

ALINA LERMAN

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ACADEMIC APPOINTMENTS	University of Connecticut School of Business Assistant Professor of Accounting, Whalen Family Faculty Fellow	2018 - present
	Yale School of Management Assistant Professor of Accounting <i>Maternity leaves: Fall 2011, Spring 2014</i>	2010 - 2018
EDUCATION	New York University, Stern School of Business Ph.D., Accounting	May 2011
	New York University, Stern School of Business B.S., Economics, <i>Summa Cum Laude</i>	May 2002
RESEARCH INTERESTS	Financial accounting and capital markets, market efficiency, investor sophistication, corporate mandatory and voluntary disclosure, accounting regulation, historical developments.	
PUBLICATIONS	“Individual Investors’ Attention to Accounting Information: Evidence from Online Financial Communities” <i>Contemporary Accounting Research</i> (2020)	
	“Information Transfer and Conference Calls” with F. Brochet and K. Kolev, <i>Review of Accounting Studies</i> (2018)	
	“The Changing Landscape of Accrual Accounting” with R. M. Bushman and X. F. Zhang, <i>Journal of Accounting Research</i> (2016)	
	“Who, if Anyone, Reacts to Accrual Information?” with R. H. Battalio, J. Livnat, and R. R. Mendenhall, <i>Journal of Accounting & Economics</i> (2012)	
	“Anticipatory and Implementation Effects of FIN 46 on the Behavior of Different Market Participants” with U. G. Gurun and J. Ronen, <i>Asia-Pacific Journal of Accounting & Economics</i> (2012)	
	“The New Form 8-K Disclosures” with J. Livnat, <i>Review of Accounting Studies</i> (2010)	
	“Double Surprise into Higher Future Returns” with J. Livnat and R. R. Mendenhall, <i>Financial Analysts Journal</i> (2007)	

**WORKING
PAPERS**

“Other-Than-Temporary Impairments of Investment Securities by Non-Financial Firms” with K. Kolev and T. L. Vakil

“Rethinking Determinants of Trading Volume at Earnings Announcements” with Q. Tan, *under review*

“Are Small Negative Earnings Surprises Created Equal?” with I. Bastiaansen and A. Ertan

“Retail Investor Participation in IPOs” with M. Niessner, D. Shanthikumar and A. Wang

“Sins of the Father: The Effect of a Parent Firm’s Accounting Misconduct on Current and Former Subsidiaries” with S. Utke and J. Xu

“The High-Volume Return Premium and Post-Earnings Announcement Drift” with J. Livnat and R. R. Mendenhall

**WORKS
IN PROGRESS**

“Voluntary Disclosure in the Banking Sector: Levels and Shocks”

“The Impact of Financial Information Quality on Capital Structure Outcomes of Firms Emerging from Chapter 11 Bankruptcy”

“IPRD Charges under the New Guidance of SFAS 141R”

“Cross Sectional Variation in the Bid-Ask Spread around EAs”

“Capital Market Processing of Material Contracts”

TEACHING

University of Connecticut School of Business

- Financial Accounting & Reporting (M.B.A) 2018 – present
Mean (Median) ratings 4.5 (5.0) out of 5.0
- Core Financial Statements, Financial Statement Analysis 2018 - present
(Executive M.B.A.)
Mean (Median) ratings 4.85 (5.0) out of 5.0
- Accounting & Capital Markets Seminar (Ph.D) 2018 – present
- Undergraduate Accounting Honors Advisor 2019 – present

Yale School of Management

- Financial Reporting 2010 - 2018
(M.B.A., Executive M.B.A.)
- Seminar in Empirical Accounting Research 2010 - 2018
(Ph.D. – 2 year progression)
- Guest Lecturer: Competitor (M.B.A) 2012 - 2018

New York University

- Principles of Financial Accounting (Undergraduate) 2008

**PRESENTATIONS
& DISCUSSIONS**

2020: INSEAD (*scheduled*), FARS Mid-year Meeting (*discussant*)

2019: University of Notre Dame, Texas Christian University, FARS Mid-year Meeting (*discussant*)

2018: London Business School, University of California at Irvine, FARS Mid-year Meeting (*discussant*), Yale Finance group

2017: AAA Annual Meeting (*presenter & discussant*), Baruch College, Bentley University, Carnegie Mellon Junior Symposium, The College of William & Mary, Dartmouth Accounting Research Conference (*presenter*), FARS Mid-year Meeting (*discussant*), North Carolina State University, Review of Accounting Studies Conference (*presenter*), Southern Methodist University, Temple University, University of Connecticut

