

PROFESSOR JOHN R. M. HAND



Dr. Hand is the H. Allen Andrew Distinguished Professor at UNC Kenan-Flagler, USA. A pioneer in documenting the inefficiency of the stock market with respect to accounting information, his current research centers on return predictive signals, hedge fund performance, academic discovery, and venture capital-backed companies. Dr. Hand has twice won the American Accounting Association's competitive manuscript competition for his scholarship. He is co-author with Baruch Lev of New York University of *Intangible Assets: Values, Measures and Risks* (Oxford University Press, 2003), and winner of the 2013 KFBS Weatherspoon Distinguished Award for MAC Teaching. He enjoys teaching MBAs, Masters of Accounting students, undergraduates, Ph.D. students, and executives. Dr. Hand served as Associate Dean of UNC Kenan-Flagler's top-ranked Master of Accounting Program from 2007-2011. He also serves as Board of Trustees Treasurer of Trinity School of Durham & Chapel Hill.

ADDRESS

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Kenan-Flagler Business School
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EDUCATION

Ph.D. Graduate School of Business, University of Chicago, 1984-87.
Dissertation titled "Debt-Equity Swaps." Key area exams: Finance 1985;
Behavioral Decision Theory 1985 (High Pass). GSB fellowship 1984-86.
CRSP research grants 1985 and 1986. Research assistant for Professors
Einhorn and Hogarth (Behavioral Decision Theory), and Holthausen and
Leftwich (Accounting/Finance).

M.B.A. Graduate School of Business, University of Chicago, 1981-83.
One of only five in graduating class to receive Honors. Concentrations in
Finance, Econometrics and Marketing. Dean's List.

B.S.Sc., Economics & Accounting. University of Bristol, Bristol, England,
1978-81. First Class Honors. First in graduating class. University of
Bristol Scholarship. Awarded Arthur Young McClelland Moores & Co.
Prize for the most distinction in final-year examinations; Arthur Andersen &
Co. Prize in Accounting; Memorial Prize for excellence in Economics.

ACADEMIC

Associate Dean, Masters of Accounting Program, UNC Chapel Hill (2007-11).
H. Allen Andrew Distinguished Professor (Accounting, Entrepreneurship &
Finance), UNC Chapel Hill (2006-present).
Professor of Accounting, UNC Chapel Hill (1998-2006).
Associate Professor of Accounting, UNC Chapel Hill (1993-98).
Associate Professor of Accounting, GSB, University of Chicago (1992-93).
Assistant Professor of Accounting, GSB, University of Chicago (1988-92).
Assistant Professor of Accounting, Yale School of Organization &
Management, Yale University (1987-88).

**HONORS and
AWARDS**

MAC Weatherspoon Teacher of the Year, 2013.
MBA Weatherspoon Teacher of the Year, 2008.
MAC Weatherspoon Teacher of the Year, 1997.
\$25,000 KPMG Peat Marwick Faculty Fellowship, 1992-95.
\$25,000 KPMG Peat Marwick Research Fellowship, 1990-92.
Co-Winner: 1989 AAA Competitive Manuscript Competition.
Winner: 1988 AAA Competitive Manuscript Competition.

TEACHING

- MBA Financial Statement Analysis (FSA); Equity Valuation.
- Exec. MBA FSA; Financial Accounting.
- Custom FSA; Financial Analysis for Non-Financial Managers.
- MAC FSA; Financial Accounting; Equity Valuation.
- Ph.D. Capital Markets Research in Accounting.

