

Patricia C. O'Brien

Contact Information

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| University of Waterloo | Telephone: | 1-519-888-4567, ext. 35423 |
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| Canada N2L 3G1 | | |

Education

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|-------|------|-----------------------|---|
| Ph.D | 1985 | University of Chicago | Fields: Accounting & Econometrics. Doctoral Thesis: "An Analysis of Forecasts of Earnings Per Share." Advisor: Robert Holthausen |
| M.B.A | 1979 | University of Chicago | |
| B.A. | 1977 | Cornell University | Mathematics (<i>cum laude</i>) & Economics |

Awards and Honors

| | | |
|------|---|---|
| 2009 | Haim Falk Award for Distinguished Contribution to Accounting Thought | Canadian Academic Accounting Association |
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Academic Employment – Full Time

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| University of Waterloo School of Accounting and Finance | |
| Professor | 2000 – present |
| Ernst & Young Professor | 2004 – present |
| York University Schulich School of Business | |
| Associate Professor | 1997 – 2000 |
| London Business School | |
| Associate Professor | 1996 - 1997 |
| University of Michigan School of Business | |
| Associate Professor | 1992 – 1996 |
| Assistant Professor | 1989 - 1992 |
| Massachusetts Inst. of Technology Sloan School of Management | |
| Assistant Professor | 1985 - 1989 |
| University of Rochester Graduate School of Management | |
| Assistant Professor | 1983 - 1985 |

Academic Employment – Visiting Positions

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| Stanford University Graduate School of Business | 2006 |
| Visiting Professor (sabbatical – 1 term) | |
| University of Amsterdam Faculty of Economics and Econometrics | 1998, 1999 & 2006 |
| Visiting Professor (summers) | |
| University of Chicago Graduate School of Business | |
| Visiting Associate Professor (1 year) | 1993 – 1994 |
| Helsinki School of Economics, MBA, Exec, MBA, and MSc. Programs | |
| Visiting Lecturer (summers) | 1988 - 1991 |

Other Employment

Ontario Securities Commission, Office of the Chief Economist

Visiting Scholar (sabbatical: part-time 1 term) 2005

Charles River Associates, Boston and Toronto

Senior Consultant 1996 - present

I consult on issues of information in capital markets, including preparation and interpretation of financial disclosures, the effects of disclosure on capital markets, and the role of financial analysts as information intermediaries.

School and University Service

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| U. of Waterloo | SAF assoc. director – research & PhD program | 2002 – 2003 & 2006 - present |
| | Arts faculty tenure & promotion committee | 2007 – present |
| | SAF graduate officer | 2008 – present |
| | PhD program director | 2004 – 2005 |
| London Business School | Accounting area chair | 1996 - 1997 |
| MIT | Sloan PhD committee | 1985 - 1989 |

Professional Service

Editorial Boards:

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|--|----------------|
| <i>Contemporary Accounting Research</i> , Associate Editor | 2001 - 2010 |
| <i>Journal of Accounting Research</i> , Editorial Board | 2003 - 2009 |
| <i>Journal of Accounting and Public Policy</i> , Editorial Board | 1996 - present |
| <i>Accounting Review</i> , Editorial Board | 1993 - present |

Ad-hoc Reviews (in addition to the above journals):

| | |
|--|------------------------------------|
| <i>Journal of Accounting and Economics</i> | <i>Journal of Finance</i> |
| <i>Journal of Accounting, Auditing and Finance</i> | <i>Review of Financial Studies</i> |
| <i>Journal of Financial Economics</i> | <i>Journal of Business</i> |
| <i>Journal of Business, Finance and Accounting</i> | |

Professional Service (continued)

Professional Associations and Service:

