

Manyi FAN

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Education

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

Research Interests

Audit, Financial Reporting, Behaviorial Finance, Big Data Analytics

Working Papers

Are Accountants 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 (Reject and Resubmit at *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

2013-2019 CA (Singapore) Associate, Institute of Singapore Chartered Accountants
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 Accountants More Conservative?

Abstract: We examine whether accountants are inherently more conservative. Our study is based on a database of students in one Chinese university with detailed information about coursework and placement. We measure conservatism using two behaviour proxies based on the students' selection of elective courses. First, we find that accounting students are more conservative than non-accounting students. Second, we focus on accounting students and find that those who choose to be auditor are no more conservative than those who choose other jobs. Third, we focus on accounting students who choose to be auditors. We find that more conservative auditors are more likely to stay in audit profession after five years.

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 including pigeons and monkeys 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.