SCHOLARSHIP & RESEARCH

- Under review:** “[The remarkable multidimensionality in the cross-section of expected U.S. stock returns](#)” with J. Green and F. Zhang. Submitted to *Review of Accounting Studies*.
- Forthcoming:** “[Employee compensation in entrepreneurial companies](#)” with O. Bengtsson. *Journal of Economics & Management Strategy* (Vol. 22, 2, Summer 2013)
- “[The superview of return predictive signals](#)” with J. Green and X.F. Zhang. *Review of Accounting Studies* (2013).
- Published in
refereed
journals:** “[Are hedge funds systemically important?](#)” with G. Brown and J. Green. *Journal of Derivatives*, Winter 2012.
- “[Going, going, gone? The apparent demise of the accruals anomaly](#)” with J. Green and M.T. Soliman. *Management Science*, 2011, 57(5), 797-816.
- “[CEO compensation in venture-backed firms](#)” with O. Bengtsson. *Journal of Business Venturing*. 2011, 26, 4: 391-411 [Lead article].
- “[The importance of accounting information in portfolio optimization](#)” with J. Green. *Journal of Accounting, Auditing & Finance*, 2011, 26: 1-34 [Lead article].
- “[Market-to-revenue multiples in public and private capital markets](#)” with C. Armstrong, A. Davila and G. Foster. *Australian Journal of Management*, 2011, 36 (1): 15-57.
- “Give everyone a prize? Employee stock options in venture-backed companies.” *Journal of Business Venturing*, 2008, 23 (4): 385-404 [Lead Article].
- Discussion of “Accounting for software development costs and the cost of capital: Evidence from IPO underpricing in the software industry”. *Journal of Accounting, Auditing & Finance*, Spring 2008, Vol. 23 (2): 305-310.
- “Biases in multi-year management financial forecasts: Evidence from private venture-backed U.S. companies” with C. Armstrong, A. Dávila and G. Foster. *Review of Accounting Studies*, 2007, Vol. 12, Nos. 2-3, 183-215 [Lead article].
- “Determinants of the round-to-round returns to pre-IPO venture capital investments in U.S. biotechnology companies.” *Journal of Business Venturing*, Vol. 22, 1-28, 2007 [Lead article].
- “The value relevance of financial statements in venture capital markets.” *The Accounting Review*, 613-648, 2005.

“The stock price reaction to the repricing of executive stock options” with B. Murray and Ken Klassen. *Contemporary Accounting Research*, Vol. 22 (4), 791-828, 2005.

“Accrual components, earnings forecasting, and equity values” with M. Barth, W. Beaver, and W. Landsman. *Journal of Accounting, Auditing & Finance*, Vol. 32, 3-4, 435-776, 2005.

“The pricing of dividends in equity valuation.” with W. Landsman. *Journal of Business Finance & Accounting*, 435-469, 2005 [Lead article].

“Discussion of ‘Earnings surprises, growth expectations, and stock returns, or, Don’t let an earnings torpedo sink your portfolio,’ by R. Sloan and D. Skinner. *Review of Accounting Studies*, Vol. 7, Nos. 2/3, 313-318, 2002.

“The role of economic fundamentals, web traffic, and supply and demand on the pricing of U.S. Internet stocks.” *European Finance Review*, Vol. 5, 295-317, 2001.

“Earnings or cash flow?” with M. Barth, W. Beaver, and W. Landsman. *Investor Relations Quarterly*, Vol. 4, 4, 2001.

“Discussion of ‘Earnings, book values, and dividends in equity valuation: An empirical perspective’ by J. Ohlson.” *Contemporary Accounting Review*, Vol. 18, No 1, Spring 2001.

“Valuing deferral: The effect of permanently reinvested foreign earnings on stock prices”, with J. Collins and D. Shackelford. In International Taxation and Multinational Activity edited by Jim Hines (University of Chicago Press), 2001.

“Accruals, cash flow and equity value,” with M. Barth, W. Beaver, and W. Landsman. *Review of Accounting Studies* Conference, 1999.

"The implicit economic penalties in SEC investigations into underwriters" with R. Beatty and H. Bunsis. *Journal of Financial Economics*, Vol. 50, 2, 1998.

"The economic determinants of accounting choices: The unique case of equity carve-outs under SAB 51" with T. Skantz. *Journal of Accounting & Economics* 24, 1997.

