

K. Philip Wang

Michigan State University
Eli Broad College of Business
632 Bogue St. N520, East Lansing, MI 48824

Mobile: (517) 974-4641
Office: (517) 432-3032
Email: wangkai@broad.msu.edu

EDUCATION

Ph.D., Accounting, Michigan State University	2016 (Expected)
M.Phil., Finance, Lingnan University, Hong Kong	2011
B.S., Accounting, Shandong University, China	2009

PUBLICATIONS

Corporate Transparency and the Impact of Investor Sentiment on Stock Prices (with Michael Firth and Sonia Wong 2015). *Management Science* 61(7): [1630-1647](#)

— Based on the master thesis completed at Lingnan University, Hong Kong

WORKING PAPERS

1. Risk or Noise? An Examination of Offsetting Financial Instruments (Job Market Paper)

- U.S. GAAP permits firms to offset a significant amount of financial assets and liabilities with the same counterparty, thereby keeping the offsetting financial instruments off the balance sheet. Currently, the offsetting standards represent the single largest difference in balance sheet presentation between U.S. GAAP and IFRS for large financial institutions (FASB 2011a). The debate on whether the FASB should allow firms to offset financial instruments has drawn considerable attention from regulators and investors. The focus of this debate is on whether the offsetting financial instruments increase a firm's credit risk. I measure credit risk using credit default swap spreads and find that offsetting financial instruments are positively associated with a firm's credit risk. This relation is stronger for firms with higher asset opacity and after the 2011 FASB's proposal to tighten offsetting standards. In addition, I do not find that recognition versus disclosure significantly affects how debt investors use offsetting information in evaluating a firm's credit risk.
- Dissertation Committee: John Jiang (Chair), Charles Hadlock (Finance), Marilyn Johnson, and Kathy Petroni

2. Former Rating Analysts and the Ratings of MBS and ABS: Evidence from LinkedIn (with John Jiang, and Isabel Wang) [SSRN](#)

- We identify 391 former rating analysts that were subsequently hired by the MBS/ABS issuers using the profiles posted on LinkedIn. We find that MBS/ABS sold by the issuers who employ more former rating analysts experience larger subsequent downgrades. Our findings substantiate the anecdotes that the issuers hired former rating analysts to game the rating agencies' models before the financial crisis.
- Presented at Baruch College of CUNY, Florida State University, Lingnan University (Hong Kong), McGill University, Michigan State University, University of Houston, University of Toronto, the 2014 Midwest Summer Accounting Conference at Ohio State University, and the 2014 American Accounting Association Annual Meeting.

3. **Big N Auditors and Audit Quality: New Evidence from Quasi-Experiments** (with John Jiang, and Isabel Wang) [SSRN](#)

- We use the Big N acquisitions of non-Big N auditors as a setting of exogenous auditor changes to establish the causal link between Big N auditors and audit quality. We find evidence that Big N auditors do provide a better audit quality than non-Big N auditors, measured by the absolute and signed discretionary accruals and the financial statement divergence scores.
- Presented at Michigan State University, University of Kentucky, and the McMaster Accounting Research Symposium

TEACHING EXPERIENCE

Instructor

Intermediate Financial Accounting II Michigan State University (Fall 2013)

- Rating: 4.43/5.0 (the department's average teaching evaluation score is 3.91)

Teaching Assistant

Principles of Financial Accounting Michigan State University (Fall 2012, Spring 2013)

- Average Rating: 4.2/5.0

Financial Management Lingnan University (Fall 2010)

- Held office hours and substituted for the professor

ACADEMIC HONORS

2015 AAA/Deloitte/J. Michael Cook Doctoral Consortium Fellow

2013 Ph.D. Student Excellence in Teaching Award, Michigan State University

2012 FASB Ph.D. Summer Program

2011 Marlys and Jack Gray Doctoral Fellowship, Michigan State University

2009 - 2011 Postgraduate Studentship, Lingnan University

CONFERENCE PRESENTATIONS

2015 American Accounting Association Annual Meeting

- Discussant: "Securities Lawsuits as a Disciplining Mechanism: Evidence from Mergers and Acquisitions" by Thomas Bourveau, Francois Brochet, and Sven Michael Spira

2015 Financial Accounting and Reporting Section (FARS) Midyear Meeting

- Discussant: "The Effect of Banks' Financial Reporting on Syndicated Loan Structures" by Anne Beatty, Scott Liao, and Haiwen Zhang

2014 American Accounting Association Annual Meeting

- Presenter: "Former Credit Analysts and the Ratings of MBS and ABS: Evidence from LinkedIn"

- Discussant: "Cash Flow Forecasts and Cost of Debt" by Timothy Hinkel

2014 Financial Accounting and Reporting Section (FARS) Midyear Meeting

- Discussant: "Internal Control Deficiency Disclosures among Chinese Reverse Merger Firms" by Juan Mao and Michael Ettredge

PROFESSIONAL EXPERIENCE

2009 Passed exams of U.S. Certified Management Accountants (CMA)

2008 Ernst & Young, Audit Intern, Shanghai, China

SERVICE

Ad hoc Reviewer:

— 2014 Financial Accounting and Reporting Section (FARS) Midyear Meeting

— 2015 American Accounting Association Annual Meeting