

Daniel Aobdia

Smeal College of Business, Pennsylvania State University
210 Business Building, University Park, PA
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ACADEMIC EMPLOYMENT

Pennsylvania State University, Smeal College of Business
Associate Professor
and PricewaterhouseCoopers LLP Research Fellow

State College, PA
August 2021-Present

Northwestern University, Kellogg School of Management
Associate Professor
Assistant Professor / Donald P. Jacobs Scholar

Evanston, IL
September 2017-July 2021
July 2012-August 2017

Public Company Accounting Oversight Board (PCAOB)
Senior Economic Research Fellow, Center for Economic Analysis

Chicago, IL
Sept. 2014-Sept. 2016

EDUCATION

UCLA Anderson School of Management
Ph.D. in Management (Accounting)

Los Angeles, CA
Jan 2009-June 2012

UCLA Anderson School of Management
M.B.A.

Los Angeles, CA
Sept 2006-June 2008

Stanford University
M.S. in Management Science and Engineering

Stanford, CA
Sept 2001-June 2002

Ecole Nationale des Ponts et Chaussées
M.S. in Engineering (Diplôme d'ingénieur)

Paris, France
Sept 1999-June 2002

Ecole Polytechnique
B.S. in Math and Physics (Diplôme d'ingénieur)

Paris, France
Sept 1996-June 1999

RESEARCH

Principal Interests

My research interests span empirical accounting and economics. My primary focus is using auditing as a setting to answer broad economic questions, such as the impact of regulation, the role of information spillovers, and the influence of labor and non-labor inputs in organizations, including the role of high-skilled immigration, culture, and internal control systems. Another focus is studying the effects of disclosure on the functioning of capital and product markets.

Publications

1. "Inter-Industry Network Structure, Information Transfer, and the Cross-Predictability of Earnings and Stock Returns" with Judson Caskey and N. Bugra Ozel
Review of Accounting Studies 19 (3), September 2014, pp 1191-1224.
 - 2013 *Review of Accounting Studies* Conference Paper

2. “Capital Market Consequences of Audit Partner Quality” with Chan-Jane Lin and Reining Petacchi
The Accounting Review 90 (6), November 2015, pp 2143-2176.
 - Cited by the PCAOB in releases No. 2013-009, No. 2015-004 and No. 2015-008 on requiring disclosure in the U.S. of the name of the engagement partner on the audit, adopted on December 15 2015
 - Cited by PCAOB Chairman J. Doty in Dec 3 and 8 2014, and May 7 and Jun 22 2015 speeches
 - Cited by the SEC in release No. 33-9862; 34-75344 on its concept release for possible revisions to audit committee disclosures, and in release No. 34-77082 on proposed rules on improving the transparency of audits
3. “Proprietary Information Spillovers and Supplier Choice: Evidence from Auditors”
Review of Accounting Studies 20 (4), December 2015, pp 1504-1549.
4. “Regulatory oversight and auditor market share” with Nemit Shroff
Journal of Accounting and Economics 63 (2-3), April-May 2017, pp 262-287.
5. “Non-Compete Agreements, Product Market Competition, and Company Disclosure”
Review of Accounting Studies 23 (1), March 2018, pp 296-346.
6. “Unionization, Product Market Competition and Strategic Disclosure” with Lin Cheng
Journal of Accounting and Economics 65 (2-3), April-May 2018, pp 331-357.
7. “Are Immigrants Complements or Substitutes? Evidence from the Audit Industry” with Anup Srivastava and Erqiu Wang
Management Science 64 (5), May 2018, pp 1997-2012.
 - “Best Midyear Meeting Paper” award at the AAA 2016 Auditing Section Midyear Meeting
 - Special Feature article on the Management Science website and selected for inclusion in the Management Science review blog
8. “The impact of the PCAOB individual engagement inspection process – Preliminary evidence”
The Accounting Review 93 (4), July 2018, pp 53-80.
 - Cited in the PCAOB post-implementation review of AS 1220, engagement quality review (Staff White Paper), and by PCAOB Board member J. Robert Brown in Jul 23 2020 speech
9. “Do practitioner assessments agree with academic proxies for audit quality? Evidence from PCAOB and internal inspections”
Journal of Accounting and Economics 67 (1), February 2019, pp 144-174.
 - Formerly titled: “The validity of publicly available measures of audit quality. Evidence from the PCAOB inspection data”
 - Cited by the SEC in release No. 34-77082 on proposed rules on improving the transparency of audits, and by the PCAOB in release No. 2015-008 and in the post-implementation review of AS 1220, engagement quality review (Staff White Paper)
10. “Why shouldn’t higher IQ audit partners deliver better audits? A discussion of Kallunki, Kallunki, Niemi and Nilsson.”
Contemporary Accounting Research 36 (1), Fall 2019, pp 1404-1416.
11. “The economic consequences of audit firms’ quality control system deficiencies”
Management Science 66 (7), July 2020, pp 2883-2905.