"Individuals' perceptions and misperceptions of the time-series properties of quarterly EPS" with L. Maines. *The Accounting Review*, July 1996. Abstract solicited by I/B/E/S International Inc. for inclusion in their *Fifth Edition of the Annotated Bibliography: Earnings Expectations Research*.

"Advocating the value of experimental methods in conducting policy-relevant accounting research" with L. McDaniel. *Contemporary Accounting Research*, Spring 1996.

"1974 LIFO excess stock return and analyst forecast error anomalies revisited." *Journal of Accounting Research*, Spring 1995.

"Resolving LIFO uncertainty: a theoretical and empirical reexamination of 1974-1975 LIFO adoptions and non-adoptions." *Journal of Accounting Research*, Spring 1993.

"The causes and effects of mandated accounting standards: SFAS No. 94 as a test of the level playing field theory" with R. Beatty. *Journal of Accounting, Auditing and Finance*, Fall 1992.

"The effect of bond rating announcements on bond and stock prices," with R. Holthausen and R. Leftwich. *Journal of Finance*, June 1992.

"Extended functional fixation and security returns around earnings announcements: a reply to Ball and Kothari." *The Accounting Review*, October 1991.

"The motives and consequences of debt-equity swaps and defeasances: more evidence that it does not pay to manipulate earnings" with P. Hughes. *The Continental Bank Journal of Applied Corporate Finance*, Fall 1990.

- Reprinted in *The 1991 Corporate Finance Reader* (Ed. R. W. Kolb).
- Condensed in *The Bowne Review for CFOs & Investment Bankers*, Feb. 1991.

"A test of the extended functional fixation hypothesis." *The Accounting Review*, October 1990 [Lead article].

"Insubstance defeasances: security price reactions and motivations" with P. Hughes and S. Sefcik. *Journal of Accounting & Economics*, May 1990.

"Did firms undertake debt-equity swaps for an accounting paper profit or true financial gain?" *The Accounting Review*, October 1989 [Lead article].

Published but not refereed:

"What drives the top line? Determinants of sales revenue in private venture-backed firms." In The Oxford Handbook of Venture Capital, Oxford University Press (2012), Editor Douglas Cumming.

"Time to grow up: Large sample evidence on the maturation dynamics of private venture-backed firms." In Venture capital: Investment strategies, structures, and policies, Ed. Douglas Cumming, Blackwell (2010).

"The market valuation of biotechnology firms and biotechnology R&D." Solicited for Venture Capital Contracting and the Valuation of High Tech Firms, eds. McCahery & Renneboog, Oxford University Press, 2004. Other contributors include Hellmann (Stanford), Kaplan and Stromberg (Chicago), Rajan and Servaes (Chicago, LBS), Trigeorgis and Smit (Erasmus), Gilson and Black (Columbia and Stanford), Lerner (Harvard).

"The New Economy: Pricing of Securities." Solicited for The New Economy Handbook, ed. D. Jones, Elsevier Science, Fall 2003.

“Profits, losses and the nonlinear pricing of Internet stocks.” In Intangible Assets: Values, Measures and Risks, eds. J.R.M. Hand and B. Lev (Oxford University Press), 2003. The book is a collection of papers on Intangible Assets for Ph.D. students and advanced MBAs. Authors include Shapiro (Berkeley), Varian (Berkeley), Romer (Stanford), Bond (Federal Reserve Board), Lev (NYU), Sougiannis (Illinois), Barth and Kasznik (Stanford), Darby and Zucker (UCLA), Aboody (UCLA), Lakonishok (Illinois), Morck (Alberta), and Yeung (NYU).

“The increasing returns-to-scale of intangibles.” In Intangible Assets: Values, Measures and Risks, eds. J.R.M. Hand and B. Lev (Oxford University Press), 2003.

Working papers: “The bad news dissemination bias in the business press” with J. Green and M. Penn.

