

# Elisha Yu

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## Education

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### Cornell University

Ph.D. in Accounting

Ithaca  
2019 – 2024 (Expected)

### Columbia University

M.S. in Operations Research

New York  
2017 – 2019

### University of Toronto

Bachelor of Commerce

## Working Papers

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### Real Earnings Management and Innovation Externalization: Evidence from Corporate Venture Capital (Dissertation)

- Abstract: This study examines whether firms externalize innovation when reducing internal research and development (R&D) expenses to meet short-term earnings targets. I focus on one specific approach firms use to externalize innovation: investing in start-up companies using Corporate Venture Capital (CVC). Empirical evidence suggests that firms are more likely to make CVC investments when they just meet or beat analysts' earnings forecasts AND have negative discretionary R&D expenses. The effect is particularly concentrated in firms with low cash holdings and firms that adopt exploitative innovation strategies. Subsequently, firms making CVC investments during internal R&D cutting years have higher patent filings and better long-term performance compared to firms that do not make such investments. My findings suggest that managers utilize external innovation strategies to mitigate the negative impacts of cutting internal R&D and highlight the importance of considering internal and external innovation investment tradeoffs in future studies.

### New Accounting Standards and the Performance of Quantitative Investors (with Travis Dyer and Nicholas Guest)

- Revise & Resubmit at *Journal of Accounting and Economics*
- Press coverage: "[What impact have new accounting standards had on quant funds?](#)" *TEBI*
- Abstract: We examine quantitative investors' ability to navigate a common and occasionally material change to the financial data generating process: new accounting standards. We compare quantitative investors to traditional "discretionary" investors who rely heavily on human discretion to make investment decisions. We find that returns of quantitative mutual funds temporarily decrease relative to discretionary funds following the implementation of standards that change the definition of key accounting variables. Our result is stronger for quantitative value funds, which rely heavily on accounting data, and for quantitative funds using high levels of accounting terminology in their prospectuses. When we further investigate funds' operations, we observe excess portfolio turnover following the implementation of accounting standards. Relatedly, quantitative underperformance is concentrated among funds holding more stocks. Overall, our results highlight a significant processing cost associated with accounting regulation that could become even more significant as more investors turn to quantitative strategies.

## **Audit Partners' Cultural Heritage and Audit Outcomes** (with Inder Khurana, Bing Li, and Kelvin Yeung)

- Under review
- Abstract: Economic theories on attitude formation emphasize that culture plays a fundamental role in shaping individual beliefs and preferences. Building on this work, we document robust evidence that audit partners who descended from trusting cultures are less likely to issue going concern opinions relative to their peers. This effect is not driven by trusting partners being gullible and failing to issue going concern opinions when their clients subsequently go bankrupt. Instead, this effect is driven by trusting partners not being excessively conservative and committing fewer Type I errors. Consistent with this interpretation, we find no evidence that trusting partners are associated with lower client financial reporting quality. Further analyses reveal that cultural trust matters less when a partner has more industry-specific experience or has less influence on an audit. Collectively, our findings provide novel evidence on whether and under what conditions audit partners' cultural trust influences the assurance of accounting information.

## **Teaching Experience**

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### **Instructor – Cornell University**

NCC 5500 Financial Accounting

- Instructor Rating: 4.7/5.0

NCC 5500 Financial Accounting

- Instructor Rating: 4.4/5.0

### **Teaching Assistant – Cornell University**

NCC 5060 Managerial Finance

- Prof. Lin William Cong

NCC 5000 Financial Accounting

- Prof. Luo Zuo

NBAB 5020 Management Accounting

- Prof. Robert Bloomfield

### **Teaching Assistant – University of Toronto**

RSM 220 Intermediate Financial Accounting I

- Prof. Baohua Xin

RSM 230 Financial Markets

- Prof. Amy Kwan

RSM 424 Canadian Income Taxation

- Prof. Matthew Roman

RSM 221 Intermediate Financial Accounting II

- Prof. Scott Liao

RSM 222 Management Accounting I

- Prof. Amy Kwan

## **Non-Academic Work Experience**

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Staff Accountant, Deloitte Canada (Toronto, Canada)

Accounting Intern, Ferrovial Agroman (Mississauga, Canada)

Energy Purchase and Trading Intern, AVU (Gevelsberg, Germany)

## Conference Participation

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AAA/Deloitte Foundation/J. Michael Cook Doctoral Consortium (Dallas, TX)  
Conference on Emerging Technologies in Accounting and Financial Economics (Ithaca, NY)  
Cornell Convenes: 2023 Roundtable Forum on Digital Assets (Washington, D.C.)  
3<sup>rd</sup> Annual Labor and Accounting Group Conference (Dallas, TX)  
Duke Accounting Theory Summer School (Durham, NC)  
FARS Midyear Meeting (virtual)  
FARS Doctoral Consortium (virtual)  
BYU Accounting Symposium (virtual)  
Cornell Accounting Summer Mini Camp (Ithaca, NY)

## Honors & Awards

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AAA/ Deloitte Foundation/ J. Michael Cook Doctoral Consortium Fellow  
FinTech@Cornell Student Fellowship  
Byron E. Grote Johnson Professional Scholarship  
Bartholomew Family Charitable Fund Ph.D. Student Scholarship  
Doctoral Fellowship, Cornell University  
Robert J. and Pamela B. Swieringa Faculty Fellowship Award  
Dean's List Scholar  
CFA Program University Student Scholarship  
McNab Undergraduate Scholarship  
James A. Priestley Scholarship  
University of Toronto Scholar Entrance Scholarship

## Other Information

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Technical skills: SAS, Stata, Python, Github  
Professional exams: passed all Canadian CPA exams and CFA Level I  
Languages: English, Mandarin  
Citizenship: Canada

## References

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### **Sanjeev Bhojraj (Chair)**

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SC Johnson Graduate School of Management  
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### **Luo Zuo**

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SC Johnson Graduate School of Management  
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### **Travis Dyer**

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Brigham Young University  
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