

## Kenneth J. Merkley

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Indiana University  
Bloomington, IN 47405

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### ACADEMIC EXPERIENCE

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<i>Indiana University, Kelley School of Business</i> Associate Professor of Accounting and Weimer Faculty Fellow	2018 – Present
<i>Cornell University, Samuel Curtis Johnson Graduate School of Management</i> Assistant Professor of Accounting	2011 – 2018
<i>University of Michigan, Ross School of Business</i> Research Assistant	2006 – 2011
Instructor	2013 – 2014
Accounting Consultant, FrontPoint Quantitative Fund	2005 – 2006

### EDUCATION

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Ph.D.	<i>University of Michigan (Business Administration – Accounting)</i>	2011
MAcc	<i>Brigham Young University (Accounting, High Distinction)</i>	2006
B.S.	<i>Brigham Young University (Accounting, Summa Cum Laude)</i>	2006

### RESEARCH INTERESTS

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Financial reporting, corporate disclosure, information intermediaries (sell-side analysts, auditors, and lawyers), and the role of information in capital markets.

### PEER REVIEWED PUBLICATIONS

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- [1] “*The Effect of Annual Report Readability on Analyst Following and the Properties of Their Earnings Forecasts*” [2011] (with Reuven Lehavy and Feng Li), *The Accounting Review*, 86(3): 1087-1115.
- [2] “*Do Managers use Earnings Guidance to Influence Street Earnings Exclusion?*” [2011] (with Ted Christensen, Jenny Tucker, and Shankar Venkataraman), *Review of Accounting Studies*, 16(3): 501-527.
- [3] “*Detailed Management Earnings Forecasts: Do Analysts Listen?*” [2013] (with Linda Bamber and Ted Christensen), *Review of Accounting Studies*, 18(2): 479-521.
- [4] “*Narrative Disclosure and Earnings Performance: Evidence from R&D Disclosures*” [2014], *The Accounting Review*, 89(2): 725-757.

[5] “Does the scope of sell-side analyst industry matter? An examination of bias, accuracy and information content of analyst reports” [2017] (with Roni Michaely and Joseph Pacelli), *Journal of Finance*, 72(3): 1285-1334.

[6] “Audit Personnel Salaries and Audit Quality” [2018] (with Jeff Hoopes, Joseph Pacelli, and Joseph Schroeder), *Review of Accounting Studies*, 23(3): 1096-1136.

[7] “Securities Law Expertise and Corporate Disclosure” [2019] (with Preeti Choudhary and Zahn Bozanic), *The Accounting Review*, 94(4): 141-172.

[8] “Auditors’ Quantitative Materiality Judgments: Properties and Implications for Financial Reporting Reliability” [2019] (with Preeti Choudhary and Katherine Schipper), *Journal of Accounting Research*, 57(5): 1303-1351.

[9] “When Are Firms Sued For Qualitative Disclosures? Implications of the Safe Harbor for Forward-Looking Statements” [2020] (with Richard Cazier and John Treu), *The Accounting Review*, 95 (1): 31-55.

[10] “The Genesis of Voluntary Disclosure: An Analysis of Firms’ First Earnings Guidance” (with Kris Allee, Ted Christensen, and Bryan Grade), *Management Science*, Forthcoming.

[11] “Does FOIA Foil the SEC’s Intent to Keep Investigations Confidential?” (with Braiden Coleman, Brian Miller, and Joseph Pacelli), *Management Science*, Forthcoming.

[12] “Cultural Diversity on Wall Street: Evidence from Consensus Earnings Forecast” (with Roni Michaely and Joseph Pacelli) *Journal of Accounting and Economics*, Forthcoming.

## **WORKING PAPERS**

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*Immaterial Error Corrections and Financial Reporting Reliability* with Preeti Choudhary and Katherine Schipper. Under second round at Contemporary Accounting Research.

*Man Versus Machine: A Comparison of Robo-Analyst and Traditional Research Analyst Investment Recommendations*, with Braiden Coleman and Joseph Pacelli. Revising for second round at The Accounting Review.

