

Kathy Petroni
Deloitte/Michael Licata Professor of Accounting
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PEER REVIEWED JOURNAL ARTICLES

“Do Firms use Inventory to Manage Personal Property Taxes? An Analysis of U.S. Petroleum Refineries” by K. Allee, D. Lynch, K. Petroni, and J. Schroeder. Forthcoming, *Contemporary Accounting Research*.

“Fair Value Accounting for Financial Instruments: Does it improve the association between Bank Leverage and Credit Risk?” by E. Blankespoor, K. Petroni, T. Linsmeier, and C. Shakespeare. *The Accounting Review* July (2013).

“Governance problems in closely-held corporations” by V. Nagar, K. Petroni, and D. Wolfenzon, *Journal of Financial and Quantitative Analysis* 46 (4) (2011) pp 943-966.

“CEOs and CFOs: Who have more influence on earnings management?” by J. Jiang, K. Petroni and I. Wang, *Journal of Financial Economics* 96:3 (2010) pp 513-526.

“Comprehensive Income: Who’s afraid of performance statement reporting?” by L. Bamber, J. Jiang, K. Petroni and I. Wang, *The Accounting Review* 85:1 (2010).

“Analysts’ incentives and street earnings” by B. Baik, D. Farber, and K. Petroni, *Journal of Accounting Research* 47: 1 (2009) pp 45-69.

“The effect of Regulation FD on transient institutional investors’ trading behavior” by B. Ke, K. Petroni and Y. Yu, *Journal of Accounting Research* 46:4 (2008) pp 853-883.

“Congressional intervention in the standard setting process: An analysis of the Stock Option Reform Act of 2004” by D. Farber, M. Johnson, and K. Petroni, *Accounting Horizons* 21:1 (2007) pp 1-22.

“Cherry picking, disclosure quality, and comprehensive income reporting choices: The case of property-liability insurers” by Y. Lee, K. Petroni, and M. Shen, *Contemporary Accounting Research* 23: 3 (2006).

“How informed are actively trading institutional investors? Evidence from their trading behavior before a break in a string of consecutive earnings increases” by B. Ke and K. Petroni, *Journal of Accounting Research* 42:5 (2004) pp. 895-927.

“What insiders know about future earnings and how they use it: Evidence from insider trades” by B. Ke, S. Huddart, and K. Petroni, *Journal of Accounting & Economics* 35:3 (2003) pp. 315-346.

"Earnings management to avoid earnings declines across publicly and privately held banks" by A. Beatty B. Ke and K. Petroni, *The Accounting Review* July (2002) pp. 547-570.

"The Reliability of Fair Value versus Historical Cost Information: Evidence from Closed-End Mutual Funds" by T. Carroll, T. Linsmeier, and K. Petroni, *Journal of Accounting, Auditing, and Finance* 18:1 (2003) pp. 1-23 (awarded best paper at the 2002 JAAF/KPMG conference).

"The Value-Relevance of Equity Method Fair Value Disclosures" by R. Graham, C. Lefanowicz and K. Petroni, *Journal of Business, Finance, & Accounting* 30:7-8 (2003) pp. 1065-1088.

"Board Independence and Audit-Firm Type" by M. Beasley and K. Petroni, *Auditing: A Journal of Practice & Theory* 20:1 (2001) pp. 97-114.

"The Impact of State Taxes on Self-Insurance" by B. Ke, K. Petroni, and D. Shackelford, *Journal of Accounting & Economics* 30:1 (2000) pp. 99-122.

"Discretionary and Non-Discretionary Revisions of Loss Reserves by Property-Casualty Insurers: Differential Implications for Future Profitability, Risk and Market Value" by K. Petroni, S. Ryan and J. Wahlen, *Review of Accounting Studies* 5:2 (2000) pp. 95-125.

"Ownership Concentration and Sensitivity of Executive Pay to Accounting Performance Measures: Evidence from Publicly and Privately-held Insurance Companies" by B. Ke, K. Petroni, and A. Safieddine, *Journal of Accounting & Economics* (December 1999) pp. 185-209.

"Managing Financial Statements to Avoid State Taxes: An Analysis of Property-Casualty Insurers" by K. Petroni and D. Shackelford, *The Accounting Review* (July 1999) pp. 371-393.