Work-in-process: “Disclosure choices by hedge fund managers” with G. Cassar, J. Gerakos, J. Green and M. Neal.

“A theory of academic discovery” with J. Green and F. Zhang.

“Return predictive signals around the world” with J. Green and F. Zhang.

TEXTBOOKS *Business Applications for Corporate Financial Accounting*, with R. Beatty (SMU). A supplementary financial accounting text and associated instructor's key for use by MBA, MAC and undergraduate students. August 1994. South-Western Publishing Co. of Cincinnati, Ohio. Never again!

PRESENTATIONS

2012/13	CAR Conference (discussant); RAST Conference; City University London.
2011/12	JEMS Conference.
2010/11	Drexel.
2009/10	JAAF Conference; INSEAD/HEC; Drexel; JP Morgan Conference.
2008/09	UNC.
2007/08	U Georgia; INSEAD.
2006/07	AAA meetings (presenter & discussant); RAST Conference; Kent State; Columbia.
2005/06	Duke/UNC Fall Camp; Harvard.
2004/05	CFEA; UC Irvine; NYU.
2003/04	SESARC; UNC; FARS mid-year meeting (discussant); UCLA; AAA meetings (paper presentation); AAA meetings (discussant).
2002/03	AAA meetings (discussant); Oregon; Stanford; UNC; Berkeley Accounting Research Conference.
2001/02	AAA meetings (discussant); RAS conference (discussant); 12 th CFEA; Tulane Univ.; Boston Accounting Research Colloquium; Univ. of Arizona; Univ. of Rochester; UNC School of Law Center for Banking & Finance Conference on Clarity in Off-Balance Sheet Finance & Accounting.

2000/01	2000 JAR Conference; Maryland; Maryland Finance Symposium; Federal Reserve Board of Atlanta; Emory; Syracuse; 2000 European Finance Association; LSE; Conference on New Methods in Financial Economics (Santa Fe Institute).
1999/00	Chicago; Indiana; 1999 CAR conference (discussant), Berkeley, NYU; Notre Dame.
1998/99	Cornell; Harvard; William & Mary; Rochester; Columbia; 9 th CFEA; Michigan State, UNC Tax Conference Ohio State, Iowa.
1997/98	SSARC; UC Davis; NYU Intangibles Conference.
1996/97	UNC; Stanford summer camp; SESARC; 7th CFEA; MIT; Amherst.
1995/96	AAA Annual Meeting (invited), AAA Annual Meeting (regular session); 6 th CFEA (discussant).
1994/95	AAA Southeastern Region; 1994 CAR Conference; NYU; Wharton; UNC; Carnegie Mellon.
1993/94	ORSA/TIMS; Michigan State; Cornell; Virginia Institute of Technology.
1992/93	AAA Annual Meeting; Michigan; Arizona; UNC; Chicago.
1991/92	AFA Annual Meeting (discussant); AAA Annual Meeting (discussant); Berkeley; Harvard; JAAF Conference; 2 nd CFEA; Chicago.
1990/91	Univ. of Illinois at Chicago; UT Austin; Univ. of Washington; UBC; Univ. of Illinois at Champagne; Arizona State; Chicago.
1989/90	AAA Annual Meeting; 1989 Columbia Conf; Duke; UCLA; USC; Chicago.
1988/89	LBS; M.I.T.; Rochester; Chicago.
1987/88	AAA Annual Meeting; Yale.

COURSES TAUGHT—MASTERS STUDENTS

240C	Financial Reporting III for Masters of Accounting (MAC) students.
240F	Equity Valuation (MAC elective).
E270	Core Financial Accounting (Evening MBA Program).
278G	Business Valuation & Analysis (MBA elective).
278D	Equity Valuation (MBA elective).
278E	Business Economics & Valuation in the New Economy (MBA elective).
399 Ph.D.	Overview of Empirical Financial Accounting (1 st semester Ph.D. course).
700	Introduction to Financial Accounting (MAC).
711	Financial Reporting II (MAC).
714	Financial Statement Analysis (MAC).
733	Financial Statement Analysis (MBA elective).

