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merage.uci.edu
Last year was an exciting one for the Accounting Area at the UC Irvine Paul Merage School of Business. We graduated our third class of Master of Professional Accountancy (MPAc) students in June – the graduating class numbered 92, up from 78 in 2015 and from 54 in our inaugural MPAc class that graduated in 2014. This year, we have our largest incoming cohort to date with 108 students. More importantly, as our MPAc class sizes have increased, so too has the quality of the students enrolled.

Accounting student presence in the Merage School’s undergraduate program in business administration also continues to be strong. The number of applicants to the undergraduate program is astounding: From over 2,000 for the initial class of 150 students in 2008, the number has grown to 11,000 applications for this fall’s entering class of 230! Of course, the quality of the business administration majors continues to be outstanding, and business administration majors who have an accounting emphasis continue to represent the largest subset of graduates: 53% to 55% in each of the last two years. In addition, a large number of other undergraduates (mostly business economics majors) earned a minor in accounting. Accounting core and elective courses are important parts of the curriculum in all of the Merage MBA programs (Full-time, Fully Employed, Executive and Health Care Executive). Last, but not least, our PhD program is flourishing. PhD candidates Paula Hao and Qin Li graduated this past spring and will join the faculty as assistant professors at California State University-Long Beach and Hong Kong Polytechnic University, respectively.

Overall, the Merage School provides a full slate of accounting programs, and they’re all thriving. We learned in August that in our inaugural eligibility for consideration in the professors’ survey administered by Public Accounting Report that our MPAc program ranks No. 23 nationally among schools with 15 or fewer full-time accounting faculty, and our undergraduate accounting program tied for No. 24 among schools in the western U.S.!

This summer, we welcomed a new faculty member, Elizabeth (Liz) Chuk, as an assistant professor. Liz previously was on the USC faculty and earned her doctorate at the University of Washington; her profile is on page 4. We said goodbye to Professor Alex Nekrasov, who has moved to the University of Illinois-Chicago. We will miss Alex and wish him, Elena and their three daughters the very best. In June, Patricia Wellmeyer successfully completed her PhD at the Norwegian School of Economics and was promoted to clinical assistant professor in the Merage School. Patricia will continue to head the MPAc program but will exchange some other duties to devote time to research. On the following pages of this Bulletin, we list some research projects in which our faculty are currently engaged. We also want to recognize continuing lecturers, Nate Franke, Max Chao and Kari Moore, and the tremendous group of adjunct instructors that teach across our programs. Lecturers and adjuncts complement the tenure-track faculty to ensure that our curriculums reflect a solid footing in both academics and the accounting profession.

Keeping a close relationship with the accounting community continues to be a main objective of our accounting programs. This past spring, we hosted the third annual UCI/UCLA/USC accounting research conference. On October 12, we hosted the fourth annual UCI MPAc student, faculty and recruiters’ breakfast. Also this fall, we held the third annual Audit Committee Summit in conjunction with Squar Milner, the Big Four, and other sponsors on Friday, October 21. Russell Golden, the chair of the Financial Accounting Standards Board, was the featured speaker. Of course, fall quarter is also prime time for recruiting by accounting firms, which began with Meet the Firms night on October 10. Our students were busy networking with professionals and actively sought professional positions – along with meeting their coursework demands!

In sum, many great things are happening in the Accounting Area and at the Merage School. We hope that you are doing well, and we ask that you please keep in touch – we love to hear how our alumni and friends are doing and, moreover, to welcome you back to campus to meet with our students and faculty.

Professor Mort Pincus
Accounting Area Coordinator
Dean’s Professor of Accounting
On October 21, the Accounting Area in partnership with its sponsors held its third Annual Audit Committee Summit at the Pacific Club in Newport Beach. Aimed at providing audit committee members, CFOs and CEOs with leading-edge information regarding regulatory developments from the FASB, SEC and the PCAOB, the Summit featured Russell Golden, chairman of the Financial Accounting Standards Board, as its keynote speaker. Participants had the opportunity to hear directly from Golden, a distinguished panel of leaders from the SEC and PCAOB in addition to other industry experts on timely and important topics:

- Key ramifications of the FASB’s recently issued pronouncements on revenue recognition, lease accounting and other important FASB initiatives
- The latest developments on the SEC’s concept release, “Possible Revisions to Audit Committee Disclosures,” along with the prospects for enhanced disclosures by audit committees regarding their oversight of the external auditor
- The SEC’s new and revised Compliance and Disclosure Interpretations (C&DIs), issued May 2016 on the use of non-GAAP financial measures by public companies
- Recent developments on SEC enforcement matters and the broader implications of internal control weaknesses for SEC-reporting companies together with the impact on director nominations

* Sponsors include Squar Milner, Paul Hastings, Pondel Wilkinson, Deloitte, EY, KPMG, PwC, AON, RR Donnelley, and the Audit Committee Roundtable and Forum of Corporate Directors of Orange County.

UCI Audit Committee Summit Recap

Public Accounting Report (PAR) Ranks the Merage School

The Merage School Master of Professional Accountancy (MPAc) program, in just its first year of eligibility, was ranked 23rd in the PAR Extra report among schools with 15 or fewer full-time accounting faculty. The Master’s program also ranked among the Top 25 in the Western Region, an honor bestowed on only one other school in California. The school’s undergraduate accounting program received recognition ranking 24th among top-ranked undergraduate accounting programs in the West.
GAAP vs Non-GAAP: The Relevancy Debate

By: Patricia Wellmeyer, Clinical Assistant Professor of Accounting

When it comes to being newsworthy, Tesla Motors’ recent release of its new Model 3 vehicle is not the only thing drawing focus lately to the car maker. Tesla is just one among a large majority of U.S. public companies that has recently garnered much attention for their prevalent use of “customized” non-GAAP earnings disclosures. And like most discretionary disclosures with potential to significantly impact investors’ company valuations, attention to the issue of non-GAAP reporting centers around a debate about companies’ true motivations in providing these types of disclosures, and as a result, the extent of regulation that should surround this type of reporting. Advocates of customized non-GAAP reporting defend their use by noting that these types of disclosures help investors overcome the limitations of GAAP in making better, more informed decisions. Conversely, those concerned with the rising use of non-GAAP measures and calling for increased regulation on this type of reporting claim that companies are incentivized to provide non-GAAP earnings as a means of painting a rosier picture of where they stand. Tweaks to earnings may have only added confusion to investors already struggling with the complexities of standard GAAP measurements.

