers)	2021
Auditing Doctoral Consortium, FARS Midyear Meeting	2021
Auditing Midyear Meeting (Reviewer for one paper)	2021
Miami Accounting Webinar Series	2021
AAA Annual meeting (Reviewer for two papers, Moderator)	2020
FARS Midyear Meeting (Reviewer for two papers)	2020
Doctoral Consortium, FARS Midyear Meeting	2020
Auditing Midyear Meeting (Reviewer for two papers)	2020
AAA FARS Midyear Meeting	2019
AAA Annual meeting	2019
UA/ASU Joint Research Conference	2017-2021

AD HOC REVIEWER

Contemporary Accounting Research
FARS Midyear Meeting
Auditing Midyear Meeting
AAA Annual Meeting
AAA Western Regional Conference

SELECTED AWARDS, HONORS, AND FELLOWSHIPS

FARS Excellence in Reviewing Award	2021
AAA Auditing Doctoral Consortium Fellow	2021

JIAR Doctoral/New Faculty Consortium Fellow	2021
EAA Doctoral Colloquium Fellow	2021
AAA FARS Doctoral Consortium Fellow	2020
Merit-Based Scholarship, Syracuse University	2015
"Techno Park" University Entrepreneurship Contest Second Prize, BFU	2013
National Scholarship of China, Education Ministry of China	2012
Vice Chairman & Creative Director, E-Time Cinematography Studio	2012
Excellent Student Scholarship for Fine qualities and Fine scholars, BFU	2010-2013

REFERENCES

Paul Michas (Co-chair)
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ABSTRACTS

"Timely Signals of Systematic Audit Quality from Market Participants: Evidence from Activist Short-Seller Campaigns" (Job market paper)

Extant studies generally focus on signals of systematic audit quality from regulatory oversight of auditors, which can take up to several years to be revealed. Using a sample of firms targeted by activist short sellers (activists) for financial misreporting, I examine whether capital market participants provide credible and timely signals of systematic audit quality at the auditor office level. I find that activists identify systematic audit failures at auditor offices of targeted firms (targeted offices) that exist across audits of concurrent non-targeted firms, and that these signals persist for three years on average. I also find that activist signals are more informative when the activists possess relatively high credibility. Further, I document that while concurrent clients, in general, retain the targeted offices following activist campaigns, they dismiss them when the activists are more credible, suggesting that clients recognize the variation in the quality of activist signals and respond accordingly. Finally, I find that audit failures revealed by activists are less persistent than those not revealed by activists, indicating that activists accelerate auditor offices' remediation of systematic audit quality problems. Overall, my study documents activist short-seller campaigns as a credible and timely channel through which systematic audit quality problems of auditor offices are signaled by capital market participants.

"The Responses of Non-Switching Audit Clients and Investors to Damaged Auditor Office Reputation", with Mei Cheng and Paul Michas

We examine how client firms of reputationally-damaged auditor offices, as well as their investors, respond to perceived lower audit quality. We find that non-switching client firms that stay with their reputationally-damaged auditor office increase their number of management forecasts, while switching clients experience no changes in management forecast levels. Further, the response of non-switching clients is more pronounced when the client firm is exposed to a higher information demand environment (followed by more analysts, owned by a higher percentage of institutional investors, and is larger in size), is more closely aligned with the restating firm that caused the reputational damage (higher stock return correlation and located in the same geographical area), or is exposed to lower proprietary costs of disclosure. We also find that investors of non-switching clients react more (less) to management forecasts (audited reported financial information) after the audit office reputation damage. Finally, we document that increases in management forecasts bring market benefits for firms audited by reputationally-damaged auditor offices as they reduce the cost of equity for these firms. Our study extends the auditor reputation literature by documenting important ways in which client firms and investors respond to signals of decreased audit quality at the office level.

"The Impact of Partner Industry Knowledge Sharing within Audit Offices on Audit Quality", with Paul Michas and Dan Russomanno

We conjecture that the opportunity for audit partners to share personal industry knowledge with each other within audit offices benefits audit quality. Using recently available Form AP data, we analyze each partner's client portfolio and construct measures of the extent to which partners within the same audit office are able to share similar industry knowledge and specialization. We find negative associations between shared industry knowledge and both restatement likelihood and absolute abnormal accruals. In further cross-sectional analyses, we find that knowledge sharing benefits audit quality for all but a partner's largest client in offices that are either the overall city-

level industry leader or not. However, for partners' largest clients, industry knowledge sharing is associated with audit quality only when the office is also the city-level level leader. This indicates an interplay between our novel construct of partner knowledge sharing and extant constructs of city-level auditor office industry leadership. Taken together, our evidence is consistent with audit quality benefiting from shared industry knowledge and specialization within an audit office.

"Equity Underwriting Relationships and Corporate Disclosure: Evidence from the Collapse of Lehman Brothers", with Mei Cheng and Yuan Zhang

We examine changes in corporate disclosures by underwriting clients around the exogenous shock of the collapse of Lehman Brothers. We find that Lehman's client firms significantly increase their forecasts after the collapse relative to client firms of other underwriters of similar status, whether we focus on earnings forecasts specifically or all types of forecasts. The increases in managerial forecasts are more pronounced when the Lehman client firms have a stronger relationship with Lehman. Further analyses show that while Lehman clients with low voluntary disclosures experience reductions in liquidity after Lehman's collapse compared to non-Lehman clients, this reduction is significantly attenuated if Lehman clients provide high voluntary disclosures. Our results underscore the important roles of equity underwriters in shaping clients' information environment and shed light on the mechanism through which equity underwriters create value for their clients.