COURSES TAUGHT—EXECUTIVES

Open Enrollment: Finance for Non-Financial Managers, Executive Development Institute.
 Custom: Babcock & Wilcox; Bank of America; Duke Energy; FedEx; Forest Labs, Glen Raven; KABA Group; Progress Energy; US Navy.

PROFESSIONAL Editorial Board, *The Accounting Review*, 1996-99; 2001-02; 2008-present.
 Editorial Board, *Journal of Business Venturing*, 2009-present.
 Editorial Board, *Contemporary Accounting Research*, 2007-present.
 Editorial Board, *Journal of Business Finance & Accounting*, 2005-present.
 Editorial Board, *Journal of Accounting, Auditing, & Finance*, 2000-2011.
 AAA 1994 and 1997 Competitive Manuscript Committee.
 Ad hoc referee for journals in accounting, entrepreneurship, and finance:

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|---|---|
| • <i>The Accounting Review</i> | • <i>Journal of Business Venturing</i> |
| • <i>Journal of Accounting & Economics</i> | • <i>Journal of Corporate Finance</i> |
| • <i>Journal of Accounting Research</i> | • <i>Journal of Finance</i> |
| • <i>Journal of Accounting & Public Policy</i> | • <i>Accounting Horizons</i> |
| • <i>Journal of Business Finance & Accounting</i> | • <i>Contemporary Accounting Research</i> |
| • <i>Journal of Accounting, Auditing, & Finance</i> | • <i>Review of Accounting Studies</i> |
| • <i>Journal of Business</i> | • <i>European Accounting Review</i> |
| | • <i>European Financial Review</i> |
| | • <i>The Financial Review</i> |
| | • <i>Strategic Management Journal</i> |

SERVICE Associate Dean, Masters of Accounting Program, 2007-2011.
 Chair of UNC Accounting Area, 1998-2003.
 Director, UNC Ph.D. Program in Accounting, 1993-1995.
 Lead faculty member on 2005 MAC Global Immersion trip to Europe.
 Memberships on Ph.D. Committees at UNC Chapel Hill and U. Chicago:

- Accounting: Jeremiah Green (Chairman; Penn State); Wendy Wilson (SMU); Christine Petrovits (GWU); Brian Rountree (Rice); Barbara Grein (Chairman; Drexel); Luann Lynch (Chairman; Darden); Steve Monahan (INSEAD); Laura Simmons (Chairman; College of William & Mary); Susan Eldridge (UT Austin); Deen Kemsley (Tulane); Ray Pfeiffer (U Mass Amherst); Howard Bunsis (SMU); Mark Lang (UNC).
- Finance: Mike Cooper (Purdue); Hyuk Choe (Penn State); William Christie (Vanderbilt); Sangsoo Park (Suny-Buffalo); Jonathon Sokobin (SEC); Feikeh Sung (Citibank); Vincent Warther (USC); Ivo Welch (Brown).

PERSONAL English by birth, now a U.S. citizen. Born January 1, 1960. Very happily married to Lynn A. M. Hand, with two daughters (Sarah, aged 19; Rachel, aged 15). Lived four years or more in five countries—the U.K., Pakistan, Bermuda, Jamaica and the U.S. Deeply involved with Trinity School of Durham & Chapel Hill: Finance Committee 2005-present; Treasurer and Board Member, 2006-present (overseeing 2012-13 Budget of \$7.2 million). Previously served in the Chapel Hill Bible Church, Chapel Hill, NC: Treasurer 1996-05 (oversaw a budget of \$2.2 million in 2004). Also served in the leadership of Hyde Park Alliance Church, Chicago: Treasurer 1988-90; Trustee 1990-91; Chairman of Governing Board 1991-93.

5/15/13