While parties on both sides of this issue present plausible arguments, there is a bigger underlying question that is seemingly not being addressed: Are traditional GAAP measurements still value relevant? Going back to the FASB’s conceptual framework, the overriding objective of financial reporting is to provide information useful for decision making – useful information being that which aids investors and creditors in assessing a firm’s future cash flow prospects. If traditional GAAP measurements do provide the best predictor of future value for firms operating in today’s global and economic environment, then one must ask why there currently exists a demand and supply for non-GAAP measurement disclosures. Begging the question even further, a number of academic studies provide evidence suggesting that market participants believe pro forma earnings are more representative of “core” earnings than GAAP earnings and that non-GAAP earnings do provide greater value relevance, have significant predictive ability for future operating performance, and provide incremental information content over GAAP earnings (most especially when earnings quality is low and for firms in highly specialized earnings)1.

Despite their potential relevancy, however, the current and mostly unregulated “do-it-yourself” approach to customized non-GAAP earnings disclosures that exists now does leave the door open for management abuse in using these metrics to present their financial stories in the best possible light. One solution, proposed by Accounting Professors Baruch Lev and Feng Gu, is for GAAP to evolve with this demand for more value-relevant earnings measures by providing a construct they call “residual cash flow” to be used in lieu of the traditionally required earnings-per-share measurement on public company income statements. While I refer those interested in researching the intricacies of this proposed measure to Lev and Gu’s recently published book2, in essence, by more accurately incorporating the earnings impact of strategic assets such as intangibles into earnings, the authors argue that a residual cash flow measure would give investors a truer measure of firms’ future value. Perhaps yet another simpler solution might be, as former SEC Chief Accountant Lynn Turner has suggested, to require firms to give a clearer picture in the footnotes of all items – both costs and revenues – that management considers non-recurring and not useful indicators of future cash flows.

While the issue of non-GAAP reporting will generate much more back and forth by constituents in the months to come, looking at the relevancy of our current set of accounting standards in accurately reflecting the economic value of firms operating in the modern business environment seems like a good place to start in finding a regulatory solution.

1 Johnson and Schwartz Jr. 2005; Brown and Sivakumar 2003; Bhattacharya et al. 2003
2 The End of Accounting and the Path Forward for Investors and Managers. Wiley, June 2006
Accounting Area Welcomes New Accounting Faculty, Elizabeth Chuk

Elizabeth (Liz) Chuk joined The Paul Merage School of Business as an assistant professor in accounting effective in July. Her research focuses broadly on financial reporting, and considers the impact of regulation on financial reporting and the impact of financial reporting on the information environment. Her dissertation research demonstrates that firms respond to new accounting regulation mandating disclosures by altering their investment decisions and/or their accounting estimates. She has presented her research at leading universities and published articles in top-tier accounting journals, including *The Accounting Review, Journal of Accounting and Economics* and *Contemporary Accounting Research*. Her initial faculty position was at USC, and she has taught intermediate financial accounting and will teach financial accounting in our full-time MBA program. Chuk completed her undergraduate work at UC Berkeley, majoring in business administration and minoring in poetry, and worked as an accountant at Levi Strauss & Co. and as a staff auditor at Deloitte & Touche before earning her PhD at the University of Washington.
To Be Similar or To Be Different?
Firm Performance Implications of IT Investment Deviation

Joanna L. Ho, UC Irvine; Feng Tian (PhD alumnus), Hong Kong Polytechnic University; Anne Wu, National Chengchi University; and Sean Xin Xu (PhD alumnus), Tsinghua University

Firms making information technology (IT) investment decisions often use an industry benchmark. On the one hand, making the same amount of IT investment that rivals do may be regarded by stakeholders as legitimate. On the other hand, when a cohort of entities evolve at the same pace, none of them can outperform the others. Being different – in this case, by deviating from the industry average IT investment – might confer a competitive advantage. Therefore, we examine the performance implications of firm deviation from industry average when making IT investment decisions. Using S&P 500 firms from 2001 to 2006, we find that, on average, there is no relationship between firm value and firm underinvestment in IT (i.e., less than industry average), but there is a positive relationship between firm value and firm overinvestment in IT (i.e., more than industry average); although, the positive relationship attenuates at higher levels of overinvestment. We further find that, for firms with concentrated ownership, the payoff for overinvestment increases and the payoff for underinvestment becomes positive. These findings highlight that the economic payoff for IT investment deviation is subject to effective management control mechanisms. Specifically, we find a positive relationship between underinvestment and firm performance for family firms that generally have an effective ownership structure and monitoring system.
Does the Tail Wag the Dog? Small-Firm Bias in Capital Market Research
Dan Givoly, Pennsylvania State University; Carla Hayn, UCLA; Ben Lourie, UC Irvine

Past research shows that the effect of market anomalies, particularly those attributed to investor biases and lack of sophistication, is less pronounced for large firms. This paper takes these findings a step further by showing that this effect is not only less pronounced but also insignificant for large firms that collectively represent 90 percent or more of the aggregate market value of equity. Moreover, when firm observations are weighted by their market value, none of these anomalies is economically significant.