- Formerly titled: “Does the culture of the largest audit firms influence their audit quality and efficiency?”
- Cited in the PCAOB post-implementation review of AS 1220, engagement quality review (Staff White Paper)
- Presented at the May 2017 PCAOB Standing Advisory Group meeting

12. “Heterogeneity in expertise in a credence goods setting: Evidence from audit partners” with Saad Siddiqui and Andres Vinelli

Review of Accounting Studies 26 (2), June 2021, pp 693-729.

- Cited in the PCAOB post-implementation review of AS 1220, engagement quality review (Staff White Paper)

13. “Changes in Big N auditors’ client selection and retention strategies over time” with Luminita Enache and Anup Srivastava

Review of Quantitative Finance and Accounting 56 (2), February 2021, pp 715-754.

14. “Public audit oversight and the originate-to-distribute model” with Yiwei Dou and Jungbae Kim

Journal of Accounting and Economics 72 (1), August 2021.

15. “Audit Firm Internal Governance, Auditor Behavior, and Financial Reporting Quality” with Reining Petacchi

The Accounting Review, Forthcoming

- Cited by PCAOB Board member J. Robert Brown in Dec 17 2019 speech

Selected Working Papers

16. “A bright side of labor market power? Evidence from the audit profession” with Qin Li, Ke Na, and Hong Wu

17. “The Economics of Audit Production: What Matters for Audit Quality?” with Preeti Choudhary and Noah Newberger

- Cited in the PCAOB post-implementation review of AS 1220, engagement quality review (Board Report, PCAOB release No. 2018-004, and Staff White Paper)
- Cited by PCAOB Board member J. Robert Brown in Sept 27 2019, and Dec 17 2019 speeches

18. “Political Connections and Government-Awarded Economic Incentives: State-level Evidence” with Allison Koester and Reining Petacchi

19. “Auditor reputation concerns, human capital investment, and audit quality” with Xuejiao Liu, Ke Na, and Hong Wu

20. “EDGAR implementation, unionization, and strategic disclosure” with Lin Cheng, Qin Tan, and Xuan Wu

21. “Going concern opinions, institutional trading, and bond price impact” with Zhongwen Fan, Derrald Stice, and Qion Wu

22. “Spear and shield: the effect of short-selling pressure on corporate accountants” with Yupeng Lin, Jiaquan Yao, and Keyuan Zhang

23. “Do auditors correctly identify and assess internal control deficiencies? Evidence from the PCAOB data” with Preeti Choudhary and Gil Sadka

- 2nd place prize paper. Glen McLaughlin prize for research in accounting and ethics. April 2018
- Cited by the SEC in release No. 34-88365 on amendments to accelerated filer and large accelerated filer definitions

24. “Consequences of Low-Quality Audits for Engagement Partners: The Importance of Audit Firm Quality Control Systems” with Reining Petacchi

25. “Which Audits does the PCAOB Monitor Closely? Evidence from EDGAR Searches” with Edward Xuejun Li, K. Ramesh, and Min Shen

