

## MICHAEL KIRSCHENHEITER

University of Illinois at Chicago, College of Business Administration  
601 S. Morgan St., University Hall, Room 2309, Chicago, IL 60607-7123  
Tel.: (312) 996-2284, fax: (312) 996-4520; email: [mkirsche@uic.edu](mailto:mkirsche@uic.edu)

### Academic and Professional Positions

University of Illinois at Chicago, College of Business Administration:	
Associate Professor	2007-present
Purdue University, Krannert School of Management:	
Associate Professor of Management	2004-2007
Columbia University, Graduate School of Business:	
Associate Professor of Accounting	1997-2004
Assistant Professor of Accounting	1995-1997
Lecturer in Accounting	1992-1994.
Northwestern University, Kellogg Graduate School of Management:	
Lecturer in Accounting	1989-1992
Ph.D. Student	1986-1994
Arthur Andersen & Co.: Auditor in the Commercial Division of the Chicago Office	1980-1986

### Education

Ph.D., Kellogg Graduate School of Management, Northwestern University	1986-1994
M.B.A., Graduate School of Business, University of Chicago	1978-1981
M.Sc. in Economics, London School of Economics and Political Science	1979-1980
B.A. in Economics, University of Chicago	1974-1977

### Research

#### *Peer Reviewed Journal Publications:*

Interactive Discretionary Disclosures (with Bjorn Jorgensen), *Contemporary Accounting Research* (forthcoming, accepted for publication on January 27, 2011. See [http://onlinelibrary.wiley.com/journal/10.1111/\(ISSN\)1911-3846/earlyview](http://onlinelibrary.wiley.com/journal/10.1111/(ISSN)1911-3846/earlyview) for the early view version; publication expected later in 2012.

A Model of Auditing Under Bright-Line Accounting Standards (with Dennis Caplan), *Journal of Accounting, Auditing and Finance*, 19 (Fall 2004) 4: 523-559.

Accounting for Employee Stock Options (with Rohit Mathur and Jacob Thomas), *Accounting Horizons*, 18 (June 2004) 2: 135-156.

Discretionary Risk Disclosures (with Bjorn Jorgensen), *The Accounting Review*, 78 (April 2003) 2: 449-470.

Can “Big Bath” and Earnings Smoothing Coexist as Equilibrium Financial Reporting Strategies? (with Nahum Melumad), *Journal of Accounting Research*, 40 (June 2002) 3: 761-796.

## Research (cont.)

### *Publications (cont.):*

The Aggregation and Valuation of Deferred Taxes (with Eli Amir and Kristen Willard), *Review of Accounting Studies*, (June/September 2001) 6: 275-297.

A Model of Outsourcing and Audit Risk for Internal Audit Services (with Dennis Caplan), *Contemporary Accounting Research* 17 (Fall 2000) 3: 387-428.

Optimal Contracting, Accounting Standards and Market Structure, *Contemporary Accounting Research* 16 (Summer 1999) 2: 243-276.

The Valuation of Deferred Taxes (with Eli Amir and Kristen Willard), *Contemporary Accounting Research* 14 (Winter 1997) 4: 597-622.

Information Quality and Correlated Signals, *Journal of Accounting Research* 35 (Spring 1997) 1: 43-60.

### *Working Papers:*

Disclosures When Risk-Averse Owners are Unsure of Managers' Risk Information Endowment (with Bjorn Jorgensen), last updated, April, 2011.

On Discretionary Disclosures with Risk-Averse Traders (with Bjorn Jorgensen); last updated, June 2012.

On the Impact of Reporting Discretion on Earnings' Quality (with Nahum Melumad), last updated, October, 2011.

Prudence Demands Conservatism, (with Ram Ramakrishnan), last updated, May, 2012.

Risk Disclosures with Asymmetric Information and Costly Investment in Information Technology (with Bjorn Jorgensen). A winner of the KPMG & UIUC Competitive Manuscript Competition for **Research on Risk Measurement and Disclosure** and included in the 2004 Conference on *Reporting Risk* conducted by the *Journal of International Accounting* and the KPMG & University of Illinois Business Measurement Research Program, last updated, April, 2010.

Quality of Mandatory Sensitivity Disclosures and Cost of Capital (with Bjorn Jorgensen, formerly Voluntary Disclosures of Sensitivity), last updated, May, 2012.

## Research (cont.)

### *Books to be Published:*

Beyond Graham and Dodd: Why Capital Structure Matters to Achieve Total Returns, (with Mitchell Julis of Canyon Capital Advisors, LLC.), Wiley, to be published.