2016: Tel Aviv University, George Washington University

2015: AAA Annual Meeting (*presenter & discussant*), FARS Mid-year Meeting (*discussant*), McGill University, Texas A&M University, UNC-Duke Fall Camp, University of Connecticut, Yale Accounting Conference (*presenter*)

2014: AAA Annual Meeting (*presenter & discussant*)

2013: FARS Mid-year Meeting, George Washington University Cherry Blossoms Conference (*presenter*), Tuck School of Business Junior Empiricist Conference (*presenter*), University of Michigan

2012: Yale Accounting Conference (*presenter*), AAA Annual Meeting (*discussant*)

2011: AAA FARS Meeting, APJAE Accounting Symposium, Yale Accounting Conference (*presenter*)

2010: Baruch College, Columbia University, Drexel University, New York University, Pennsylvania State University, Rice University, Rutgers University, Temple University, University of Florida, Yale School of Management

2009: AAA Annual Meeting (*discussant*), Joint NYU-Yale Conference (*presenter*)

**PROFESSIONAL
SERVICE**

UConn Accounting Department and Business School Committees:
- Accounting Ph.D. Student Committee (2018 - present)
- EMBA Program Committee (2020-2021)
- Research Computing Committee (2019)

Ad Hoc Reviewer:

- Contemporary Accounting Review
- Journal of Accounting and Economics
- Journal of Accounting Research
- Journal of Business Finance and Accounting
- Management Science
- Review of Accounting Studies
- The Accounting Review,
- AAA Annual Meetings
- FARS Mid-year Meetings
- Annual Congress of the European Accounting Association

Editorial Committee:

- FARS 2015 Mid-year Meeting
- FARS 2021 Mid-year Meeting

Volunteer lecturer: Yale Undergraduate Smart Woman Securities Club

Accounting Conference Organizer: Yale School of Management, 2010-2017

Faculty Mentor: UConn PwC Challenge Case Study 2018 (winning team)

Honors Thesis Supervisor: graduation dates

- May 2020 (1 student)
- Dec 2020 (1 student)

DISSERTATION COMMITTEE MEMBER	Wei Zhu (2013, University of Illinois at Urbana-Champaign) Qiao Kapadia (2014, SEC) James Potepa (2014, George Washington University) Aytekin Ertan (2014, London Business School) John Heater (2018, Duke University) Stephanie Miller (2018, Quinnipiac University) Qin Tan (2018, City University of Hong Kong)	
NON-ACADEMIC WORK EXPERIENCE	LECG <i>Research Associate, Securities litigation and forensic accounting</i> AT&T <i>Intern, Corporate Finance</i> McNeil Consumer Healthcare <i>Co-Op, Operations Accounting</i>	2002-2005 1999, 2000 2000
HONORS	Recipient of Whalen Family Faculty Fellowship AAA FARS Outstanding Discussion Award AAA FARS Excellence in Reviewing Award SSRN top 10% of Authors by all-time and new downloads AAA/Deloitte/J. Michael Cook Doctoral Consortium Fellowship, NYU Stern School of Business, Doctoral Fellowship,	2018-2021 2018, 2020 2017 2017-2020 2007 2005-2009

Statement of Research Interests

My empirical research focuses on the role of accounting information in capital markets, specifically the issues pertaining to mandatory and voluntary disclosures and the processing of disclosed information. I am particularly interested in contributing to our understanding how accounting information is utilized by market participants with varying degrees of sophistication, how various channels of disclosure transfer information, and what contributes to inefficient processing of information. I am also interested in exploring the historical developments in accounting recognition and reporting, and the issues pertaining to accounting regulation.

Below I group my published papers and current work into *four* groups reflecting my main interests. For all of my papers, authors are listed in alphabetical order, the standard practice in our field. Those works listed as working papers are either under review as noted or in preparation for submission to top-tier academic journals. Those works listed as works-in-progress are projects where significant amount of work has been completed but a draft of the paper is not ready for circulation.

Summary of Published and Current Work as It Relates to Research Interests

1. Information Processing – Professional and Non-professional Investors

The works in this group focus on decision making of retail investors. The ease and convenience of online information acquisition and trading has dramatically increased non-professional investor involvement in equity markets. I seek to understand how such investors obtain and use accounting information, a question relevant to academics, practitioners, and regulators.