- Canadian Institute of Chartered Accountants
 - 2005 – present, Academic Advisory Council member
- American Accounting Association member
 - 2003 Doctoral Consortium - Resident Faculty
 - 2002-03 Doctoral Consortium Committee
 - 1992-93 International Faculty Exchange Committee
 - 1991-92 Notable Contributions Screening Committee
 - 1987-88 Notable Contributions Screening Committee
- Canadian Academic Accounting Association member
 - 2008-09 Annual Meetings Program Committees
 - 2007-09 CAAA PhD and New Faculty Consortium speaker
- American Finance Association member
- Society for Financial Studies member
- European Finance Association
 - 2000 annual meetings Program Committee

Research and Publications

Book:

- Roman L. Weil, Patricia C. O'Brien, Michael M. Maher, Clyde P. Stickney and Kathleen Fitzgerald, *Accounting: The Language of Business*. Sun Lakes, AZ: Thomas Horton and Daughters (9th ed., 1994), (10th ed., 1998), (11th ed., 2005).

Refereed Journal Articles:

- Patricia C. O'Brien, "Changing the Concepts to Justify the Standards," *Accounting Perspectives*, (forthcoming 2009).
- Andrew S. Hilton and Patricia C. O'Brien, "Inco Ltd.: Market Value, Fair Value and Management Discretion," *Journal of Accounting Research* 47:1 (March 2009) pp. 179-211.
- Patricia C. O'Brien, Maureen F. McNichols and Hsiou-wei Lin, "Analyst Impartiality and Investment Banking Relationships," *Journal of Accounting Research* 43:4 (September 2005) pp. 623-650.
- Maureen McNichols and Patricia C. O'Brien, "Self-selection and Analyst Coverage," *Journal of Accounting Research* (Supplement 1997) pp. 167-199. [Featured in E.S. Browning, "Heard on the Street," *The Wall Street Journal* (May 2, 1995) p. C1, and G. Koretz, "Stock Analysts Shun Bad News," *Business Week* (May 11, 1998) p. 24.]
- David Austen-Smith and Patricia C. O'Brien, "Takeover Defenses and Shareholder Voting," *Economica* (May 1992) pp. 199-219.
- Patricia C. O'Brien and Ravi Bhushan, "Analyst Following and Institutional Holding," *Journal of Accounting Research* (Supplement 1990) pp. 55-76.
- Patricia C. O'Brien, "Forecast Accuracy of Individual Analysts in Nine Industries," *Journal of Accounting Research* v. 28 (1990) pp. 286-304.

Research and Publications (continued)

Refereed Journal Articles:

- Patricia C. O'Brien, "Analysts' Forecasts as Earnings Expectations," *Journal of Accounting and Economics* v. 10, no. 1 (1988) pp. 53-83. [One of 26 "classic" Accounting papers named in "Influential Accounting Articles...A Citation Analysis," by L.D. Brown, *Accounting, Organizations and Society*, vol 21, no. 7/8, pp. 723-754 (1996).]
- Patricia C. O'Brien, "Individual Forecasting Ability," *Managerial Finance* v. 13, no. 2 (1987) pp. 3-9.
- Patricia C. O'Brien, "The Quartiles of the Maximum Entropy Distribution," *Economics Letters* v. 6 (1980) pp. 49-52.
- Henri Theil and Patricia C. O'Brien, "The Median of the Maximum Entropy Distribution," *Economics Letters* v. 5 (1980) pp. 345-347.

Published Conference Discussions:

- Patricia C. O'Brien, "Discussion of Earnings Management Through Transaction Structuring: Contingent Convertible Debt and Diluted Earnings Per Share," *Journal of Accounting Research*, v. 43 (May 2005), pp. 245-250.
- Patricia C. O'Brien, "Discussion of The Predictive Value of Analyst Characteristics," *Journal of Accounting, Auditing and Finance* v. 18 (Fall 2003) pp. 649-653.
- Patricia C. O'Brien, "Discussion of A Simultaneous Equations Analysis of Forecast Accuracy, Analyst Following, and Trading Volume," *Journal of Accounting, Auditing and Finance* v. 14 no 3 (Summer 1999) pp. 241-246.
- Patricia C. O'Brien, "Discussion of International Variation in Accounting Measurement Rules and Analysts' Earnings Forecast Errors," *Journal of Business, Finance and Accounting* v. 25 nos. 9&10 (November/December 1998) pp.1249-1254.
- Patricia C. O'Brien, "Discussion of The Relative Information Content of Accruals and Cash Flows: Combined Evidence at the Earnings Announcement and Annual Report Release Date," *Journal of Accounting Research* (Supplement 1986) pp. 201-203.