Older Working Papers

26. “Policy barriers to inshoring of human talent” with Anup Srivastava

27. “Underwater shares and earnings management to beat forecasts” with Judson Caskey

28. “Investor Cost Basis and Takeover Bids” with Judson Caskey

TEACHING EXPERIENCE

Smeal College of Business, Penn State University

- Auditing (undergraduate), doctoral seminar, Spring 2022, 2023 (scheduled)

Northwestern University, Kellogg School of Management

- Accounting for Decision Making (MBA and MMM programs core), Summer 2013 and 2014, Fall 2016 and 2017, Winter 2019, Fall 2019 and 2020 (Law School and MBA classes)

UCLA Anderson School of Management, MBA program

- Financial Statement Analysis (teaching assistant, 2008, 2009 , 2011 and 2012)
- Corporate Financial Reporting (teaching assistant, 2010)
- Corporate Finance (teaching assistant, 2008)
- Financial Accounting (teaching assistant, 2007)

AWARDS AND HONORS

- Best Reviewer Award for Hawaii Accounting Research Conference HARC-2023
- Excellence in Reviewing Recognition 2020 and 2021. European Accounting Review
- Outstanding Reviewer Award 2017-2020. The Accounting Review
- 2nd place prize paper. Glen McLaughlin prize for research in accounting and ethics. April 2018
- Financial Accounting and Reporting Section (FARS) 2015-16 Excellence in Reviewing award
- Best Midyear Meeting Paper Award at the AAA 2016 Auditing Section Midyear Meeting
- Lawrence Revsine Research Fellowship (2014-2020)
- Ernst & Young LIVE Program Research Fellowship (2012-2014)
- Deloitte Foundation Doctoral Fellowship (2011-2012)
- UCLA Anderson Fellowship for Doctoral Studies and Summer Doctoral Fellows Program (2009-2012)
- LH Penney Accounting Award (2008), in recognition of accounting academic excellence, awarded to one MBA student at UCLA Anderson each year

- Carter Award (2008), granted to the top 2% of the MBA class at UCLA Anderson
- Weston Award (2008), in recognition of finance academic excellence during the MBA program at UCLA Anderson
- President of the Investment Finance Club at UCLA Anderson (2007-2008). The club, with an annual budget of \$100K, aims to attract finance companies to campus and to prepare MBA students to secure careers in finance
- Student Investment Fund Fellow (2007-2008). The UCLA Anderson Student Investment Fund, a \$2M endowment fund, is managed every year by 10 MBA students
- Exceptional International Student Fellowship (2007), in recognition of being among the top-ranked international students during the first year of the MBA program at UCLA Anderson
- Faculty Scholar (2007), in recognition of all As in the first quarter of the MBA program at UCLA Anderson
- UCLA Anderson Fellowship (2006), merit based fellowship for excellence in academic scholarship and leadership

OTHER WORK EXPERIENCE AND OUTSIDE ACTIVITIES

Public Company Accounting Oversight Board (PCAOB) Chicago, IL
Senior Economic Research Fellow, Center for Economic Analysis Sept. 2014-Sept. 2016

Morgan Stanley Los Angeles, CA
Associate, Investment Banking Aug 2008-Jan 2009
Covered media and gaming clients

Morgan Stanley Los Angeles, CA
Summer Associate, Investment Banking June 2007-Aug 2007

Mars and Company Tokyo, Japan
Strategy Consultant Sept 2002-Aug 2006
Clients included large Japanese and multinational corporations in Japan and Southeast Asia
Designed customer level profitability analysis tools for large financial institutions
Identified cost improvements using activity based costing
Economic modeling of companies and their rivals' operations

L'Oréal Japan Gotemba, Japan
Project Manager July 2000-July 2001
Analyzed and improved production efficiency in L'Oréal Japan's Gotemba factory

RESEARCH PRESENTATIONS

2022/2023: Purdue; PCAOB conference on auditing and capital markets; Amsterdam Business School; Maastricht University; Stockholm School of Economics

