

Manyi Fan

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Education

2020 PhD of Accounting, National University of Singapore (Expected)
2010 Master of Science in Accounting, Boston College
2009 Bachelor of Management Science, Xiamen University

Research Interests

Audit, Financial Reporting, Behaviorial Finance

Working Papers

Are auditors more conservative? (Job Market Paper)
The Consequences of Allowing Auditors Domiciled in Weak Institutional Environments to Audit Firms Cross-listed in Strong Institutional Environments (with Bin Ke, Wenruo Wu, Lijun Xia, and Qingquan Xin)
Sleeplessness, Distraction, and Stock Market Performance: Evidence from the World Cup (Revising for resubmission to *Management Science*, with Jinghan Cai, Chiu Yu Ko, Marco Richione, and Natalie Russo)
Breaking News is Good News (with Jinghan Cai, and Chiu Yu Ko)

Professional Experience

2013-2015 Accountant, Micron Semiconductor Asia, Singapore
2010-2012 Senior Associate, Assurance, PwC Shanghai, China

Qualification and Awards

2015-2019 Chartered Accountant of Singapore
2015-2019 NUS Research Scholarship
2010-2019 Member, Beta Gamma Sigma
2005-2007 First Prize of Excellent Undergraduate Scholarship, Xiamen University
2005-2007 Outstanding Student, Xiamen University

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Working Papers Abstract

Are Auditors More Conservative?

Abstract: We examine whether and why auditors are more conservative than non-auditors. Our study is based on a database of college graduates in one major Chinese university over the period 2004-2014. Our data allow us to track the career path of each student from the initial university enrollment in the accounting major to five years after joining the auditing profession. We measure conservatism using two proxies based on each student's selection of general education elective courses in the university. We find that more conservative students are more likely to choose accounting as their major. However, we find no evidence that the accounting major students who are more conservative are more likely to become auditors. In addition, we find that the auditors who are more conservative are more likely to remain in the auditing profession five years after graduation.

The Consequences of Allowing Auditors Domiciled in Weak Institutional Environments to Audit Firms Cross-listed in Strong Institutional Environments

Abstract: We examine the consequences of a Hong Kong regulation change in 2010 that allowed companies incorporated in mainland China and cross-listed in Hong Kong (H share companies) to hire mainland Chinese auditors for Hong Kong financial reporting. Before the regulation change, the financial statements of the H share companies must be audited by Hong Kong domiciled auditors. H share companies were more likely to switch to mainland auditors if they expected larger audit fee saving and lower equity financing needs. However, the majority of the H share companies continued to employ Hong Kong auditors after the regulation change. The H share companies as a whole experienced a decline in both audit fees and audit quality. The audit fee decline is solely driven by the switchers while the audit quality decline is attributed to both the switchers and non-switchers. This latter finding suggests that the entry of mainland Chinese auditors created a competitive pressure on the incumbent Hong Kong auditors, resulting in a race to the bottom.

Sleeplessness, Distraction, and Stock Market Performance: Evidence from the World Cup

Abstract: We study how sleeplessness and distraction impact global financial markets. Using the world's most widely viewed sporting event, the FIFA World Cup, we uncover significantly negative stock returns due to the sleeplessness from watching the games overnight and the distraction from the games during trading hours. Both effects are stronger for countries with better soccer game records, and are independent of the sentiment effect due to game results documented in the literature.

Breaking News is Good News

Abstract: Scientists have shown that humans and non-human animals can avoid choosing an obviously suboptimal choice. However, many studies have shown that some animals would prefer a suboptimal choice in the presence of informative signals about upcoming reward. Recent studies suggest a potential neural mechanism in monkeys for the preference of informative signals. Since humans have not been shown to behave in this way in the laboratory or real world, it would be very difficult to show the impact of preference of informative signal on the behavior of humans, even if there is a similar neural mechanism for human. To overcome the problem, we directly show an informative signal leads to a significant impact on the financial market through a natural experiment.