Biqin Xie

(Biqin is pronounced as /bi'chin/)

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EDUCATION

University of Southern California, Leventhal School of Accounting

Ph.D. in Accounting (expected completion May 2012).
Dissertation: "Does Fair Value Accounting Exacerbate the Pro-cyclicality of Bank Lending?" (*passed 1st round review at Journal of Accounting Research/NewYork Fed conference; preparing for resubmission*)
Advisor: K.R. Subramanyam

Tulane University

Master of Accounting, 2005-2006

Shanghai University of Finance and Economics, China

Master of Accountancy, 2002-2005 (thesis received Best Thesis Award)

Fudan University, Shanghai, China

B.S., Chemistry, 1995-1999

RESEARCH AND TEACHING INTEREST

Research: Economic consequences of accounting standards; macroeconomy and accounting information; corporate disclosure and debt and equity markets

Teaching: Financial Accounting and Managerial Accounting

WORKING PAPERS

"Does Fair Value Accounting Exacerbate the Pro-cyclicality of Bank Lending?" (*Job market paper; passed 1st round review at Journal of Accounting Research /New York Fed conference; preparing for resubmission*)

"The 'Out-of-sample' Performance of Long-Run Risk Models" (*with Wayne Ferson and Suresh Nallareddy; under 2nd round review at Journal of Financial Economics*)

"The Impact of SFAS 131 on Earnings Management at the Segment Level: Loss Avoidance and Cross-subsidization" (*with Rebecca Hann and Yvonne Lu*)

TEACHING EXPERIENCE

Instructor, Core Concepts of Management Accounting, Spring 2009, University of Southern California, Leventhal School of Accounting (Business undergraduate core course; teaching rating 3.96 on a 5-point scale; 46 students enrolled; responsible for all aspects of the class)

Teaching Assistant, Core Concepts of Financial Accounting, Fall 2008, University of Southern California, Leventhal School of Accounting

PROFESSIONAL EXPERIENCE

University of Southern California, Leventhal School of Accounting, 2006-2011
Research Assistant for professors: Rebecca Hann, Yaniv Konchitchki, K.R. Subramanyam, and Jieying Zhang

Sinobull Financial Services Inc., Shanghai, 2001
Financial Data Services Representative

Shanghai Chuanqifood Co., Ltd., 1999-2000
Researcher in R&D Center

AWARDS AND ACADEMIC DISTINCTIONS

Dissertation Completion Fellowship, University of Southern California, 2011-2012
Marshall Doctoral Fellowship, University of Southern California, 2006-2011
Honors Tuition Waiver Scholarship, Tulane University, 2005-2006
Best Thesis Award, Shanghai University of Finance and Economics (SUFE), 2005
Scholarship for Academic Excellence, SUFE, 2002-2004
Renmin Scholarship for Academic Success, Fudan University, 1996-1998

PRESENTATIONS AND DISCUSSIONS

AAA Western Region Meeting, presenter, "The Impact of SFAS 131 on Earnings Management at the Segment Level: Loss Avoidance and Cross-subsidization", 2011
AAA Western Region Meeting, discussant, "The timeliness of stock price adjustments to accounting fundamentals", by Asher Curtis, 2011
Finance Brownbag, University of Southern California, 2011
Accounting Research Forum, University of Southern California, 2008, 2011

CONFERENCES PARTICIPATION

AAA Annual Meeting, 2011, 2010, 2008
FARS Mid-year meeting, 2010
Annual SEC and Financial Reporting Institute Conference, 2010, 2007
PAC 10 Doctoral Consortium, 2007

REFERENCES

Professor K.R. Subramanyam (Dissertation Chair)
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Phone: (213) 740-5017
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ABSTRACTS OF WORKING PAPERS

Does Fair Value Accounting Exacerbate the Pro-cyclicality of Bank Lending? *(Job market paper; passed 1st round review at Journal of Accounting Research /New York Fed conference; preparing for resubmission)*

This paper examines whether fair value accounting increases the pro-cyclicality of banks' lending behavior. Exploiting cross-sectional variation in individual banks' exposure to fair value accounting, I find that fair value accounting does *not* exacerbate the pro-cyclicality of bank lending over the past two business cycles during 1995-2010. This result holds despite the fact that every one dollar of unrealized gains (losses) is associated with at least 25 cents of new lending (cutbacks in lending). The probable cause of this non-exacerbation finding is that interest rates rise (fall) during some of the expansionary (recessionary) periods, resulting in movements of bank assets' fair value that are not pro-cyclical.

The "Out-of-sample" Performance of Long-Run Risk Models (*with Wayne Ferson and Suresh Nallareddy; under 2nd round review at Journal of Financial Economics*)

This paper studies the ability of long-run risk models to explain out-of-sample asset returns during 1931-2009. The long-run risk models perform relatively well on the momentum effect. A cointegrated version of the model outperforms the classical, stationary version. Both the long-run and the short run consumption shocks in the models are empirically important for the models' performance. The models' average pricing errors are especially small in the decades from the 1950s to the 1990s. When we restrict the risk premiums to identify structural parameters, this results in larger average pricing errors but often smaller error variances. The mean squared errors are not substantially better than those of the classical CAPM, except for Momentum.

The Impact of SFAS 131 on Earnings Management at the Segment Level: Loss Avoidance and Cross-subsidization (*with Rebecca Hann and Yvonne Lu*)

This paper examines the impact of SFAS 131 on managerial manipulation of segment earnings to avoid reporting segment losses through shifting income (costs or revenues) across segments. We first document that diversified firms reporting a loss segment tend to have a greater value loss associated with diversification than those without a loss segment, suggesting that managers have incentives to conceal segment losses. We next document a significant discontinuity or "kink" at zero in the frequency distribution of segment earnings prior to SFAS 131 but not after the implementation of SFAS 131. Further, we find that the extent of cross-segment income shifting is significantly greater for small-profit segments than for small-loss segments only in the pre-SFAS 131 period. These results suggest that the increased consistency between external and internal reporting under SFAS 131 has deterred earnings management to conceal segment losses via cross-segment transfers.