*Internal Control Weaknesses and the Demand for Financial Skills: Evidence from U.S. Job Postings*, with Janet Gao, Joseph Pacelli, and Joseph Schroeder. Revising for second round at The Accounting Review.

*The Last Chance to Improve Financial Reporting Reliability: Evidence from Recorded and Waived Audit Adjustments* with Preeti Choudhary and Katherine Schipper. Revising for second round at the Journal of Accounting Research.

*Disclosure research by lawyers: evidence from the IPO setting* with Michael Drake, Chase Potter, and John Treu. Revising for second round at the Journal of Accounting and Economics.

*Litigation Risk and the Regulation of Non-GAAP Reporting* with Richard Cazier, Ted Christensen, and John Treu.

*Speech is Silver, But Silence is Golden: Information Suppression and the Promotion of Innovation* with Gaurav Kankanhalli and Alan Kwan.

*Government Guarantees and Banks' Earnings Management*, with Manuela Dantas and Felipe Silva.

*Through the Eyes of the Founder: CEO Characteristics and Firms' Regulatory Filings*, with Brad Hendricks and Mark Lang.

*Out of Balance: Do Analysts Issue Sell Recommendations to Manage their Recommendation Distributions?* With Chao Kang, Roni Michaely, and Joseph Pacelli.

## **OTHER WORK**

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*Response to the FASB Invitation to Comment: Identifiable Intangible Assets and Subsequent Accounting for Goodwill (Ref. No. 2019-720)* with Blankespoor, E., N. Brown (principal co-author), S. Clor-Proell (principal co-author), E. Gordon, M. Gujarathi, K. Merkley, P. Munter, S. Stubben (principal co-author), and B. White (principal co-author).

*Response to the FASB Exposure Draft: Accounting for Convertible Instruments and Contracts in an Entity's Own Equity (Ref. No. 2019-730)* with Blankespoor, E., N. Brown, S. Clor-Proell (principal co-author), E. Gordon, M. Gujarathi, K. Merkley, P. Munter, S. Stubben, and B. White (principal co-author).

*Response to the IFRS Exposure Draft ED/2019/7 General Presentation and Disclosures* with Blankespoor, E., N. Brown (principal co-author), S. Clor-Proell (principal co-author), E. Gordon, M. Gujarathi, E. Henry (principal co-author), K. Merkley (principal co-author), S. Stubben (principal co-author), and B. White.

## **MEDIA MENTIONS**

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"Why Corporate Management Waivers of Misstatements Identified by Their Auditors Are a Cost to Investors" The Voice of Corporate Governance (The Council of Institutional Investors), Nov. 5, 2020.

"New Research Examines When Managers Waive Misstatements Identified By Their Auditors" Forbes, August 3, 2020.

"Out of Balance: Do Analysts Issue Sell Recommendations to Manage their Recommendation Distributions?" The FinReg Blog (Duke Law Global Financial Markets Center), June 15, 2020.

"Stock-Picking Robots Take on Humans in New Study" The Wall Street Journal, May 3, 2020.

"Beating Human Biases with Robo-analysts" Insights / Investment Innovation Institute, April 23, 2020.

"Does FOIA Foil the SEC's Intent to Keep Investigations Confidential?" The FinReg Blog (Duke Law Global Financial Markets Center), March 24, 2020.

“Do stock-pickers have a future?” (recorded) BBC World Service, Business Daily, March 3, 2020.

“Robots outperform humans on investment picks, study finds” (live) Yahoo Finance InTV, Feb. 21, 2020.

“Studies show robots outwit humans on investment picks” (live) CNBC’s Power Lunch, Feb. 19, 2020.