"Fair Value Accounting for Property-Liability Insurers and Classification Decisions under SFAS 115" by N. Godwin, K. Petroni, and J. Wahlen, *Journal of Accounting, Auditing, and Finance* (Summer 1998), pp. 207-239.

"Taxes as a Determinant of Foreign-Owned Property-Liability Insurers' Investment Strategies in the United States" by B. Ke, E. Outslay, and K. Petroni, *Journal of the American Taxation Association* (1998), pp. 25-36.

"Accounting Estimation Error Disclosures and Firm Valuation" by J. Anthony and K. Petroni *Journal of Accounting, Auditing, and Finance* (Summer 1997) pp. 257-281.

"Errors in Accounting Estimates and their Relation to Audit Firm Type" by M. Beasley and K. Petroni, *Journal of Accounting Research* (Spring 1996) pp. 151-172.

"Taxation, Regulation, and the Organizational Structure of Property-Casualty Insurers" by K. Petroni and D. Shackelford, *Journal of Accounting & Economics* (December 1995), pp. 229-253.

"The Impact of Fair Value Accounting for Investment Securities on Share Prices of Property-Liability Insurance Companies" by K. Petroni and J. Wahlen, *The Journal of Risk and Insurance* (December 1995), pp. 719-37.

"Optimistic Reporting within the Property-Casualty Insurance Industry" by K. Petroni *Journal of Accounting & Economics* (December 1992), pp. 485-508.

PUBLISHED COMMENTARIES

“Response to the SEC’s Proposed Rule—Roadmap for the Potential Use of Financial Statement Prepared in Accordance with the International Financial Reporting Standards by U.S. Issuers” principally by K. Jamal and K. Petroni with the AAA Financial Accounting Standards Committee, *Accounting Horizons* (March 2010), pp. 109-115.

“General Inferences from Academic Research on Fair Value Accounting” by K. Petroni, *Ernst & Young Faculty Connection* (December 2008).

“An Accounting of Stock Options” by K. Petroni, *Washington Post* (June 20, 2005), Letter to the Editor, p. A14.

“Will Swings, Misses on SEC” by K. Petroni, *Lansing State Journal* (June 23, 2005), Viewpoint, p. A13.

“Discussion of Improving Financial Reports by Revealing the Accuracy of Prior Estimates” by K. Petroni, *Contemporary Accounting Research* (Spring 2003), pp. 195-199.

"Response to FASB Invitation to Comment on Methods of Accounting for Business Combinations: Recommendations of the G4+1 for Achieving Convergence" with the, principally by R. Jennings, K. Palepu, and K. Petroni with the AAA Financial Accounting Standards Committee, *Accounting Horizons* (September 1999), pp. 299-303.

"Discussion of Coordination of Earnings, Regulatory Capital, and Taxes in Private and Public Companies", by K. Petroni, *Proceedings of the 1999 Illinois Tax Symposium*.

“Response to IASC Discussion Paper--Accounting for Financial Assets and Financial Liabilities” principally by K. Petroni and T. Linsmeier with the AAA Financial Accounting Standards Committee, *Accounting Horizons* (March 1998), pp. 90-97.

POPULAR PRESS COVERAGE

“Study Co-Authored by FASB Member Rebuts FASB’s Proposed Changes in Fair Value Accounting Standards” by Michael Cohn, *Accounting Today* (May 29, 2013). <http://www.accountingtoday.com/news/Study-FASB-Member-Rebuts-Changes-Fair-Value-Accounting-66892-1.html>.

“New Research Finds Support for Valuing Banks’ Financial Instruments at Fair Value” Wall Street Journal Market Watch, (Feb 21, 2013). <http://www.marketwatch.com/story/new-research-finds-support-for-valuing-banks-financial-instruments-at-fair-value-2013-02-21>.

“ANALYSIS-Fair value seen both friend and foe in turmoil” by K. Wutkowski and E. Chasan, *CFO.com*, (September 19, 2008).

“How Fair Value Rewards Deadbeats Opponents of mark-to-market accounting complain that some companies are making silk purses out of sows’ ears” by D. Katz and T. Reason, *CFO.com*, (July 9, 2008).

“Inside Advantage” by A. Countryman, *Chicago Tribune* (December 28, 2003), section 5, pages 1 and 4.