The findings emphasize the importance of putting these anomalies and other market irregularities that have implications for market efficiency and resource allocation in perspective by assessing their economic importance. The analyses also suggest that cognitive behavior and sophistication of investors are more likely explanations for these anomalies than improper measurement of risk.

Reputation Effects of Information Sharing
Radhika Lunawat, UC Irvine, Journal of Economic Behavior & Organization

This paper analyzes a model of investment and return in a firm where the manager is better informed than an investor in that the manager has some private information about the productivity of the firm. If the manager does not have any means available to him through which to communicate his private information to the investor, then a dividend payment is the only tool available to the manager through which he may try and build a reputation for being trustworthy. The study finds that in this case, if an investor's beliefs about a manager's trustworthiness are sufficiently high, then the manager will always return a dividend consistent with lower productivity of the firm.

However, if the beliefs are not so high, then the manager will sometimes return a dividend consistent with higher productivity of the firm. If the manager has other means available to him through which to communicate his private information to the investor, then such information sharing (for example, via financial reporting) becomes an additional reputation-building tool and it disciplines the potential opportunism accruing to a manager out of his information advantage. The paper finds that such discipline leads to higher investment and higher dividends.

Taxable Income and Firm Risk
Dan S. Dhaliwal, University of Arizona; Hye Seung (Grace) Lee, Fordham University; Morton Pincus, UC Irvine; Logan B. Steel, University of Wisconsin, Madison

We examine whether estimated taxable income, an alternative summary measure of financial performance, provides incremental information about firm-level operating risk. Research on the information content of estimated taxable income is important because it improves our understanding of how market participants employ an alternative summary measure of firm performance and is relevant to the debate regarding the unintended consequences of conforming book income and taxable income. We develop taxable income-based measures that should be useful in assessing risk in a simple earnings predictability model. In our empirical tests, these taxable income-based measures (variance of taxable income and covariance of book income and taxable income) explain cross-sectional variation in the predictability and variability of future pre-tax financial performance (incremental to the variance of book income and variance of operating cash flows). Further, the taxable income-based measures are associated with predictable variation in market-based measures of firm risk. Our findings shed light on how accounting information – specifically, book income and tax income – impact investors’ assessment of firm risk as well as improving our understanding of the extent and nature of information contained in estimated taxable income.
Local Bias in Google Search and the Market Response Around Earnings Announcements

Sabrina Chi (PhD alumnus), Texas Tech University; Devin Shanthikumar, UC Irvine, *The Accounting Review*

Prior literature has shown that investors tend to buy stock in local companies. However why they do this, whether due to informational advantages or to behavioral biases, is unclear. In this paper, we examine “local bias” in internet search for ticker symbols, and develop a search-based measure of the local bias of investors. We find significant local bias in search behavior overall with a high level of variation across firms. Motivated by the two main explanations of local bias, local information advantage and familiarity bias, we predict and find that firms with higher local bias in search experience higher bid-ask spreads, lower trading volumes and lower earnings response coefficients at the time of earnings announcements, consistent with non-local investors relying more than locals on public information announcements. Consistent with local information advantage, we find that in the week prior to the announcement, firms with higher local bias have higher bid-ask spreads, higher trading volumes and returns that are more predictive of the coming earnings surprise. Consistent with familiarity bias, firms with higher local bias in search experience stronger post-earnings announcement drift. Our results suggest that some local investors trade based on an information advantage, while others trade due to behavioral biases. Each group is large enough to have a significant impact on the behavior of stock prices, trading volumes and bid-ask spreads around earnings announcements. We use a variety of techniques to identify the effects of local bias separately from the effects of overall visibility. Overall, we show there is significant local bias in search, and that this local bias has a significant impact on the market response around earnings announcements. Our results should be of interest to investors, investor relations professionals and firms.

Tax Rates and Corporate Decision-Making

John R. Graham, Duke University; Michelle Hanlon and Nemit Shroff, Massachusetts Institute of Technology; Terry Shevlin, UC Irvine

We survey companies and find that many use incorrect tax rate inputs into important corporate decisions. Specifically, many companies use an average tax rate (the GAAP effective tax rate, ETR) to evaluate incremental decisions rather than using the theoretically correct marginal tax rate. We find evidence consistent with behavioral biases (heuristics, salience) and managers’ educational backgrounds affecting these choices. We estimate the economic consequences of using the theoretically incorrect tax rate and find that using the ETR for capital structure decisions leads to suboptimal leverage choices, and using the ETR in investment decisions makes firms less responsive to investment opportunities.

Limited Attention, Statement of Cash Flow Disclosure, and the Valuation of Accruals

Bin Miao, Hong Kong Polytechnic University; Siew Hong Teoh, UC Irvine; Zinan Zhu, National University of Singapore, *Review of Accounting Studies*

The National Investor Relations Institute’s (NIRI) Standards of Practice for Investor Relations (2008) urged firms to include in their earnings release a balance sheet and a statement of cash flows in addition to the traditional income statement. The Chartered Financial Analyst (CFA) Institute (2007) and the SEC’s Committee on Improvements in Financial Reporting (Pozen committee, 2008) make similar recommendations. These professional entities argue that statement of cash flow disclosure in earnings announcements reduces information acquisition and attention costs, and so lessens the informational disadvantage for less sophisticated participants, which would encourage greater capital market efficiency. In our study, we find evidence to support these recommendations of additional disclosure. Investors are better able to understand and value accruals more appropriately if firms also provide the statement of cash flows in addition to the income statement and balance sheet at the time of the earnings announcement. Even though firm accruals can be deduced from comparative period balance sheets and the income statement, the availability of the statement of cash flows when earnings are announced reduces information processing cost and increases salience of accruals for investors, thereby encouraging them to react more fully to information contained in the accruals. The authors find support for the view that additional financial statement disclosures accompanying the earnings announcement benefit investors and improve market efficiency of accounting information.
Sampling and the Assurance Gathering Process Post SOX: A Field Investigation