“Robot Analysts Outwit Humans on Investment Picks, Study Shows” Bloomberg, Feb. 11, 2020. (Syndicated on Drudge Report, Business Insider, Finextra, Fintech Insight, Investment News, Society of CPAs, Newsbreak, Daily Mail, Seattle Times, Japan Times, Enterprise AI, The Hindu Business Line, De Kritische Belegger, Börsen-Zeitung, and Institutional Money)

“Comparing Robo-Analyst and Human Research Analyst Investment Recommendations” Machine Lawyering (CUHK Law), Feb. 3, 2020

“Man versus Machine: A Comparison of Robo-Analyst and Traditional Research Analyst Investment Recommendations” The CLS Blue Sky Blog, Jan. 31, 2020

“Shh! Companies Are Fixing Accounting Errors Quietly” The Wall Street Journal, Dec. 5, 2019

“How Do Auditors Determine What’s Material?” The CLS Blue Sky Blog, Oct. 2, 2019

“Materiality and Financial Reporting Reliability” The Voice of Corporate Governance (The Council of Institutional Investors), Aug. 13, 2019.

“Higher Pay for Auditors Leads to Fewer Restatements” CFO.com, April 27, 2017

Literature Review: “Qualitative Characteristics of Financial Reporting Errors Deemed Immaterial by Managers” Audit Analytics Blog, Nov. 17, 2016.

“On the Role of Companies’ External Securities Law Advisors – Facilitators or Gatekeepers?” The CLS Blue Sky Blog, Oct. 29, 2015

“Firms and Earnings Guidance” The Harvard Law School Forum on Corporate Governance and Financial Regulation, Sept. 14, 2015

“Future of work: Adapt to technology or be left behind” Asia Business One, July 19, 2015.

“Can You Tell the Difference Between a Robot and Stock Analyst?” The Wall Street Journal, July 9, 2015.

“Narrative Disclosure and Earnings Performance” The Harvard Law School Forum on Corporate Governance and Financial Regulation, Feb. 17, 2012

“Analysts Err When Firms Muddy the Waters” CNBC Stock Blog, April 18, 2011

“Stumped by the Gobbledygook in Company Reports? So Are the Pros.” Reuters, Jun. 3, 2011

## **INVITED PRESENTATIONS**

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- 2021* Syracuse University (Scheduled)  
Temple University (Scheduled)  
University of Texas at Austin (Scheduled)  
Egyptian Accounting Online Seminar (Scheduled)
- 2020* Financial Accounting Reporting Section Midyear Meeting  
University of Kansas (Scheduled)  
Penn State Accounting Conference (cancelled due to COVID-19)  
Harvard Business School IMO Conference (cancelled due to COVID-19)  
Madrid International Accounting Symposium (cancelled due to COVID-19)  
Hebrew University Finance and Accounting Conference (cancelled due to COVID-19)  
CETAFE Conference at Cornell University (cancelled due to COVID-19)
- 2019* University of Missouri  
Erasmus University Rotterdam  
Financial Accounting Reporting Section Midyear Meeting
- 2018* Brigham Young University Accounting Research Symposium  
Conference on Financial Economics and Accounting  
Financial Accounting Reporting Section Midyear Meeting  
Indiana University  
University of Arizona  
University of Georgia  
University of Iowa
- 2017* Dartmouth College Accounting Conference  
Financial Accounting Reporting Section Midyear Meeting  
Singapore Management University  
University of Michigan, Kapnick Accounting Spring Conference  
University of Minnesota
- 2016* Cornell University Accounting Summer Mini Camp  
Financial Accounting Reporting Section Midyear Meeting (Discussant)  
Idaho State University  
London Business School  
Syracuse University  
University of Rochester  
Washington University in St. Louis  
Yale University Summer Conference
- 2015* Duke University  
Financial Accounting Reporting Section Midyear Meeting (Discussant)
- 2014* Dartmouth College Accounting Conference  
Financial Accounting Reporting Section Midyear Meeting  
University of Wisconsin
- 2013* Dartmouth College Accounting Conference  
New York Accounting and Finance Forum

2012 Cornell University

2011 Cornell University  
Emory University  
Georgetown University  
Ohio State University  
Pennsylvania State University  
Northwestern University  
Southern Methodist University  
University of California, Berkeley  
Washington University in St. Louis

2010 University of Michigan  
American Accounting Association Annual Meeting  
Brigham Young University Accounting Research Symposium

## **TEACHING EXPERIENCE**

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Indiana University (Kelley School of Business)  
Intermediate Accounting I  
Financial Reporting I (Online / EdX)  
PhD Seminar – Capital Markets