- **“Who, if Anyone, Reacts to Accrual Information?”**
(JAE 2012) with R. H. Battalio, J. Livnat, and R. R. Mendenhall
We show that investors initiating trades of varying magnitude respond differently to accruals information in 10-K and 10-Q reports. Only the largest investors trade in the correct direction, but they have insufficient market power to mitigate the accruals anomaly.
- **“Individual Investors’ Attention to Accounting Information: Evidence from Online Financial Communities”**
(solo authored CAR 2020)
I use the accounting-related content in discussions on Internet platforms to show that individuals pay attention to a range of accounting information, fixating particularly on a few top line items. I document elevated attention around information releases and in environments of greater information uncertainty.
- **“Retail Investor Participation in IPOs”**
(working paper) with D. Shanthikumar and A. Wang
Using proprietary trading data we examine the behavior of retail investors around Initial Public Offerings and find a propensity to hold “familiar” firms, an unprofitable strategy.

2. Information Processing – Overall Market Dynamics at Information Events

These works continue to explore investor processing of public accounting disclosure, but focus on all market participants, rather than specific investor types. The common thread of these papers is the necessity to question the widely assumed dynamics of investor behavior at significant information events.

- “Information Transfer and Conference Calls”
(*RAST 2018*) with *F. Brochet and K. Kolev*
Using intraday data we find that information transfers from quarterly conference calls are larger than those from earnings releases. Information transfer is facilitated by shared institutional ownership, shared analyst coverage, and overlapping financial press.
- “Double Surprise into Higher Future Returns”
(*FAJ 2007*) *J. Livnat and R. R. Mendenhall*
We document that the magnitude of the post-earnings-announcement drift is greater when analyst forecasts rather than historical time-series data are used as expectations, and is greater yet when both are utilized.
- “The High-Volume Return Premium and Post-Earnings Announcement Drift”
(*working paper*) with *J. Livnat and R. R. Mendenhall*
We show that two anomalies, the high-volume-return-premium and the post-earnings-announcement-drift are complementary and do not subsume each other. Focusing on the former, we provide evidence that the premium is driven by changes in firm visibility rather than differences in risk.
- “Rethinking Determinants of Trading Volume at Earnings Announcements”
(*working paper, under review*) with *Q. Tan*
We carry out empirical analyses to discern which theoretical framework of trading volume appears to be best supported by the data. We find that volume at earnings announcements is more reflective of signal informativeness than of disagreement among investors.
- “Sins of the Father: The Effect of a Parent Firm’s Accounting Misconduct on Current and Former Subsidiaries”
(*working paper*) with *S. Utke and J. Xu*
We examine how managerial and economic connections affect the current and former subsidiaries of a parent firm undergoing a restatement and bankruptcy.
- “Are Small Negative Earnings Surprises Created Equal?”
(*working paper*) with *I. Bastiaansen and A. Ertan*
There is no pooled-level torpedo effect evident in recent years, yet the discontinuity at meeting analyst forecasts threshold persists. We explore this inconsistency by examining what role relevance and reliability characteristics of expectations and reported results have on market reactions.

3. Accounting Regulation and Accounting/Reporting Choices

The works in this third group examine the adoption of a new accounting regulation or the heterogeneity among firms in their application of an existing rule. Most works consider both firm behaviors (compliance, discretion, etc.) and the responses of information recipients such as analysts and equity investors.

- “The New Form 8-K Disclosures”
(RAST 2010) with J. Livnat
We document significant market reactions to 8-Ks filed under new SEC disclosure requirements, subsequent drift to many of the disclosures, and an unchanged information content of periodic reports.
- “Anticipatory and Implementation Effects of FIN 46 on the Behavior of Different Market Participants”
(APJAE 2012) with U. G. Gurun and J. Ronen
Focusing on the change in consolidation rules, we show that analysts and equity holders react to the perceived increase in risk at the anticipation of the new guidance. Banks and credit rating agencies, who likely had access to off-balance-sheet information already, do not.
- “Other-Than-Temporary Impairments of Investment Securities by Non-Financial Firms”
(working paper) with K. Kolev and T. L. Vakil
Non-financial firms hold sizable debt and equity portfolios. We examine recognized impairments in these holdings and show that determinants include both economic factors and earnings management considerations.
- “Capital Market Processing of Material Contracts”
(work-in-progress) with Z. Bozanic and T. Steffen
Using natural language processing, we characterize public firm material contract filings, the most frequent mandated Form 8-K events. We address both the strategic disclosure choices and stakeholders’ processing of disclosed information.
- “In-Process-Research-and-Development Charges under the New Guidance of SFAS 141R”
(work-in-progress) with Q. Tan
We examine whether a new requirement to capitalize rather than expense IPRD in M&A transactions changed firms’ real behavior, firms’ purchase price allocation decisions, and capital market inferences.
- “The Impact of Financial Information Quality on Capital Structure Outcomes of Firms Emerging from Chapter 11 Bankruptcy”
(work-in-progress) with I. Bastiaansen, F. Murphy, and D. Vyas
We investigate whether the quantity and quality of financial disclosures by distressed firms during Chapter 11 bankruptcies impacts their post-emergence capital structure.