Patricia Wellmeyer, UC Irvine; Iris Stuart, Norwegian School of Economics

Sampling is widely used by auditors in gathering audit assurance. Despite this, little is known about how auditors apply sampling in the field or how these practices have changed in response to a significantly changed regulatory, global and technological audit environment following the implementation of SOX. Through use of a field study approach to capture the sampling experiences of auditors across the Big Four firms, this study provides important insights into how sampling practices may be impacting the efficiency and effectiveness of audits. Findings show that, in general, auditors significantly rely on firm technologies and standardized tables in making sampling judgments. Findings also reveal that a general deficiency exists in training on underlying sampling constructs and, perhaps in association, potential judgment errors being made by auditors in evaluating statistical samples using non-statistical approaches. We find that auditors face challenges in linking assurance obtained from tests of controls in making substantive sampling plan determinations and that additional substantive sample-based tests are often applied to low-risk assertions where controls reliance has been deemed high. Further, in contrast with findings in Trompeter and Wright (2010), auditors noted a general reluctance to rely on analytical procedures as substantive evidence or to use dual purpose tests in lieu of traditional sample-based tests as a means of gathering assurance. Lastly, findings indicate that while firms are increasing investment in data analytics technologies, auditors indicate that clarity from regulators and audit firms on accessibility of cross-border data, auditor independence concerns, and when to approach testing of full populations is needed to leverage these technological advancements in the field.

PhD Program Overview

A PhD in accounting educates students interested in pursuing an academic career. The program involves an intensive two years of coursework in microeconomics, econometrics and statistics, finance, some math, and reading the academic literature. Following the coursework, there is a major field exam testing the student’s knowledge of the field and ability to do research. Passing this exam then leads to the dissertation stage – which is a further two to three years of work on a thesis requiring the student to identify an important research question, develop hypotheses, collect data and run statistical analyses, and write up the results. Academic accounting at UCI is applied financial and information economics with the base discipline being economics. Some schools also educate students to conduct analytical math modeling about information issues while other schools examine judgment and accounting areas – students in these areas study psychology and sociology. As we are a small faculty of eight tenure track-research professors, our main focus is on applied financial economics applied to financial accounting and tax issues.

Entrance into the program is highly competitive with approximately 50-60 applications a year for our one or two open spots. We look for smart, hard-working individuals who “know what they are getting into.” A PhD is not for everyone, and we encourage applicants to talk with faculty before applying to our or any PhD program in accounting. It is far removed from an undergraduate or even a master’s in accounting program – it is akin to driving a race car versus driving on your local city streets (not the L.A. freeways or Irvine arterial roads – these roads appear to be for aspiring race car drivers!). Students are fully funded in the program via teaching assistantships, which provide tuition coverage and a stipend that helps cover living costs.

List of students by year:

5 Yifan Li
5 Yoojin Lee
4 Stephen Campbell
3 Tiana Lehmer
3 Esther Rihawi
2 Aruhn Venkat
2 Cody Liu
1 Shuang Han
1 Shijia Wu
Jong-Yu (Paula) Hao

Paula Hao earned her PhD from UC Irvine in June and serves as an assistant professor of accountancy at California State University, Long Beach. She holds an MBA degree and a BA degree in accounting from National Taiwan University. Her doctoral dissertation examines the use of subjectivity across performance evaluation and incentive design across job levels. Using a proprietary dataset and focusing on lower-level employees, she finds the association between overall performance ratings and objective performance measures to be lower for employees holding supervisory positions. In addition, for employees holding supervisory positions, promotions depend more on subjective evaluations and less on objective performance measures. Lastly, employees who are promoted tend to perform well and receive higher overall performance ratings in the future. In addition to her dissertation, Hao’s research interest focuses broadly on compensation and incentive design as well as corporate social responsibility. Hao received the Merage School Graduate Fellowship, CalCPA Education Foundation Doctoral Scholarship and the Student Fellowship, and the Small Grant Award from Center for Organizational Research to fund her doctoral research. Her dissertation was presented at the 2015 AAA Western Region Meeting, the 2015 AAA Annual Meeting and the 2016 Management Accounting Section Midyear Meeting.

Qin Li

Qin Li earned her PhD from UC Irvine in June and serves as an assistant professor of accounting at Hong Kong Polytechnic University. She obtained her master’s degree in economics from Fudan University in China. Qin’s research interests include innovation, intangibles and analysts. Her doctoral dissertation examines whether analysts understand innovation by linking analyst forecasts to information contained in patents and trademarks about innovation. Her dissertation was presented at several conferences including the 2015 AAA Western Region Meeting and 2016 AAA Annual Meeting. Qin received the Merage School PhD Student Fellowship and CalCPA Education Foundation Doctoral Scholarship to fund her dissertation.

Summary of PhD Student Research

Yifan Li

Working papers:
“Limited Attention Bias in Intra-industry Information Transfers: Evidence from Multi-Industry Segment News” (dissertation)
“Do Retail Investors Understand Restatements? Evidence from Trading Around Fraud vs. Non-fraud Restatements” (with Devin Shanthikumar)
“Opportunity Knocks But Once: Delayed Disclosure of Financial Items in Earnings Announcements and Analyst and Investor Neglect of Earnings” (with Alex Nekrasov and Siew Hong Teoh)

Yoojin Lee

Dissertation:
“The Impact of Financial Derivatives on Tax Avoidance: An Examination of Hedging and Non-hedging Designated Derivatives”
The MPAc program celebrated its third graduating class this past June. A total of 92 Master of Professional Accountancy graduates walked the stage at the Bren Events Center. An incredibly diverse and dynamic group of students, the graduating class represented 52 institutions across the world. Students entered the program with a host of unique majors, including business administration, management science, marketing, international business, operations management, psychology and social behavior, and zoology. As a globally-oriented program, we also have many students who speak more than one language including Mandarin, Spanish, Korean, Japanese, Farsi, Vietnamese, Taiwanese and Cantonese. We are thrilled to welcome the incoming class and are already in the process of recruiting our MPAc class of 2018.