### *Editorial Published:*

Special Issue on Accounting and Auditing (co-authored with Dirk Simons of the University of Mannheim and Jeroen Suijs of Tilburg University,), published in the German Operations Research journal *OR Spectrum*, Volume 33, Issue no. 2, April, 2011. For online version, see <http://www.springerlink.com/content/0171-6468/33/2/>.

## Teaching

At UIC I taught the following courses

Regular masters' programs – Introduction to Financial Accounting (ACTG 500).

- Financial Accounting I (ACTG 502)
- Corporate Valuation and Accounting Information (ACTG 585)

At Purdue I taught the following courses

Regular MBA program –Valuation and Financial Statements, Mgmt 690F.

- Advanced Financial Reporting, Mgmt 691B

Executive MBA program (in IMM and EMB programs, 2004 to 2006)

- Mgmt 600: Accounting I (core financial accounting)
- Mgmt 601: Accounting II, (core managerial accounting)

At Columbia I taught the following courses

Regular MBA program – Accounting I (core financial accounting)

Accounting II, (core managerial accounting)

Valuation and Financial Statements

Executive MBA program – Accounting I (core financial accounting)

Valuation and Financial Statements

Columbia/Berkeley MBA program – Accounting I (core financial accounting)

Columbia/London Business School Global MBA Program -Valuation and Financial Statements

Executive Program – Finance and Accounting for the Non-Financial Manager

PhD program - Accounting Theory

Other: At Northwestern I taught in the MBA program (core managerial economics and mathematics review). At Arthur Andersen, I concentrated in the audits of manufacturing and construction clients, was promoted to manager in 1986, and taught various courses in the firm's professional development. Also, I guest lectured at Tel Aviv University (Ph.D. course in accounting theory) in June, 2001, taught a special session to the Ph.D. students during the 2004 *Contemporary Accounting Research* Conference and taught Introductory Financial Accounting at the University of Chicago Booth School of Business in Summer, 2011.

## Service

### *Referee Work:*

Served as an ad-hoc referee for *Accounting Horizons*, *The Accounting Review*, the journal of *Contemporary Accounting Research*, the *European Accounting Review*, the *Financial Review*, the *Journal of Accounting, Auditing and Finance*, the *Journal of Accounting and Economics*, the *Journal of Accounting and Public Policy*, the *Journal of Accounting Research*, the *Journal of Business*, the *National Tax Journal* and the *Review of Accounting Studies*.

### *Student Development and Advising:*

Served on proposal/thesis committees of the following PhD students: at Purdue, Jinyoung Park and Inho Suc (both in accounting), at Columbia, (in accounting) Elizabeth Gordon, Jing Liu, Rohit Mathur, (in finance/economics) Amitabh Arora, Michael Cantor, Helen Liu, Marco Naldi, Laura Robinson and Ignacio Warnes. Since arriving at UIC, I have served as advisor for undergraduate accounting majors, the same as my colleagues. Also, I have written recommendation letters for numerous students.

### *Department Service:*

Served on the Accounting Department Advisory Committee for the five academic years, 2008-2012.

Served as the representative of the Accounting Department on the MBA Committee for the five academic years 2008-2012.

### *Service to the Discipline:*

Served on the Advisory Committee for the President of the Financial Accounting and Reporting Section (FARS) of the American Accounting Association (AAA) for the 2008 through 2012 academic years.

Served as one of the associate editors on the paper selection committee for the 2008 annual conference for the FARS of the AAA.

Served as one of the associate editors on the paper selection committee for the 2008 mid-year conference for the FARS of the AAA.

Served as the coordinator and editor of the paper selection committee for the 2009 mid-year conference for the FARS of the AAA.

Served as one of three co-editors for a special accounting and auditing issue of *OR Spectrum – Quantitative Approaches in Management*, Vol. 33, Issue no. 2, April, 2011.

Elected as FARS President-Elect at the August, 2009 annual meeting, to serve as FARS president during the 2011 academic year and FARS post-president in 2012, which involved coordinating the FARS mid-year conference meeting in 2012.

**Recent Presentations at Universities/Conferences (last 6 years):**

**2012** 2012 AAA/FARS Mid-year meeting, January 5-7, 2012, at the Drake Hotel, Chicago, Illinois. Organized and ran this meeting.

Presented “Conservatism Demands Prudence” (joint with Ram Ramakrishnan) at the Kellogg Accounting Theory (KAT) research conference at Northwestern University on June 4<sup>th</sup>, 2012.

Participated, by invitation or as committee member, in the following conferences.

2012 American Accounting Association annual conference, Washington, D.C., August 4<sup>th</sup> to 8<sup>th</sup>, 2012.

**2011** 2011 AAA/FARS Mid-year meeting, January 27-29, 2011, in Tampa, Florida. Chaired FARS business meeting as President and hosted the FARS lunch.