“Bet on Greed: Buying fallen tech and financial stocks, insiders may be calling a market bottom” by D. Kadlec, *Time* (September 23, 2002) p. A34.

“Insider Trades Point to a Rising Market (Eventually)” by M. Hulbert, *The New York Times* (September 1, 2002), p. 8.

“Insider Trades: Take a Closer Look” by R. Barker, *Business Week* (October 15, 2001), p. 133.

“Why ‘insider’ stock trades may soon be much easier to track” by G. Halverson, *The Christian Science Monitor* (May 28, 2002), p. 19.

PRACTITIONER PRESS

“Inventory and Pricing: Adjustments for Personal Property Taxes at the Calendar Year-End” by K. Allee, K. Petroni, D. Lynch, and J. Schroeder, *Oil & Gas Monitor*, March 19, 2014.

<http://www.oilgasmonitor.com/inventory-pricing-adjustments-personal-property-taxes-calendar-year-end/6868/>

“Independence and auditor selection” by M. Beasley and K. Petroni, *Journal of Accountancy* (July 2001), p. 86.

WORKING PAPERS

“Did Stop Signs Stop Investor Trading? Investor Attention and Liquidity in the Pink Sheets Tiers of the OTC Market” by J. Jiang, K. Petroni and I. Wang. Presented at the 2013 CAR conference.

“Unintentional Optimism in Financial Reporting and Voluntary Disclosure: The Intersection of Economics, Psychology, and Neuroscience” by G. Capps, L. Koonce, and K. Petroni.

HONORS AND GRANTS

Michigan State University Distinguished Professor Award, 2011.

Outstanding Master of Science Program Teacher, from the Class of 2008, 2011 and 2014.

MSU AIS Department Outstanding Research Award. 1996 and 2012.

MSU AIS Department Roland Salmonson Outstanding Teaching Award, 1994, 2005, and 2012.

Multicultural Business Program Faculty of the Year, 2008.

Professor of Excellence Award from the Class of 2006, MSU Executive MBA Program.

John D. and Dortha J. Withrow Teacher-Scholar Award, 2003.

Outstanding First Year MBA Professor for Broad Graduate School of Management, 2003.

1999-00 MSU Alumni Club of Mid-Michigan Quality in Undergraduate Teaching Award.

Business Week Guide to the Best Business Schools, 8th Edition, Outstanding Faculty Member.

2003 recipient of Intramural Research Grant from Michigan State University.
1999-2001, 2004 Broad College Summer Research Grant.
MSU Teacher-Scholar Award, 1996.
Invited participant in the 1995 FASB Faculty Program.
KPMG Peat Marwick Faculty Fellow, 1994-1997.
KPMG Peat Marwick Tax Research Opportunity Grant of \$26,740, 1994.
KPMG Peat Marwick Research Fellow, 1992-1993.
AAA Doctoral Consortium Fellow, 1989.
Unisys Fellow, 1987-1989.
C.P.A., Michigan, 1984.

INVITED PRESENTATIONS

28th CAR Conference, paper presentation, 2013.
University of International Business and Economics, Workshop, 2013.
Peking University, Workshop, 2013.
Renmin University, Workshop, 2013.
Shanghai University of Finance and Economics, Workshop, 2013.
Ohio State University Workshop, 2012.
Boston Accounting Research Colloquium (BARC) Workshop, 2011.
Business and Bagels, Broad College “What caused the credit-crunch?” 2011.
Washington University Workshop, 2011.
University of Wisconsin-Madison Workshop, 2010.
University of Toronto Accounting Workshop, 2009.
University of Texas at Dallas Accounting Workshop, 2009.
University of Georgia Accounting Workshop, 2009.
Financial Accounting Standards Research Initiative Round Table Discussion, Oct 2009.
Financial Accounting Standards Research Initiative Office Hours, June 2009.
MACPA 2009 Spring Accounting Educators Conference, presentation on fair values.
SEC Roundtable on Fair Value Accounting and Auditing July 9, 2008.
2008 AAA New Faculty Consortium, Teaching Effectiveness Panel.
2006 and 2007 AAA New Faculty Consortium, “Editorial Process—Author’s Perspective”
University of Kentucky Accounting Workshop, 2007.
University of Iowa Accounting Workshop, 2007.
Women in Business Students’ Association, Broad School Banquet Keynote Speaker, 2007.
Pennsylvania State Accounting Workshop, 2006.
University of Cincinnati Accounting Workshop, 2005.
American Association of Individual Investors, Chicago Chapter, Presentation, 2005.
Paper presentation, 2004 CAR Conference, Montreal.
Discussant, 16th Symposium on Auditing Research, University of Illinois, 2004.
University of Michigan Accounting Workshop, 2004.
The Richard H. Driehaus Center for Behavioral Finance Symposium "People & Money: The Human Factor in Financial Decision-Making," 2004.
University of Wisconsin Accounting Workshop, 2003.
University of Washington Accounting Workshop, 2003.
Big Ten+ Doctoral Consortium “Perspectives on an Academic Career”, 2001.
Purdue Accounting Workshop, 2000.
11th Annual Conference on Financial Economics and Accounting, 2000.

