

# Shuqing Luo

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## EDUCATION

Katz Graduate School of Business, University of Pittsburgh Ph.D., Accounting (Expected 2010) Supporting fields: Finance and Econometrics	U.S.A.
Nanyang Business School, Nanyang Technological University Master of Accountancy (2003)	Singapore
Jiangxi University of Finance and Economics B.A., Economics (1995)	P.R. China

## RESEARCH INTERESTS

Management Forecasts, Earnings Management, Bankruptcy, Corporate Governance and Managerial Incentives

## DISSERTATION

“CEO Overconfidence and Managerial Earnings Forecast Adjustments to Feedback”  
Committee: John Harry Evans III (co-chair), Nandu J. Nagarajan (co-chair), Mei Feng, Vicky Hoffman, and Kyonghee Kim

## PUBLICATIONS AND WORKING PAPERS

- 1: “Why do CFOs Become Involved in Material Accounting Manipulations?” (with Mei Feng, Weili Ge and Terry Shevlin) (Under second review at *Journal of Accounting and Economics*)
  - Winner of the 2009 Glen McLaughlin Prize for Research in Accounting Ethics
  - Presented at 2009 AAA Annual Conference at New York
  - Presented (by coauthors) at the University of Alberta, University of Missouri at Columbia, University of Oklahoma, University of Washington, Washington University, 2008 UBCOW Conference, 2008 Annual Conference on Financial Economics and Accounting at the University of Texas at Austin, and 2009 Mid-year FARs Conference
- 2: “CEO Turnover, Financial Distress and Contractual Innovations” (with John Harry Evans III, Nandu J. Nagarajan) (To be submitted to *first tier accounting journal* during Spring 2010)
  - Presented at the 2009 AAA Managerial Accounting Midyear Conference at St. Pete Beach, the 2009 AAA Annual Conference at New York
  - Presented (by coauthors) at Carnegie-Mellon University, Georgia State University, Purdue University, University of California at Los Angeles, and York University

3: “The Effect of Voluntary Disclosure, Ownership Structure and Proprietary Cost on the Return–future Earnings Relation” (with Stephen M. Courtenay and Mahmud Hossain), *Pacific-Basin Finance Journal*, 14(5), November 2006, 501-521.

- Based on my Master’s thesis at the Nanyang Business School, Nanyang Technological University, Singapore

## **AWARDS AND HONORS**

The Glen McLaughlin Prize for Research in Accounting Ethics for “Why do CFOs Become Involved in Material Accounting Manipulations?” (2009)

2010 FARS Mid-Year Meeting Doctoral Consortium (2010)

AAA Managerial Accounting Midyear Doctoral Consortium (2007, 2009)

AAA/Deloitte/ J. Michael Cook Doctoral Consortium, Lake Tahoe, CA (2007)

Katz Graduate School of Business Accounting Group Fellowship (2005-present)

University of Pittsburgh Graduate School Travel Grant (2008, 2009)

Graduate Fellowship, Nanyang Business School (2000-2002)

## **INVITED WORKSHOP AND CONFERENCE PRESENTATIONS**

University of Oklahoma, Norman, OK, 2009

AAA Annual Conference, New York 2009

AAA Managerial Accounting Midyear Conference, St. Pete Beach, Florida, 2009

## **TEACHING INTEREST AND EXPERIENCE**

### **Teaching Interests:**

Financial Accounting, Managerial Accounting, Accounting Information Systems

### **Instructor:**

Financial Accounting, Fall 2007 (3.24/5.00)

Financial Accounting, Fall 2008 (3.53/5.00)

(Five point scale in which 3=competent, 4=very good, 5=excellent)

### **Teaching Assistant:**

MBA – Financial Accounting, Professor John Harry Evans III, Fall, 2006, 2008

Executive MBA – Financial Accounting, Professor John Harry Evans III, Summer, 2007, 2008, 2009

## **PROFESSIONAL ACTIVITIES**

Ad hoc reviewer for:

- AAA Managerial Accounting Midyear Conference, St. Pete Beach, Florida, 2009
- AAA Annual Conference, New York 2009
- AAA Mid-Atlantic Regional Meeting in Pittsburgh, PA 2006