2011 American Accounting Association annual conference, New York City, New York, August 6<sup>th</sup> to 10<sup>th</sup>, 2011. Chaired FARS business meeting as President and hosted the FARS lunch.

Participated, by invitation or as committee member, in the following conferences.

2011 FASB/AAA Financial Reporting Issues Conference, December 3<sup>rd</sup> to 5<sup>th</sup>, Dolce Norwalk Center for Leadership and Innovation, Norwalk, Connecticut.

**2010** 2010 AAA/FARS Mid-year meeting, January 21<sup>st</sup> to 24<sup>th</sup>, 2010, San Diego, California. Attended steering board meeting as committee member and President-elect of FARS. Also presented “Conservatism Demands Prudence” (co-authored with Ram Ramakrishnan).

Presented “Conservatism Demands Prudence” (joint with Ram Ramakrishnan) at the Accounting research workshop at the University of Colorado at Boulder on May 14<sup>th</sup>, 2010.

Presented “Conservatism Demands Prudence” (joint with Ram Ramakrishnan) at the 4<sup>th</sup> Tel Aviv International Conference in Accounting hosted by the Recanati Graduate School of Business Administration at Tel Aviv University (TAU), Tel Aviv, Israel, from Sunday, June 13<sup>th</sup> through Tuesday, June 15<sup>th</sup>, 2010.

Presentation of “Conservatism Demands Prudence” by co-author Ram Ramakrishnan at the 2010 Workshop on Economics and Accounting, a bi-annual conference organized by the European Institute for Advanced Studies in Management (EIASM) and held in 2010 in Vienna, Austria.

Presented “Discretionary Disclosures to Risk-Averse Traders” (co-authored with Bjorn Jorgensen of the University of Colorado at Boulder) at the 2010 American Accounting Association annual conference, San Francisco, California, July 31<sup>st</sup>, to August 4<sup>th</sup>, 2010. Also had co-author Ram Ramakrishnan present “Conservatism Demands Prudence”

Participated, by invitation or as committee member, in the following conferences.

2010 Winter Accounting Conference, University of Utah, Salt Lake City, Utah, February 18<sup>th</sup> to 21<sup>st</sup>, 2010.

2010 Carnegie Mellon University Accounting Theory Conference, Pittsburgh, Pennsylvania, September 24<sup>th</sup> and 25<sup>th</sup>, 2010.

## **Recent Presentations at Universities/Conferences (last 6 years, cont.):**

**2010** Continued

Participated, by invitation or as committee member, in the following conferences.

2010 *Review of Accounting Studies* Conference hosted by the Accounting Department at the University of Notre Dame and held on Friday and Saturday, October 22<sup>nd</sup> – 23<sup>rd</sup>, 2010, in South Bend, Indiana.

2010 FASB/AAA Financial Reporting Issues Conference, December 3<sup>rd</sup> to 5<sup>th</sup>, Dolce Norwalk Center for Leadership and Innovation, Norwalk, Connecticut.

**2009** 2009 AAA/FARS Mid-year meeting, January 29<sup>th</sup> to 31<sup>st</sup>, 2010, New Orleans. Presented “A Discussion of Theoretical Accounting Research with Practical Suggestion for Linking It to Empirical Research” at PhD Consortium, ran breakout sessions and subsequent group discussion jointly with Jake Thomas and Rob Bloomfield and presented “Discretionary Risk Sensitivity Disclosures,” during conference.

UIC Spring 2009 Junior Faculty Research Workshop, Chicago, Illinois, March 5<sup>th</sup>, 2009, “Financial Statement Articulation and Flexibility: Potential Applications in Accounting Research.”

UIC Spring 2009 Research Workshop, Chicago, Illinois, April 28<sup>th</sup>, 2009, “Conservatism Demands Prudence,” joint with Ram Ramakrishnan.

2009 Financial Economics and Accounting Conference, Rutgers University, Piscataway, New Jersey, November 13<sup>th</sup> and 14<sup>th</sup>, “Conservatism Demands Prudence,” joint with Ram Ramakrishnan.

Participated, by invitation or as committee member, in the following conferences.

Deloitte Financial Statement Analysis Conference, Chicago, Illinois, May 14<sup>th</sup> and 15<sup>th</sup>, 2009.

2009 American Accounting Association annual conference, New York City, New York, August 1<sup>st</sup> to 5<sup>th</sup>, 2009.

2009 University of Minnesota and University of Chicago Joint Accounting Theory Conference, Minneapolis, Minnesota, October 16<sup>th</sup> and 17<sup>th</sup>, 2009.