Starting in fall 2017, we will also offer a part-time MPAc program, which will allow working professionals to complete the nine-month, full-time program over 18 months.

The application for the next MPAc class is now available online. Admission is available on a rolling basis, and our deadlines are as follows:

- November 15
- January 10
- March 15: Last date to apply for international students
- May 1
- June 1: Final deadline for applicants needing summer intensive program
- July 15: Final deadline for fall applicants who completed the prerequisites of at least six of the eight upper division accounting courses

If you would like more information regarding the MPAc class profile, upcoming information sessions, or to access our MPAc application, please visit merage.uci.edu/mpac. We also welcome students for one-on-one consultations at 949.824.9240.
Class of 2016 Academic Awards and Recognitions

Awards:

Highest Grade Point Average:
Jia L. Liao and Tara Nathan

Dean’s Scholar and Beta Gamma Sigma:
George Chi Kwan Chan
Linyi Chen
Wei (Michelle) Li
Jia L. Liao
Juyeon Nam
Tara Nathan

Beta Gamma Sigma:
Yeemak Chan
Dana Chmielewski
Grady Huckaby
Yuan Ma

Excellence in Teaching:
Michael Juergens

Recognition:

A special thank you to our Class of 2016 Ambassadors:
Bart Bleick
Dana Chmielewski
Raymond He
Marisol Hobbs
Rebecca Huey

Student Representatives:
Fiona Fu
Cedric Nguyen

MPAc ambassadors are recognized at the End-of-the-Year Banquet for their hard work in helping recruit the MPAc class of 2017.

MPAc students and their guests celebrate their achievements at the MPAc End-of-the-Year Banquet.

Class of 2016 MPAc students hone their networking skills with UCI alumni and firm professionals during the MPAc Alumni Bowling Social.

Class of 2016 students get to know one another over lunch during orientation.

MPAc students had a blast getting to know each other while competing in the MPAc Group Scavenger Hunt held during orientation.
Accounting Proseminar: Focus on Career and Professional Development

The MPAc accounting Proseminar provides students with information and practical skills for success in the program and for professional accounting and business career planning.

- MPAc two-unit course taken in fall focuses on developing practical skills for career success
- Discussions of current issues in the accounting profession
- As part of the course requirements, each student prepares a written strategic plan for his or her career over the next five years (during the program and after graduation)
- The course also includes six panel discussions with guest speakers from the public and private sector

Thank you to the following companies for participating in the Fall 2015 Proseminar Panels:

- Tax Consulting and Compliance panel: BDO, EY, HCVT, KS & Co., and RSM
- Audit and Attestation Area panel: Deloitte, JLK Rosenberger, Moss Adams and PwC
- Fraud and Forensics panel: Deloitte, FBI, KPMG and SingerLewak
- Specialty Track panel: Deloitte, EY and KPMG
- Financial Management and Analysis panel: C Suite Financial Partners, Del Taco, Pasternack and Western Digital
- Private Accounting and Non-Profit/Corporate Governance panel: Commerce National Bank, Fluor, Ingram Micro, and W.E. Hall Company

MPAc students network and receive tips from Deloitte and EY firm professionals following the Specialty Track panel held during the fall Proseminar course.

MPAc Professional Development Workshops

Professional skill development workshops and events are offered throughout the year to help our students acquire and hone skills needed to be successful not only in today’s competitive marketplace but also throughout their career. Workshops and events include:

- Building Your Personal Brand
- Navigating Social Media and LinkedIn
- How to Write a Cover Letter
- The Art of Small Talk
- Interview Skills Workshop
- Building a Network to Guide Your Job Search
- Develop and Research a Target Company List
- Surviving and Thriving at Networking
- How to Prepare for a Job Interview
- Etiquette Lunch/Dinner Event
- Professional Attire Overview
- Mock Interviews with MPAc Alumni
- Best Practices for Starting a Career in Accounting
MPAc Internships Available in Winter or Spring 2017

- Students eligible to work winter quarter can intern part-time or full-time to get a “busy season” under their belt
- Alternatively, students may intern part-time during spring quarter (up to 20 hours per week)
- MPAc 241, Accounting Internship course, can be taken for two units

Thank you to the following companies who hired MPAc students for a winter or spring 2016 internship:

- Auditor-Controller Department
- BDO
- Brighton Management
- Capata CPAs
- Chord Advisors
- Christopher Huang CPAs
- CNY Accountant & Consultants
- DBBMckennon
- EY
- Global Capital Markets
- Global Sourcing Solutions Inc.
- Hall and Company
- HCVT
- Hersowitz Accountancy Corporation
- Holthouse Carlin & Van Trigt (HCVT)
- Hutchinson and Bloodgood
- Inspector General
- JEM Enterprise
- JLK Rosenberger
- KS & Co.
- KLP Tax and Financial Group
- Marcum
- Personable Inc.
- PwC
- Ram Air
- RSM
- Squar Milner
- SRH Financial Consultants
- The Tax Institute at H&R Block
- Wasatch Company
- Windes