2021/2022: Ohio State University; Kent State University; University of Alberta; 2022 Financial Accounting and Reporting Section Conference (discussant); University at Buffalo; International Symposium on Audit Research

2020/2021: The Pennsylvania State University; ESSEC; CEIBS; George Washington University; PCAOB / *The Accounting Review* Conference; Bocconi University; INSEAD; Temple University; University of Connecticut; University of Kentucky

2019/2020: New York University; UT Austin Texas Audit Research Symposium; University of Minnesota; Northeastern University; Drexel University; Amsterdam Business School; Hong Kong University; Chinese University of Hong Kong; National University of Singapore

2018/2019: UCLA Spring Accounting Conference; Wharton Conference on Migration, Organizations, and Management; Georgetown University; Texas A&M University; University of Florida; AAA / PCAOB Annual Meeting (panelist); Chinese University of Hong Kong Accounting Conference; International Symposium on Auditing Research; PCAOB; The Hong Kong Polytechnic University; Erasmus University; Tilburg University mini Conference; HEC Paris

2017/2018: Contemporary Accounting Research Conference (discussant); 2018 Deloitte / University of Kansas Auditing Symposium; Rutgers University; University of Wisconsin (Milwaukee); 2018 Financial Accounting and Reporting Section Conference (presenter and discussant); 2018 AAA Annual Meeting (presenter)

2016/2017: Duke-UNC Fall Camp; George Washington University Cherry Blossom Conference; University of Illinois 22nd Symposium on Auditing Research; PCAOB Standing Advisory Group Meeting; Singapore Management University Accounting Symposium; *Journal of Law, Finance, and Accounting* 2016 conference (discussant); Michigan State University; University of Missouri; Université Laval; University of Louisville; Japanese Accounting Review Conference; Financial Accounting and Reporting Section Conference (presenter and discussant); PCAOB

2015/2016: Stanford University; UCLA; PCAOB/*Journal of Accounting Research* conference; University of Arizona; Northwestern University; PCAOB International Auditor Regulatory Institute; HKUST Accounting Symposium; Financial Accounting and Reporting Section Conference; International Forum of Independent Audit Regulators (IFIAR) Inspection Workshop (Keynote speaker); National Taiwan University; Japanese Accounting Review Conference (plenary session); CPAAFOB / Financial Services Agency Japan; AAA Auditing Section Midyear Meeting (panelist and presenter); AAA/PCAOB Annual Meeting (panelist); George Mason University, Conference on Investor Protection, Corporate Governance, and Fraud Prevention; PCAOB

2014/2015: PCAOB (several); Northwestern University; AAA Annual Meeting (presenter and discussant)

2013/2014: University of Southern California; UCLA; Financial Accounting and Reporting Section Conference; University of Illinois, Chicago

2012/2013: Harvard Business School; Northwestern University

2011/2012: Columbia University; Dartmouth; INSEAD; London Business School; MIT; New York University; Northwestern University; Stanford University; University of Chicago; University of Michigan; University of Pennsylvania, Wharton; University of Utah; UCLA

PROFESSIONAL SERVICE

Associate Editor:

Journal of Accounting and Economics (from January 2020)

Review of Accounting Studies (from February 2021)

Editorial Board Member: *Auditing: A Journal of Practice & Theory*

Ad-hoc reviewer for *The Accounting Review*, the *Journal of Accounting Research*, the *Journal of Accounting and Economics*, *Management Science*, the *Review of Accounting Studies*, *Accounting*,

Organizations and Society, Contemporary Accounting Research, the European Accounting Review, Accounting Horizons, the Journal of Business Ethics, the Journal of Law, Finance and Accounting, the International Journal of Auditing, the Journal of Financial Reporting, the Journal of International Financial Markets, Institutions & Money, Public Choice, the Journal of Business Finance and Accounting, the International Journal of Accounting and Information Management, the AAA FARS Midyear Meeting, the AAA Auditing Section Midyear Meeting, the AAA Annual Meeting, the Conference on Financial Economics and Accounting (CFEA), the Hawaii Accounting Research Conference HARC-2023, and Transactions on Network Science and Engineering (IEEE)