## **PROFESSIONAL AFFILIATIONS**

American Accounting Association, USA

Association of Chartered Certified Accountants (ACCA-Inactive), UK

## **CORPORATE EXPERIENCE**

- 7/2002 – 7/2004                      StarVision Information Technology Pte Ltd., Singapore  
Position: Accounting Information Consultant
- Designed and implemented the ERP system, and provided post-implementation training
  - Improved clients' internal control systems
- 5/1998 – 6/2000                      Zhongfu Real Estate Limited, Fuzhou, China  
Position: Business analyst and finance manager
- Provided project evaluation and business risk analysis
  - Responsible for financial reporting and budget planning
- 8/1995 – 4/1998                      Huaxin Public Accountants, Fuzhou, China  
Position: Auditor
- Evaluated clients' internal control evaluation
  - Assisted in audit assignments

## **REFERENCES**

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### **Abstract for Working Papers:**

#### 1. “CEO Overconfidence and Managerial Earnings Forecast Adjustments to Feedback”

**Abstract:** Prior research suggests that many managers are overconfident. Overconfident managers typically attribute positive feedback to their own superior ability but negative feedback to external factors. In this paper I examine how this attribution bias affects managerial earnings forecasting accuracy. I expect overconfident managers to issue overly optimistic earnings forecasts and to be slow to improve their forecasting accuracy because of the attribution bias. To test these conjectures, I analyze how managers respond to feedback in the form of forecasting errors and associated market reactions. My results show that overconfident managers do learn from feedback, but they do so more slowly than their less confident peers. Further, I document that overconfident managers learn to correct their biased forecasts only when they receive less ambiguous feedback in the form of forecasting errors. In contrast, managers who are not overconfident respond to feedback in the form of both forecasting errors and market responses to prior forecasts.

#### 2. “Why do CFOs Become Involved in Material Accounting Manipulations?” (with Mei Feng, Weili Ge and Terry Shevlin)

**Abstract:** This paper examines two explanations for why CFOs become involved in material accounting manipulations: (i) CFOs instigate the earnings manipulations for immediate personal financial benefit, versus (ii) CFOs acquiesce to CEOs’ pressure to manipulate earnings. Using a comprehensive sample of material accounting manipulations disclosed in Accounting and Auditing Enforcement Releases between 1982 and 2005, we find that while CFOs bear significant legal costs when involved in accounting manipulations, these CFOs have limited current-period financial benefit for the manipulation. In contrast, CEOs of manipulation firms have higher equity incentives and power than CEOs of matched firms. Our AAER context analyses suggest that CEOs of manipulation firms are more likely than CFOs to be described to have orchestrated the manipulation and to be ordered to disgorge financial gains from the manipulation. Taken together, our findings are consistent with the explanation that CFOs are involved in material accounting manipulations because they succumb to CEO pressure, rather than because they seek immediate personal financial benefit.

#### 3. “CEO Turnover, Financial Distress and Contractual Innovations,” (with John Harry Evans III, Nandu J. Nagarajan)

**Abstract:** This study examines the causes and consequences of CEO retention in financially distressed firms. We study a sample of 80 Chapter 11 bankruptcy filings during the 1980s and 143 filings during the 1990s. For the 1990s sample, bankrupt firms are more likely to retain their pre-bankruptcy CEOs when the CEOs are more highly skilled, and possess more private information in complex information environments. Our results suggest that during the 1980s CEO retention had, if anything, a negative association with post-bankruptcy firm performance, but during the 1990s CEO retention had a positive and significant association with post-bankruptcy firm performance. To explain this reversal, we provide evidence that the evolution of contractual practices in the form of debtor in possession (DIP) financing, prepackaged bankruptcies, and targeted CEO financial incentives significantly altered the bankruptcy environment in the 1990s by enabling creditors to exert more effective control over the management of bankrupt firms. As a result, firms were better able to extract the benefits of retaining more highly skilled CEOs with more extensive private information while limiting the corresponding potential costs of entrenchment in the 1990s, relative to the 1980s.