Cornell University (Samuel Curtis Johnson Graduate School of Management)  
Financial Statement Analysis  
Advanced Financial Statement Analysis  
PhD Seminar – Corporate Disclosure Research

University of Michigan (Ross School of Business)  
Intermediate Financial Accounting

Brigham Young University (Marriott School of Management)  
Principles of Accounting

## **REFEREE ACTIVITIES**

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*Editor:* Journal of Business, Finance & Accounting (2020 – Present)

*Editorial Board:* The Accounting Review (2014 – Present)

*Ad Hoc Reviewer:* The Journal of Accounting Research  
The Journal of Accounting and Economics  
The Journal of Finance  
Review of Financial Studies  
Management Science  
Review of Accounting Studies  
Contemporary Accounting Research  
Accounting, Organizations, and Society

European Accounting Review  
Journal of Accounting and Public Policy  
Accounting Horizons

## **HONORS AND AWARDS**

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Arthur M. Weimer Faculty Fellowship, 2020 – Present  
Indiana University Trustee Teaching Award Finalist 2018  
Johnson (Cornell) Teaching Honor Roll, 2012 – 2016  
Barry and Ann Ridings Sesquicentennial Fellow, Cornell University, 2011-2016  
Named to Top 40 Business School Professors Under 40 List, Poets & Quants, 2014  
Half Century Faculty Research Fellowship, Cornell University, 2012  
Spivey/Hall Fellowship Recipient, University of Michigan, 2010  
Close Award Recipient, University of Michigan, 2009  
Paton Accounting Fellowship, University of Michigan, 2006 – 2010  
Ross School of Business Fellowship, University of Michigan, 2006 – 2010  
Summa Cum Laude, Brigham Young University, 2006

## **DOCTORAL DISSERTATION COMMITTEES**

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Braiden Coleman, Indiana University (Accounting), 2022 (expected), Committee Member  
Chao Kang, Cornell University (Accounting), 2021 (expected), Committee Member  
Chase Potter, Washington University in St. Louis (Accounting), 2019, Committee Member  
Manuela Dantas, Cornell University (Accounting), 2019, Committee Member  
Felipe Silva, Cornell University (Accounting), 2018, Committee Member

## **NATIONAL SERVICE ACTIVITIES**

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Financial Accounting Reporting Section Best Dissertation Committee (2020 – 2021)  
Financial Accounting Reporting Section Reporting Policy Committee (2017 – 2020)  
Financial Reporting Issues Conference Planning Committee (2017, 2020)  
Ad hoc referee for the AAA annual meetings  
Ad hoc referee for the Financial Accounting Reporting Section midyear meetings  
Ad hoc referee for the Audit Section midyear meetings  
Ad hoc referee for the Conference on Financial Economics and Accounting  
Reviewer for the Conference on Emerging Technologies in Accounting and Financial Economics  
Reviewer for the Research Grants Council of Hong Kong

## **INDIANA UNIVERSITY SERVICE ACTIVITIES**

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Member, Kelley School Accounting Doctoral Program Committee (2020 – Present)  
Member, Accounting Senior Faculty Recruiting Committee (2020 – Present)  
Member, Accounting Financial Faculty Recruiting Committee (2018 – Present)  
Accounting Miami Rookie Camp Representative (2019)  
Member, ALSSS Conference Planning Committee (2020 – Present)  
Member, Kelley School Research Policy Committee (2018 – Present)  
Member, Hoosier Accounting Research Conference Planning Committee (2018 – Present)

Doctoral Student Advising (2018 – Present)  
Kelley Connect Week Case Competition Judge (2019)  
Accounting Micro Masters / EdX Course Development (2019 – Present)  
Kelley Common Read Discussion Facilitator (2020)

**CORNELL UNIVERSITY SERVICE ACTIVITIES**

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Johnson School Data Committee (2015 – 2016)  
Cornell Accounting Workshop Co-Organizer (2012 – 2015)  
Ad Hoc Appointment Committee Member  
Smart Woman Securities Guest Lecturer