2022 FARS Midyear Meeting Research Committee track chair of the “Auditing and financial reporting” track.

Phd Dissertation Committees:

Blake Bowler (2016, initial placement at the University of Florida)

Kirti Sinha (2019, initial placement at UT Dallas)

Doyeon Kim (2022, initial placement at the University of Hong Kong)

“Opponent” (i.e., discussant) on Ting Dong’s dissertation (2020, PhD candidate at the Stockholm School of Economics, initial placement at the Stockholm School of Economics)

Liwei Zhu (current PhD candidate at the Stockholm School of Economics)

Paul Richardson (current PhD candidate at Penn State)

Smeal 2023 Accounting Research Conference Committee Chair

Department Advisory Committee, Accounting Department, Smeal (2021-), and on several other Accounting Department and Smeal committees

Junior faculty observer on the Northwestern Kellogg personnel committee (2017-2018)

MEDIA MENTIONS

EY poised to grow big four audit market share in restructuring. *Bloomberg*. September 12, 2022.

https://www.bloomberglaw.com/product/tax/bloombergtaxnews/securities-law/XAK9L4MO000000?bna_news_filter=securities-law#jcite

The FinReg Blog. August 19, 2022. <https://sites.duke.edu/thefinregblog/2022/08/19/edgar-implementation-unionization-and-strategic-disclosure/>

Selecting the right audit partner. *Strategic Finance*. November 1, 2021. <https://sfmagazine.com/post-entry/november-2021-selecting-the-right-audit-partner/>

Amazon's record profits last quarter would've been impossible without an accounting change and a huge spending cut. That raises questions about future earnings growth. *Business Insider*. August 7, 2020.

<https://www.businessinsider.com/amazon-record-profits-driven-change-in-marketing-and-server-costs-2020-8>

Amazon’s annual filings reveals it loaded up on private-company stock while scaling back acquisitions last year – a change that may help as regulators crack down on the tech giant. *Business Insider*. February 13, 2020.

<https://www.businessinsider.com/amazon-filing-shows-increased-minority-investments-less-acquisitions-2020-2>

Who benefits when state government award incentives to politically-connected companies? *Pro-Market*.

January 7, 2020. <https://promarket.org/who-benefits-when-state-governments-award-incentives-to-politically-connected-companies/>

At all-hands meeting Jeff Bezos tells employees he's 'very excited' about the auto industry. *CNBC.com*. May 21, 2019. <https://www.cnbc.com/2019/05/21/jeff-bezos-to-employees-very-excited-about-auto-industry.html>

Amazon loaded up on low-risk government bonds last year as investors dumped tech stocks. *CNBC.com*. February 14, 2019. <https://www.cnbc.com/2019/02/14/amazon-bought-us-government-debt-at-a-record-pace-last-year.html>

Subsidies to Amazon are uneconomical, un-American, and unconstitutional. *Pro-Market*. November 16, 2018. https://promarket.org/subsidies-amazon-unamerican/?utm_campaign=shareaholic&utm_medium=twitter&utm_source=socialnetwork

Audit regulations are working to prevent accounting scandals. *Accounting Weekly*. February 2, 2018. <https://accountingweekly.com/audit-regulations-working-prevent-accounting-scandals/>

Audit regulations meant to curb accounting scandals are working, mostly. *Kellogg Insight*. February 1, 2018. <https://insight.kellogg.northwestern.edu/article/audit-regulations-meant-to-curb-accounting-scandals-are-working-mostly>

Do partners suffer bad inspection results? Not really, study says. *Compliance Week*. July 18, 2017. <https://www.complianceweek.com/blogs/accounting-auditing-update/do-partners-suffer-bad-inspection-results-not-really-study-says#.XDVpdFxKg2w>