4. *Historical Developments in Accounting Recognition and Reporting*

The final group includes papers that highlight significant changes in financial reporting or information processing over time. Large technological, market, and regulatory changes make the past twenty years dramatically different from the prior periods in terms of accounting recognition, disclosure policies, and capital market dynamics.

- “The Changing Landscape of Accrual Accounting”
(JAR 2016) with R. M. Bushman and X. F. Zhang
We show that the negative correlation between accounting accruals and operating cash flows has dramatically declined in magnitude over the past half century, largely due to the increases in economic shocks and non-cash-based accrual recognition.
- “Voluntary Disclosure in the Banking Sector: Levels and Shocks”
(work-in-progress) with Z. Huang and J. Lin
Banks differ dramatically from other industries in their voluntary disclosure policies. For example, earnings conference call participation rates are half that of most other industries. We examine the unique costs and benefits of voluntary disclosures of lending institutions both overall, and as they change over time and in periods of crisis.
- “Cross Sectional Variation in the Bid-Ask Spread around EAs”
(work-in-progress) with J. Heater
We explore both the time-series and the cross-sectional variation in the bid-ask spread immediately before and upon the release of earnings announcements. We document that aggregate metrics of the spread disguise significant variance in its dynamics.

Research Impact

To help quantify the impact of my research, I have provided citation information and additional details below. The table summarizes citation information from Google Scholar, which includes published and working papers available online. I also report examples of the top-tier journals in which papers citing my work are published.

Research Paper Citations¹

Paper	Google Scholar Citations	Example journals in which citing papers are published (limited to 5, excludes self-citations)
The New Form 8-K Disclosures (with J. Livnat) <i>Review of Accounting Studies</i> (2010)	145	Accounting: * Journal of Accounting and Economics * Journal of Accounting Research Finance: * Journal of Financial Economics * Review of Financial Studies Interdisciplinary * Management Science
The Changing Landscape of Accrual Accounting (with R. M. Bushman and X. F. Zhang) <i>Journal of Accounting Research</i> (2016)	74	Accounting: * Journal of Accounting and Economics * Journal of Accounting Research * The Accounting Review * Accounting, Organizations and Society * Review of Accounting Studies
Who, if Anyone, Reacts to Accrual Information? (with R. H. Battalio, J. Livnat, and R. R. Mendenhall) <i>Journal of Accounting & Economics</i> (2012)	46	Accounting: * Journal of Accounting and Economics * Journal of Accounting Research * Review of Accounting Studies * Contemporary Accounting Research Interdisciplinary * Management Science
Individual Investors' Attention to Accounting Information: Evidence from Online Financial Communities <i>Contemporary Accounting Research</i> (2020)	45	Accounting: * Journal of Accounting and Economics * The Accounting Review * Review of Accounting Studies * Contemporary Accounting Research Other * Decision Support Systems

¹ Citations as of August 12, 2020. In the case of papers that were circulated under multiple names, the citation count is the sum of citations for each title.

<p>The High-Volume Return Premium and Post-Earnings Announcement Drift (with J. Livnat and R. R. Mendenhall)</p>	<p>39</p>	<p>Accounting: * Journal of Accounting Research * Review of Accounting Studies * Journal of Accounting and Public Policy Finance * Journal of Finance * Review of Financial Studies</p>
<p>Information Transfer and Conference Calls (with F. Brochet and K. Kolev) <i>Review of Accounting Studies</i> (2018)</p>	<p>19</p>	<p>Accounting: * Journal of Accounting Research * Review of Accounting Studies Finance: * Journal of Financial Economics * Financial Analysts Journal</p>
<p>Double Surprise into Higher Future Returns (with J. Livnat and R. R. Mendenhall) <i>Financial Analysts Journal</i> (2007)</p>	<p>16</p>	<p>Finance * Journal of Empirical Finance * Financial Analysts Journal * Journal of Business Finance & Accounting</p>
<p>Anticipatory and Implementation Effects of FIN 46 on the Behavior of Different Market Participants (with U. G. Gurun and J. Ronen) <i>Asia-Pacific Journal of Accounting & Economics</i> (2012)</p>	<p>12</p>	<p>Accounting: * Journal of Accounting Research * Journal of Accounting and Public Policy * Auditing: a Journal of Practice</p>
<p>Rethinking Determinants of Trading Volume at Earnings Announcements (with Q. Tan)</p>	<p>2</p>	