Non-Refereed Published Articles:

- Andrew S. Hilton and Patricia C. O'Brien, "Impairments and Management Discretion," *CA Magazine* v. 142 n. 7 (September 2009) pp. 43-45.
- Patricia C. O'Brien, "Book review: *International Financial Reporting and Analysis*," *The International Journal of Accounting* v. 39 n. 3 (2004) pp. 333-335.
- Patricia C. O'Brien, "Accountants and Financial Analysts," *CA Magazine* (November 1998) pp. 42-45.
- Patricia C. O'Brien, "Earnings versus Cash Flow," *Financial Times* (19 May 1997). [Originally published under the title "Problems with Earnings and Cash Flow." Reprinted in *Mastering Finance: The definitive guide to the foundations and frontiers of finance*, London: FT/Pitman Publishing (1998) pp. 127-132.]

Research and Publications (continued)

Current Work-in-Progress:

“Unaffiliated Analysts’ Recommendation Performance for IPO Firms,” with M. McNichols and O. Pamukcu

“Financial Analysts’ Role in the 1996-2000 Internet Bubble,” with Y. Tian

“Analyst Coverage, Firm Performance and Earnings Forecast Errors,” with M. McNichols

“Inertia and Discreteness: Issues in Modeling Analyst Coverage,” with M. McNichols

Conference Participation

Refereed Conference Presentations:

The Performance of Underwriter Analyst Recommendations: A Second Look
Istanbul Commerce University Conference on the Effects of Globalization on
Financial Reporting, Istanbul, May 2005

University of Utah Winter Accounting Conference, Salt Lake City, Feb 2005

Analyst Impartiality and Investment Banking Relationships

American Accounting Association annual meeting, San Francisco, Aug 2005

London Business School Accounting Symposium, London, Jul 2004

Inco Ltd.: Market Value, Fair Value and Management Discretion

Canadian Academic Accounting Association annual meeting, Vancouver, May
2004

Inertia and Discreteness: Issues in Modeling Analyst Coverage

Canadian Academic Accounting Association annual meeting, Montreal, May
2002

American Accounting Association annual meeting, Atlanta, Aug 2001

Self-Selection and Analyst Coverage

Journal of Accounting Research conference, Chicago, May 1997

British Accounting Association annual meeting, Birmingham, UK, Mar 1997

American Accounting Association annual meeting, Chicago, Aug 1996

AAA Western Regional meeting, Jackson, WY, May 1996

Conference on Financial Economics and Accounting, College Park, MD, Nov
1995

Bank Capital Regulations, Portfolio Mix and Capital Structure

Econometric Society annual meeting, San Francisco, Jan 1996

Wharton Financial Institutions Center Conference on Accounting Issues in Risk
and Capital Management in Financial Services Companies, Philadelphia,
Nov 1994

Conference Participation (continued)

Refereed Conference Presentations:

- Analyst Following and Institutional Holding
Journal of Accounting Research conference, Chicago, May 1990
- Forecast Accuracy of Individual Analysts in Nine Industries
American Accounting Association annual meeting, Honolulu, Aug 1989
- Individual Forecasting Ability
International Forecasting Symposium, Boston, May 1987

Invited (non-refereed) Conference Presentations:

- 2009 CAAA PhD workshop, Montreal Canada (presenter)
- 2009 CAAA annual meeting, Montreal Canada (discussant)
- 2008 16th Annual CGA-Accounting Research Centre Conference, U. of Ottawa, Canada (presenter)
- 2008 CAAA PhD workshop, Winnipeg Canada (presenter)
- 2007 1st Toronto Accounting Research Conference, Toronto Canada (presenter)
- 2007 CAAA PhD workshop, Halifax Canada (presenter)
- 2007 CAAA annual meeting, Halifax Canada (discussant)
- 2006 1st International Conference in Accounting and Finance, Thessaloniki Greece (presenter)
- 2006 CARE conference on Financial Statement Analysis and Valuation, Atlanta GA (presenter)
- 2006 AAA FAR section meeting, Atlanta GA (discussant)
- 2003 *Journal of Accounting, Auditing and Finance* conference, NYC (discussant)
- 2002 London Business School Accounting Symposium, London UK (presenter)
- 2000 European Finance Association annual meeting, London UK (discussant)
- 1998 *Journal of Accounting, Auditing and Finance* conference, NYC (discussant)
- 1998 *Journal of Business, Finance and Accounting* conference, Lancaster UK (discussant)
- 1997 Accounting and Finance at Tel Aviv University (discussant)
- 1996 Western Finance Association annual meeting, Sun Lakes OR (discussant)
- 1994 AAA annual meeting (discussant)
- 1992 AAA annual meeting (discussant)
- 1986 *Journal of Accounting Research* conference, Chicago IL (discussant)

Conference Session Chair:

- 2004, 2007 & 2008 CAAA annual meeting
- 2001-2009 *Contemporary Accounting Research* conferences
- 1997 AAA Financial Accounting and Reporting Section conference
- 1993, 2005 AAA annual meetings

Invited Paper Presentations

George Washington University, April 2009
York University, April 2009
Duke University, December 2008
Tilburg University, Netherlands, December 2006
McMaster University, October 2006
University of Amsterdam, Netherlands, June 2006
Ontario Securities Commission, December 2005
University of Cyprus, May 2005
University of Rochester, April 2005
Queen's University, November 2003
Baruch College, CUNY, September 2003
Harvard Business School IMO conference, June 2003
University of British Columbia, April 2003
University of Waterloo, November 1999
University of Toronto, November 1999
Duke University, October 1999
University of Washington, January 1998
University of British Columbia, January 1998
Stanford Summer Workshop, Stanford University, July 1997
INSEAD, May 1997
London School of Economics, December 1996
Ohio State University, February 1996
University of Toronto, February 1996
York University, January 1996
University of California, Berkeley, November 1995
Carnegie-Mellon University, October 1995
London Business School, April 1995
University of Colorado, October 1994
Southern Methodist University, April 1992
Stanford University, March 1992
Massachusetts Institute of Technology, March 1992
University of Texas, Austin, October 1991
New York University, January 1991
University of Minnesota, Conference on Empirical Research, November 1990
Cornell University, March 1989
University of Michigan, February 1989
Columbia University, 7th annual Accounting Research Workshop, April 1988
Harvard Business School, March 1988
Wharton School, University of Pennsylvania, November 1987
University of Michigan, October 1987
Stanford University, October 1986
University of Rochester, February 1986

Graduate Supervision

PhD thesis chair or co-chair:

Yao Tian, U. of Waterloo, "The Impact of Earnings Management and Expectations Management on the Usefulness of Earnings and Analyst Forecasts in Firm Valuation." 2008

A.S. (Sandy) Hilton, U. of Waterloo, "The Role of Securities Markets Regulation in the Interpretation of Accounting Information." 2003

Sok-Hyon Kang, M.I.T., "The Stock Price Effects of a LIFO Adoption." 1988

PhD thesis committee member:

James Moore, U. of Waterloo, in progress

Yan Yuan, U. of Waterloo, "Prediction Performance of Survival Models." 2008

Devan Mescall, U. of Waterloo, "How Do Tax and Financial Reporting Policies Affect Cross-Border Mergers and Acquisitions?" 2007 [2007 Outstanding International Accounting Dissertation Award, AAA International Section]