**2008** UIC Spring 2008 Research Workshop, Chicago, Illinois, February 19<sup>th</sup>, 2008, Revenue Recognition Reconsidered: Summary of the 2007 AAA/FASB Financial Reporting Conference.

2008 Winter Accounting Conference, University of Utah, Salt Lake City, Utah, February 21<sup>st</sup> to 24<sup>th</sup>, 2008. “Discretionary Risk Sensitivity Disclosures,” presented by my co-author, Bjorn Jorgensen.

Participated, by invitation or as committee member, in the following conferences.

2008 AAA/FARS Mid-year meeting, January 25<sup>th</sup> to 27<sup>th</sup>, Phoenix, Arizona.

2008 American Accounting Association annual conference, Anaheim, California, August 3<sup>rd</sup> to 6<sup>th</sup>, 2008,

2008 Carnegie Mellon University Accounting Theory Conference, Pittsburgh, Pennsylvania, September 26<sup>th</sup> and 27<sup>th</sup>, 2008.

2008 University of Minnesota and University of Chicago Joint Accounting Theory Conference, Chicago, Illinois, October 25<sup>th</sup>, 2008.

2008 FASB/AAA Financial Reporting Issues Conference, December 5<sup>th</sup> and 6<sup>th</sup>, Dolce Norwalk Center for Leadership and Innovation, Norwalk, Connecticut.

**Recent Presentations at Universities/Conferences (last 6 years, cont.):**

- 2007** Accounting research seminar at Tel Aviv University, Tel Aviv, Israel, January 16<sup>th</sup>, 2007, "Earnings' Quality and Smoothing."  
Accounting research seminar at Hebrew University, Jerusalem, Israel, January 17<sup>th</sup>, 2007, "Earnings' Quality and Smoothing."  
Accounting research seminar at UIC, Chicago, Illinois, February 13<sup>th</sup>, 2007, "Earnings' Quality and Smoothing."  
Accounting research seminar at Erasmus University, Rotterdam, the Netherlands, May 24<sup>th</sup>, 2007, "Earnings' Quality and Smoothing."  
2007 American Accounting Association annual conference, Chicago, Illinois, August 8<sup>th</sup>, 2007, "Earnings' Quality and Smoothing."  
Accounting research workshop at UIC, Chicago, Illinois, October 16<sup>th</sup>, 2007, "Discretionary Risk Sensitivity Disclosures,"  
2007 University of Minnesota and University of Chicago Joint Accounting Theory Conference, Minneapolis, Minnesota, October 27<sup>th</sup>, 2007, "Discretionary Risk Sensitivity Disclosures."

Participated, by invitation, in the following conferences in 2007.

- 3<sup>rd</sup> Midwest Accounting Research Conference, June 10<sup>th</sup> and 11<sup>th</sup>, 2007, Iowa City, Iowa (joint with IUPUI, Notre Dame, Indiana, Ohio State, Iowa, and Minnesota.)  
2007 FASB/AAA Financial Reporting Issues Conference, November 29<sup>th</sup> to December 2<sup>nd</sup>, Dolce Norwalk Center for Leadership and Innovation, Norwalk, Connecticut.
- 2006** Purdue University,  
2<sup>nd</sup> Midwest Accounting Research Conference, June 9<sup>th</sup> and 10<sup>th</sup>, 2006, South Bend, Indiana (joint with IUPUI, Notre Dame, Indiana, Ohio State, Iowa, and Minnesota Universities.)  
European Institute for Advanced Studies in Management's 7<sup>th</sup> Bi-annual Accounting and Economics Conference, Bergen, Norway, June 22<sup>nd</sup> and 23<sup>rd</sup>, 2006 (Presented 2 papers and discussed a third paper.)

Participated, by invitation, in the following conferences in 2006.

- Center for Accounting Research and Education, University of Notre Dame Conference on Financial Statement Analysis and Valuation, April 7–8, 2006, Atlanta, Georgia.  
2006 University of Minnesota and University of Chicago Joint Accounting Theory Conference, November 18<sup>th</sup>, Chicago, Illinois.

**Society Affiliations and Awards:**

Registered as a Certified Public Accountant in Illinois; passed examination in 1984.  
Memberships include the American Accounting Association and the Illinois Certified Public Accounting Society.

Winner of the University of Illinois at Chicago Accounting Educator of the Year, 2010, award and the UIC Liautaud Graduate School of Business Favorite MBA Professor Award, April, 2009 and Favorite MSA Professor Award, April, 2012. Winner (with co-author Bjorn Jorgensen) of the KPMG & UIUC Competitive Manuscript Competition for **Research on Risk Measurement and Disclosure** in 2003 and awarded the Columbia Business School "Bob Lear Service Award" for the 1996 academic year.

June 11<sup>th</sup>, 2012