Employers of MPAc Graduates

- Andersen Tax
- BDO
- Big Island Bookkeeping Services Inc.
- Brighton Management
- Brown Adams Agbayani
- Capata CPAs
- China Huadian Corporation
- Chord Advisors
- Christopher Huang CPAs
- Clifton Douglas
- CNY Accountant and Consultants
- David Taussig & Associates
- DBBMckennon
- Deloitte
- Dubitec America
- EY
- Frank Rimerman and Co.
- Frazer
- Global Capital Markets
- Global Manufacturing Network
- Global Sourcing Solutions Inc.
- Grant Thornton
- Hall and Company
- Hersowitz Accountancy Corporation
- Holthouse Carlin & Van Trigt (HCVT)
- Hutchinson and Bloodgood
- Inspector General
- JEM Enterprise
- JLK Rosenberger
- KS & Co.
- KLP Tax and Financial Group
- KMJ Corbin & Company
- KPMG
- Lipsey, Youngren, Means, Ogren & Sandberg
- Mah & Associates
- Manning Homes
- Marcum
- Moss Adams
- Paul Hastings
- Personable Inc.
- Power Plan Corporation
- Premier Food and Oils Company
- Protiviti
- PwC
- Ram Air
- Rickmeyer and Associates
- Rogerson Aircraft Corp.
- RSM
- SingerLewak
- Single Line Express
- Skinner Fouch & Olson LLP
- Squar Milner
- SRH Financial Consultants
- State of California
- Tanner Mainstain Glynn & Johnson
- The Tax Institute at H&R Block
- TemoArjani LLP
- Turner, Warner, Hwang & Conrad
- Wasatch Company
- Western Regional Center
- White Nelson Diehl Evans
- Windes
- YH Advisors
- Young and Reckless Clothing
Hiring from UC Irvine

By attracting the brightest talent from around the globe and offering an integrated curriculum that develops students both technically and professionally, our program graduates professionals who are ready to add immediate value to an organization. Within the classes of 2014 and 2015, 94 percent of employment-seeking students obtained full-time positions within six months of graduation. Also note that our graduates are:

- CPA eligible upon graduation
- Available for full-time or part-time internships in winter or spring
- Receive intensive one-on-one career coaching and professional development

If your company would like to learn more about UC Irvine’s MPAc program or how to get involved in on-campus recruiting events, please contact Lina Tran, associate director of MPAc Career Services at 949.824.4196 or lina.tran@uci.edu.

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An Inside Perspective

MPAc Ambassador Embraces Change

I entered the accounting field in an unconventional way. After graduating from UCI in 2009 with a degree in psychology, I didn’t really have a defined career path. With the economy in recession, I took a position in property management because it seemed like a logical next step. After working for more than five years and making my way into the corporate office at my company, I still wanted more. I took an interest in accounting but could not move forward in my career without an accounting education.

After speaking with the senior accountants in my office, it became clear that a master’s degree was the best option. In an increasingly competitive job market, it really sets you apart. I researched the UCI MPAc program in addition to a few other programs, and was immediately sold. It’s such a great opportunity to be able to complete a master’s degree in only a year’s time and be CPA eligible upon graduation.

I took a leap of faith and quit my job in order to be able to enroll in the program, and I am so glad I did! I really made an effort to get involved, attend workshops and networking events, and form study groups with my classmates. I utilized all the amazing resources available to me through the MPAc program. The career counseling and CPA planning assistance were an immense help in getting me on the right path to my new career. The connections I made in the program with fellow students, faculty, and staff were also of great benefit. I know that I will have these connections and friendships for many years to come.

After fall recruitment, I obtained a full-time offer to work in tax services at EY, which is a huge personal accomplishment. I highly recommend the MPAc program to anyone who is interested in bettering themselves or is considering a different career. The accounting profession has myriad opportunities, and the need for accountants isn’t expected to decline anytime soon!

**Holly Vincenzini**

*MPAc Class of 2016 Ambassador
Tax Associate, EY*
The Paul Merage School of Business graduated its seventh class from the BA in business administration program in June. Demand for the major has been extraordinary, with more than 11,000 applications received for 230 seats in Fall 2016. Entering freshmen have a mean GPA of 4.14 and among the highest SAT scores on campus. Business Administration is the third most requested major at the freshman level and is first at the transfer level.

Our business majors are broadly trained, with nearly half of their coursework from areas outside the business school. Students select a minimum of one of seven emphases in accounting, finance, health care management, information systems, marketing, operations and decision technologies, or organization and management.

Nearly one-half of majors specify accounting as one of their areas of emphasis. The program is ranked 32nd nationally by *U.S. News & World Report* and is the youngest and most diverse in the Top 50.

In addition, the Merage School offers a distinctive BS in business information management (joint degree with the Donald Bren School of Information and Computer Sciences) as well as minor programs in accounting, innovation and entrepreneurship, and management designed to complement any of the university’s 85 majors.

**Employers of 2016 Business Administration Majors (includes internship and full-time opportunities)**

- Advanced Power and Energy Program
- Andersen Tax
- The Bank of East Asia, Limited
- Beacon Pointe Advisors
- BMO Capital Markets
- Boeing
- Broadcom
- California State Board of Equalization
- Cathay Bank
- CRU Real Estate Group
- Deloitte
- Eco Papyrus
- Experian
- EY
- Grant Thornton
- Harvey & Company LLC
- HCVT LLP
- Hitachi Data Systems
- Irvine Company
- KPMG
- Liberty Mutual
- Marcum LLP
- MIG Capital
- Opus Bank
- Pathway Capital Management
- Paysafe
- Protiviti
- PwC
- RSM LLP
- Spectrum Brands
- SRH Financial
- Uniti Bank
- US Bank
- Volunteer Income Tax Assistance
- Wells Fargo Advisors
- YR Advisory Group
Class of 2016 Student Profiles