University of Missouri at Columbia Accounting Workshop, 2000.
University of North Carolina at Chapel Hill Accounting Workshop, 2000.
Stanford University Accounting Workshop, 1999.
University of Michigan Accounting Workshop, 1999.
University of Wisconsin Accounting Workshop, 1998.
Georgia State University Accounting Workshop, 1998.
1997 KPMG and *Journal of Accounting, Auditing and Finance* Conference
Ohio State University Accounting Workshop, 1997.
1996 and 1997 AAA New Faculty Consortium "Research: How to be Successful"
Harvard University Accounting Workshop, 1996.
University of Iowa Accounting Workshop, 1996.
University of Minnesota Accounting Workshop—Spring 1996.
Risk Management at the Wharton Financial Institutions Center, 1996.
University of Georgia Accounting Workshop, 1995.
Accounting Issues in Risk and Capital Management, Wharton Financial Institutions Center, 1994.
University of Pennsylvania Accounting Workshop, 1994.
University of Rochester Accounting Workshop, 1994.
University of Texas at Austin Accounting Workshop, 1994.
Pennsylvania State University Accounting Workshop, 1994.
University of Oregon Accounting Workshop, 1994.
University of Chicago Accounting Workshop, 1994.
Northwestern University Accounting Workshop, 1994.
Ohio State University Accounting Workshop, 1993.
Notre Dame University Accounting Workshop, 1993.
MIT Accounting Workshop, 1993.
Stanford University Accounting Workshop, 1993.
Indiana University Accounting Workshop, 1992.
North Carolina University at Chapel Hill Accounting Workshop, 1992.

EDITORSHIPS AND EDITORIAL BOARDS

The Accounting Review Editorial Advisory and Review Board, 1994-present.
Contemporary Accounting Research, Editorial Board, 2007-present.
Accounting Horizons Editorial Advisory and Review Board, 1997-2006, 2009-2014.
Accounting Horizons, Associate Editor, 2006-2009.
Journal of Accounting & Economics, Associate Editor, 2006-2011.

PROFESSIONAL COMMITMENTS

Financial Accounting Standards Advisory Council (FASAC) member, 2010-2013.
Steering Committee of FASAC member, 2011-2012.
Financial Accounting Standards Committee of the AAA, 1996-99, 2009.
AAA New Faculty Consortium, Chair of Planning Committee, 2009.
AAA/FARS mid-year meeting, track coordinator for concurrent research sessions, 2010.
AAA Annual Meeting, Program Committee member for FARS, 2003 and 2009.
AAA Financial Accounting and Reporting Best Dissertation Award Committee, 2008.
FAF/FASB Strategic Discussion Panel, invited participant, July 2009.
AAA New Faculty Consortium Planning Committee member, 2008

AAA Publications Committee, 2002-2005.
Chair of the AAA/FASB Financial Reporting Issues Conference, 2005.
AAA/FASB Financial Reporting Issues Conference, Discussion Leader, 2004, 2007, 2009, 2012.
AAA/FARS 2004 mid-year meeting, program coordinator for concurrent research sessions.
AAA Notable Contributions to Accounting Literature Award Selection Committee, 2000-01 and 2001-02.
AAA New Faculty Consortium, group leader, 2001 and 2002.
Competitive Manuscript Committee of the AAA, 1997 and 1999.
AAA annual meeting, moderator, 1992 and 1994.
AAA Trueblood Seminars Committee, 1994-1995.