Thomas Matthews, U. of Waterloo, "Does Home-Country Taxation of Foreign Earnings Affect Cross-Jurisdictional Income Shifting?" 2002 [2003 Outstanding International Accounting Dissertation Award, AAA International Section]

Kazunori Suzuki, London Business School, "Equity Issues in UK: Usage of Funds and Reaction of the Stock Market." 1997

Nathalie Dierkens, M.I.T. "Information Asymmetry and Equity Issues." 1988

Norihiko Miyawaki, U. of Rochester, "Estimation Procedures for Variance Components Models with a Covariate." 1985

Master's thesis chair or co-chair:

Amy L. Reis, M.I.T., "A Study of the Performance of High Yield Bond Funds." 1987

Thomas R. Rosén, M.I.T., "Collateralized Mortgage Obligations: A Financial Product." 1987

Master's thesis committee member:

Masayasu Uno, M.I.T., "The Tokyo Stock Market: Is Japanese Stock Overpriced?" 1989

Jennifer A. Powell, U. of Rochester, "The Effectiveness of a Mass Media Campaign on Knowledge of Health Care Costs: Measurement through Pre- and Post-Campaign Telephone Interviews." 1986

Teaching

Courses taught:

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| University of Waterloo | |
| Advanced Financial Accounting | BA |
| US GAAP | MAcc |
| Financial Statement Analysis | MAcc |
| Research Seminar | PhD |
| Introduction to Research I | PhD |
| Introduction to Research II | PhD |
| University of Amsterdam | |
| International Financial Statement Analysis | M. International Finance |
| York University | |
| Financial Reporting and Analysis | MBA |
| Financial Accounting for Managers | MBA |
| London Business School | |
| Cases in Financial Reporting | MBA & M.Sc. Finance |
| Understanding Financial Analysis | MBA & Exec |
| University of Michigan | |
| Principles of Financial Accounting | MBA |
| Intermediate Accounting | MBA |
| Financial Disclosure | Exec |
| University of Chicago | |
| Financial Accounting | MBA |
| Accounting for Financial Analysis I | MBA |
| Helsinki School of Economics | |
| Cases in Finance | MBA, Exec, & M.Sc. |
| Introductory Financial Accounting | MBA |
| Massachusetts Institute of Technology | |
| Finance and Accounting I | MS |
| Corporate Financial Accounting | MS |
| Seminar in Accounting Research | PhD |
| Financial & Cost Accounting | BS & MS |
| Topics in Corporate Finance | MS |
| University of Rochester | |
| Essentials of Accounting | MBA |
| Probability & Statistics II | MBA |
| Cases in Finance | MBA |

Teaching Cases written:

Case Name

Inco Ltd.
Tesco plc
Clinton Cards plc
Metallgesellschaft
Royal Dutch/Shell
Genentech
Stone Container Corp.
Software Publishing Corp.
General Motors
The Mark-to-Market Debate
MiniScribe
Toys”R”Us – A
Toys”R”Us – B
ConAgra
Enron Corp. – A
Ralston-Purina Co.
Enron Corp. – B
MailBoxes, Etc.
Bond Rating Reports
Lilco
Citicorp

Topic(s)

Forecasting, Valuation
Earnings per share
Leasing
Financial derivatives disclosure
Deferred Taxation
R&D limited partnerships
Debt covenants & reporting choices
R&D accounting
Pensions
Standard-setting & the SFAC
Auditing & fraudulent reporting
Shareholders' equity accounting
Statement of cash flows
Shareholders' equity contracts
Earnings per share & SFAC 2
Employee benefits & ESOPs
Oil & gas accounting & standard-setting
Revenue recognition & franchises
Corporate debt & SFAC 1
Bond valuation & debt extinguishment
Taxes & strategic reporting

Grants (principal investigator):

Social Sciences and Humanities Research Council (Canada) standard grant, 2006-2009,
\$60,796

Social Sciences and Humanities Research Council (Canada) standard grant, 2000-2004,
\$45,000

Canadian Academic Accounting Association Research grant, 1999-2001, \$10,000