Katrina Nieh

**ACTIVITIES:** Member of Accounting Association, multiple leadership roles in Phi Zeta Tau sorority, study abroad program participant

**INTERNSHIPS:** Accounting intern at Advance Tax and Bookkeeping Service Inc., HR intern at Mattson Resources, VITA Assistant Site Coordinator at Orange County United Way, tax intern at Marcum LLP

**POST GRADUATE JOB:** Tax staff at Marcum LLP

“The Merage School was a great asset in my undergraduate career as the staff was so supportive and really helped me in deciding my future career. The faculty and School community constantly presented and promoted growth and learning opportunities, indicative of their desire for students to succeed. I would routinely reach out to others in the community for a range of questions or concerns (including résumé help, concerns regarding future endeavors, etc.), and this habit really helped me as a new hire. A lot of individuals are terrified of making mistakes and asking questions early on in their careers. Being able to freely ask and discuss questions I had at the Merage School has given me the confidence to apply my knowledge, ask questions and develop my career.”

Kevin Sweeney

**ACTIVITIES:** Peer Academic Advisor, The Paul Merage School of Business; Mentor, Accounting Association Leadership and Development Program; Office Assistant, Arroyo Vista Student Housing

**INTERNSHIPS:** Deloitte Summer Leadership Program, Deloitte Audit intern

**POST GRADUATE JOB:** Deloitte Audit Associate

“The Merage School offers many great resources for its students; since graduation I have really come to appreciate how prepared I am to start my full-time position. There are so many moving parts to applying for opportunities and working in a professional setting and the Merage School provides the tools to succeed. During my second year, I started applying for leadership opportunities and internships and found my résumé was not up to par with the examples I saw from other business students. I scheduled an appointment with a Merage School career advisor, and they helped me construct a professional résumé. I also received guidance on how to write a cover letter and tips on how to network with professionals that I had met at speaking engagements and mixers. The Merage School sets you up for success and allows you to be the best version of yourself. Utilize the tools they provide, and you will be rewarded!”

Emily Fu

**ACTIVITIES:** Small group leader, Crossroads Campus Ministry, Philanthropy chair, Lambda Phi Nu, Leadership development program mentor, Accounting Association, Finance director, Undergraduate Business Association

**INTERNSHIPS:** Core Assurance intern at PwC, Finance intern at Hitachi Data Systems, Business Intelligence intern at County of Santa Clara Social Services Agency

**POST GRADUATE JOB:** Risk Advisory Services Associate at RSM

“The first way the Merage School prepared me is through the classes offered. The educational requirements of taking both upper-division core business classes and classes in my emphasis allowed me to understand business from multiple perspectives as well as from a specialized field I was interested in. When I started my career post-graduation, I definitely used the projects, lectures and skills I learned from my classes in order to effectively carry out my responsibilities.

The Merage School also prepared me by developing professionalism through workshops on résumé-writing, creating an elevator speech and much more. I gained more confidence in knowing how to conduct myself in the workforce and make a strong impression.”
STUDENT ORGANIZATIONS

Beta Alpha Psi
Nu Pi Chapter

Our newly installed chapter of Beta Alpha Psi recognizes outstanding academic achievements in the fields of accounting, finance and information systems and provides opportunities for self-development and association among members and practicing professionals. The Nu Pi chapter is a part of the Beta Alpha Psi international honor organization with more than 300 chapters nationwide. Our chapter is currently two years strong with a bright outlook for the next academic year. During the 2015-2016 term, we successfully recognized 27 new candidates at two initiations.

Our ongoing goal for this school year is to provide more opportunities for students. With the prestige associated with Beta Alpha Psi on their résumés, students may have many doors opened for them in the accounting profession. Additionally, as our first year as an official chapter, our goal for the upcoming year is to implement a new mentorship program to cultivate a culture of growth and to foster scholastic and professional excellence in the field of business information.

Accounting Association

The Accounting Association is dedicated to providing opportunities for students to learn more about the accounting profession by facilitating the recruitment process. We invite Big Four, mid-tier, local and industry firms to attend, present and network at club-sponsored events. By providing speaker presentations, firm tours, socials and other interactive events, the Accounting Association seeks to add to the development of our members’ interest and knowledge.
BAP and AA members volunteer at the AIDS/Lifecycle event, a seven-day, 545-mile bike ride from San Francisco to Los Angeles to raise money and awareness for HIV and AIDS services.

Benefits of Membership

For every student, the first two Beta Alpha Psi (BAP) and Accounting Association (AA) events attended are free; attendance at additional events requires membership. While each organization offers its respective benefits, some of the exclusive resources that we offer our BAP and AA members include:

**BETA ALPHA PSI, NU PI CHAPTER**
- Official nametag with BAP insignia (provided at every speaking engagement)
- Early pre-event attendance for networking
- Special accommodations for résumé binder sent to recruiters
- Prestige title to place on your résumé
- Member-only events*
- Office tour invitations*
- Mock interviews*

**ACCOUNTING ASSOCIATION**
- Official nametag with AA insignia (provided at every speaking engagement)
- AA crewneck
- Information handbook
- AA résumé drop
- Member-only events*
- Office tour invitations*
- Mock interviews*

*Benefits will be shared between both BAP and AA

Officer Board 2016-2017

**JASPER HWANG**
BAP President
Business Economics, '17

**PAULINE VU**
BAP Vice President
Business Administration, '18

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BAP Secretary
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Business Administration, '17

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**VINA VUONG**
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Business Administration, '17

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Business Economics, '17

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AA Committee Member
Business Economics, '18

**CHRISTINA TRUONG**
AA Committee Member
Business Economics, '18

Members of the 2016-2017 Beta Alpha Psi and Accounting Association officer boards.
Our Events

SPEAKING ENGAGEMENTS: Throughout the school year, Beta Alpha Psi and the Accounting Association invite representatives from a variety of firms to speak with students about their experiences in different practices, including advisory, audit and tax. Students network and expand their knowledge about the accounting profession, CPA requirements, interview tips, attire advice and more.