New study shows important economic contributions of H-1B visas. *Science Daily*. June 7, 2017. <https://www.sciencedaily.com/releases/2017/06/170607151205.htm>

What we know about Trump's 'Buy American, Hire American' plan. *Chicago Tribune*. April 18, 2017. <https://www.chicagotribune.com/business/ct-trump-hire-american-buy-american-0419-biz-20170418-story.html>

How we can become an entrepreneurial Mecca. *Crain's Chicago Business*. March 24, 2017. <https://www.chicagobusiness.com/article/20170324/ISSUE07/170329900/h-1b-visa-program-can-help-chicago-become-entrepreneurial-mecca>

Employers struggle to make H-1B visas work. *Marketplace*. March 23, 2017. <https://www.marketplace.org/2017/03/23/business/employers-struggle-h1bs>

Companies want to hire the best employees. Can changes to the H-1B program help? *Kellogg Insight*. February 6, 2017. <https://insight.kellogg.northwestern.edu/article/how-to-revamp-the-visa-program-for-highly-skilled-workers>

Big four accounting firms show fewer problem audits. *The Wall Street Journal*. December 12, 2016. <https://www.wsj.com/articles/big-four-accounting-firms-show-fewer-problem-audits-1481553252>

PCAOB inspections: Good for auditors' business. *thecorporatecounsel.net*. October 14, 2016. <https://www.thecorporatecounsel.net/blog/2016/10/pcaob-inspections-good-for-auditors-business.html>

Does the H-1B visa hurt American workers? *Kellogg Insight*. September 7, 2016. <https://insight.kellogg.northwestern.edu/article/does-the-h1-b-visa-program-hurt-american-workers>

The PCAOB's effect on auditor market share. *Audit Analytics*. September 6, 2016.
<https://www.auditanalytics.com/blog/the-pcaobs-effect-on-auditor-market-share/>

Wear your auditor on your sleeve. *Kellogg Insight*. April 4, 2016.
<https://insight.kellogg.northwestern.edu/article/wear-your-auditor-on-your-sleeve>

CONFERENCES ATTENDED

Journal of Accounting and Economics Conference 2017, 2018, 2019, 2020, 2021, 2022
Journal of Accounting Research Conference 2016, 2017, 2019, 2021
Review of Accounting Studies Conference 2018, 2020, 2021
Contemporary Accounting Research Conference 2017, 2020, 2022
PCAOB Conference on Auditing and Capital Markets 2021, 2022
PCAOB / The Accounting Review Conference 2020
PCAOB / Journal of Accounting Research Conference 2014, 2015, 2018
Journal of Law, Finance, and Accounting Conference 2016
Duke/UNC Fall Camp 2016
U.T. Austin Texas Audit Symposium 2019
Penn State Accounting Research Conference 2022
University of Illinois Chicago Conference 2013, 2014, 2016, 2017, 2018, 2019, 2021
George Washington University Cherry Blossom Conference 2017, 2018
George Mason Conference on Investor Protection 2016, 2018
Hong Kong University of Science and Technology Accounting Symposium 2015
Chinese University of Hong Kong Accounting Research Conference 2019
PCAOB/AAA Annual Meeting 2015, 2016, 2018, 2019
FARS Midyear Meeting 2012, 2014, 2016, 2017, 2018
Deloitte / University of Kansas Auditing Symposium 2018
Japanese Accounting Review Conference 2015, 2017
SOAR Conference 2016
AAA Auditing Section Midyear Meeting 2016
PCAOB Standing Advisory Group Meeting 2017
PCAOB International Regulatory Institute 2015
University of Illinois Symposium on Auditing Research 2014, 2016, 2020
University of Illinois Young Scholar Symposium 2014
AAA New Faculty Consortium 2013
AAA Annual Meeting 2015, 2018
Kellogg Accounting Research Conference 2013, 2014
Junior Theory Conference 2015
Tilburg University Mini-Conference June 2019