AD HOC REVIEWING

Management Science, 2012-14.
Journal of Financial Economics, 2004, 2009, 2011, 2014.
The Journal of Accounting and Economics, 1995-97, 2000-05, 2012-14.
Accounting, Organizations, and Society, 2012-13.
Journal of Accounting Research, 1991-92, 1996-97, 1999-00, 2004-05, 2008-10, 2013-14.
The Review of Accounting Studies, 1998-00, 2005-10, 2012-13.
The Journal of Risk and Insurance, 1993-99, 2002-08, 2010, 2014.
Contemporary Accounting Research, 1993, 1997, 2000-06.
Journal of Finance, 2006.
Auditing: A Journal of Practice & Theory, 2004, 2011-12.
Risk Management and Insurance Review, 2004, 2006, 2008.
Journal of Business Finance and Accounting, 2005.
North American Actuarial Journal, 2003.
The Journal of Accounting, Auditing and Finance, 1995-96, 2000-01, 2006-07.
The Journal of Accounting and Public Policy, 1997-99, 2005.
Issues in Accounting Education, 1996-97.
Asia-Pacific Journal of Accounting & Economics, 2001.
International Journal of Accounting 1997-98, 2001.
The Accounting Review, 1991-93.

DEPARTMENTAL SERVICES

Faculty Advisor to the MS Program, 2011-present.
Acting Chairperson, 2001-2002, 2006-2007, July-Oct 2012.
Minority recruitment and retention committee, 2004-present.
MS Curriculum committee, 2008-present.
Departmental Advisory Council, member 1991-93 and 96-98, chair 2009-10.
Recruiting committee, 1990-91, 1994-95, 1999-00, 2004-05, 2008, chair 2010-11, 2012-13, chair 2013-2014.
Doctoral Programs Committees, 1993-2005.
Master's Program Expansion Committee, 1999.
Chairperson of the Undergraduate Curriculum Committee, 1996-97.
Accounting Department Faculty Evaluation Committee, 1996-97.
Department accounting workshop coordinator, 1993-94, 1997.

Instruction task force for strategic planning process, 1994-95.
Faculty mentor for professorial assistant, 1991-93, 2002-04.

TEACHING

MS Financial Reporting Decisions
MBA Financial Accounting and Reporting (Executive and Full-time)
MBA Financial Statement Analysis and Corporate Governance (Weekend)
MBA Accounting and Capital Markets (Weekend)
Undergraduate Introductory Financial Accounting
Undergraduate Intermediate Financial Accounting I and II
Doctoral Seminar in Financial Accounting Research
Doctoral Seminar in Archival Empirical Research
Big Six Continuing Education Course on Accounting for Deferred Taxes
Executive Education for Michigan Farm Bureau Insurance Leadership Institute

COLLEGE AND UNIVERSITY SERVICES

Appointed as a Dismissal for Review Cause Officer, 2013.
College Advisory Committee, 2002-2004, 2014-15.
Strategic Planning, Teaching Subcommittee, 2013.
University Committee on Student Affairs, 2007-2011.
University Faculty Council, 2008-2011.
University Committee on Liberal Learning, 2007-09.
Chair of Search Committee for Associate Dean of MBA and MS programs, 2007.
Weekend MBA Task Force, 2007.
All-University Awards Committee 2003-2005, 2008-09, 2011.
Advisory Board of the Center for Statistical Training and Consulting, 2006-present.
Quantitative Literacy Task Force, 2004-2005.
Moderator at the 2005 Founders' Day Academic Symposium.
Alumni Distinguished Scholarship Interview and Selection Panel 2002.
Dean's Search Committee 2000-01.
Masters Program Committee, 2000-01, 2002-03, 2007-08.
Coordinator for Core MBA faculty, Fall 2000.
Faculty Work-Environment Improvement Committee 1998-99.
Appeals Board, 1995-98.
College Summer Research Grant Committee, 1998.
1995 Summer Research Opportunity Program, received Outstanding Mentor Award.

EDUCATION

Ph.D., Accounting, University of Michigan, 1990.
B.A., Accounting, Michigan State University, 1982.
C.P.A. State of Michigan since 1984.