LEADERSHIP DEVELOPMENT PROGRAM: The Accounting Association Leadership Development Program is a peer mentorship program dedicated to engage students pursuing a career in accounting. The program launched in fall 2013 with the execution of student-led professional workshops. This past year, we organized a team of 22 mentors to provide guidance and advice to their 25 mentees. The mentees work closely with experienced mentors to prepare for summer leadership program recruiting and develop leadership skills throughout the program.

MEET THE FIRMS: Co-hosted with the Master of Professional Accountancy program, Meet the Firms is the biggest event of the fall quarter. Each year, multiple firms come out to network and provide information about full-time/internship opportunities to students interested in the accounting field. In 2015, 27 firms and approximately 300 students attended the event.

RECRUITMENT FOR SUMMER EXPERIENCES (RISE): RISE is a small-scale Meet the Firms event during winter quarter specifically for students who are interested in summer leadership programs. It also gives students who are interested in applying for full-time offers another opportunity to network with sponsoring companies.

SPRING BANQUET: The Spring Banquet is the last event of the school year; sponsors are thanked and recognized, and students’ hard work and achievements are celebrated. Festivities include themed networking activities and mark the end of the quarter. In 2016, 15 firms and more than 150 students attended.
Thank you for your continued support of the UCI Merage School accounting programs. The UCI Accounting Programs Fund provides our students and faculty members with top-notch programs and resources. Please consider giving to our programs to help us further enrich students’ learning experiences, embrace new opportunities and promote groundbreaking research.

Your generous contribution directly supports our students as they prepare to enter the accounting profession by equipping us to offer a comprehensive and innovative curriculum.

Contributions to the UCI Accounting Programs Fund may be made online at egiving.uci.edu or via check payable to “UCI Accounting Programs Fund” and sent to:

UCI Paul Merage School of Business
Office of Advancement, 4293 Pereira Drive, Suite 5600, Irvine, CA 92697
The Merage School’s presence in the Bay Area is growing! We had 70 alumni and students attend the summer event at Electronic Arts in Redwood City with Dean Eric Spangenberg. Alumni companies represented included Visa, Twitter, Safeway, Wells Fargo, Deloitte, Salesforce, Google and Apple, among many others. We had a large contingent of students interning at companies up north over the summer. The students had a great networking opportunity to enhance their summer experience in the Bay Area.

Keep in Touch

Whether you are a new entrepreneur building your company, a young professional seeking to accelerate your career path, or an experienced graduate mentoring others in appreciation for past guidance, the Merage School Alumni Network is a valuable place to build contacts and friendships. As alumni of the Merage School, we encourage you to stay in touch, communicate and grow with us – a community of fellow alumni from all programs. Events at the Merage School are wonderful opportunities to meet other professionals who share your interests and to build genuine business contacts. We hope to see you at one of our upcoming events.

Class of 2016 alumni from all programs participated in a fun summer evening of reconnecting and networking and experienced the spectacular view from the Sky Garden atop the Hyundai Capital building in Irvine.

Upcoming Alumni Event

Friday, Dec. 2

FIRST FRIDAY ALUMNI NETWORK LUNCHES AT KARL STRAUS BREWING COMPANY, COSTA MESA

Information and registration: merage.uci.edu/registration
Seven Questions with Jonathon Cohen, MPAc ’15

NAME: Jonathon Cohen  
Director of Financial Assets, In-N-Out Burger

GRAD YEAR: MPAc Class of 2015

UNDERGRAD DEGREE/MAJOR/SCHOOL:  
BA Business Economics, UC Santa Barbara; MBA, UCLA

FUN FACT: I love spending time with my wife and three kids.

Q: WHAT ARE SOME OF YOUR FONDEST MEMORIES AS AN MPAc STUDENT?  
I will always remember collaborating on assignments with other students. It was so much fun to work side-by-side and hear their unique approaches to challenging work assignments.

Q: HOW DID YOU CHOOSE YOUR CAREER PATH?  
I always loved the idea of helping clients improve their finances. I had an accounting background, but it turns out I enjoyed investment management a bit more than classical accounting. Over time, I built up some experience in the field, and clients saw the value I could provide by helping them with their complex investment needs.

Q: HOW HAS EARNING YOUR MPAc DEGREE AT THE MERAGE SCHOOL HELPED YOU IN YOUR CAREER?  
The MPAc program helped round out and complete my financial foundation, but more importantly, it taught me how to apply that knowledge to handle real challenges that companies face.

Q: WHAT SKILLS DO YOU THINK ARE CRITICAL FOR SUCCEEDING IN THE BUSINESS WORLD?  
Definitely having a passion for continued growth and learning. The business world can move very quickly, and we need to continually learn the necessary tools to remain relevant.

Q: WHAT ARE SOME OF YOUR HOBBIES AND EXTRACURRICULAR ACTIVITIES?  
I love surfing, golf and traveling.

Q: IS PHILANTHROPY IMPORTANT TO YOU?  
Absolutely. My wife and I are teaching our kids that giving of our time and money is something we do, and it’s who we strive to be. At work, I’m fortunate enough to work closely with our charitable foundation and corporate benevolence teams which is extremely rewarding.

Q: HOW DO YOU STAY INVOLVED WITH THE MERAGE SCHOOL AND YOUR COMMUNITY?  
I’ve tried my best to stay in touch with as many classmates as possible. I had such a great experience with the program that I find myself encouraging others to apply to the MPAc program.
Get Connected with UCI Accounting

Program Contact Information

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