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EDUCATION

- Ph.D. in Accounting (expected July 2009)
Hong Kong University of Science and Technology
- M.A. in Accounting, 2004
Renmin University of China, China
- B.A. in Accounting, 2001
Renmin University of China, China

RESEARCH INTERESTS

- Mergers and Acquisitions
- Analyst Forecasts and Management Forecasts
- Internal Control Auditing
- Valuation

TEACHING INTERESTS

- Financial accounting
- Managerial Accounting

JOB MARKET PAPER

Do Acquirers in Stock Swap Acquisitions Disclose Good News or Withhold Bad News?

Companies that use their own stock to finance acquisitions have incentives to increase their market values prior to the acquisition date. This study examines whether such companies strategically disclose good news or withhold bad news in order to boost their high stock prices. I find that stock swap acquirers are not more likely to issue favorable management forecasts during the period before the acquisition compared to the period after. On the other hand, I find strong evidence that stock swap acquirers are less likely to issue unfavorable management forecasts. The results suggest that forecasting good earnings news is perceived to be more costly than is remaining silent when the company has bad news. I also examine revisions to analysts' earnings forecasts in order to capture any disclosures that companies make other than through management forecasts of earnings. I find that

analysts' forecasts of stock swap acquirers are not revised up but they are revised down less during the period before the acquisition. Consistent with the evidence from management forecasts, these findings suggest that stock swap acquirers do not disclose good news but they do withhold bad news in order to maintain higher stock prices.

WORK IN PROGRESS

Auditor Characteristics, Opinion Shopping and Auditor's Internal Control Opinion (with Clive S. LENNOX)

The Sarbanes-Oxley Act (SOX) requires auditors to issue opinions about the effectiveness of internal control over financial reporting. This research examines the informativeness of auditor's internal control opinion on internal control quality. Because internal control quality influences financial reporting quality, we use financial reporting restatement to proxy for internal control quality. We find that internal control opinion is informative about internal control quality and Big N auditors issue more informative internal control opinions than Non-Big N auditors. In addition, companies dismiss auditors strategically to avoid unfavorable internal control opinions. However, internal control opinions of opinion shopping companies are as informative as those of non-opinion shopping companies, so opinion shopping companies also improve internal control quality to get favorable internal control opinion.

Market Sentiment and Pricing of Earnings-Evidence from China (with Qinglu JIN)

Using a sample of Chinese listed companies, this research investigates how market sentiment influences the pricing of earnings. We find that investors overestimate earnings persistence into the future in bull market, and underestimate earnings persistence into the future in bear market. In addition, we decompose earnings into accrual and cash flow to analyze the pricing of the two different components of the earnings. We find that investors do not differentiate the two components in pricing. Specifically, investors overestimate the persistence of both accrual and cash flow in bull market and underestimate the persistence of both accrual and cash flow in bear market.

HONORS AND AWARDS

- AAA/Deloitte/J. Michael Cook Doctoral Consortium Fellow, Tahoe City, 2008 (the only representative for Hong Kong)
- Doctoral Fellowship, 2004- present, HKUST
- Scholarship, Renmin University of China, 2001-2004

COMPUTER SKILLS

- Database Retrieval and Processing: CRSP/COMPUSTAT, I/B/E/S, First Call, Datastream, SDC, etc.
- Programming Languages: SAS, STAT

TEACHING EXPERIENCE

- Introduction to Accounting (ACCT 102)
Undergraduate level, Summer 2007, HKUST
Instructed in English

RESEARCH ASSISTANT EXPERIENCE

- Research assistant for Prof. Peter F. CHEN, Prof. Guochang ZHANG, Prof. Xiaohong LIU and Prof. Clive S. LENNOX. (2004 – 2008)

SELECTED COURSE WORK

- Empirical research in Accounting, Analytical Research in Accounting, Research on Equity Valuation, Empirical Finance, Corporate Finance, Microeconomic Theory, Econometrics, etc.
- GPA: A

MEMBERSHIPS

- American Accounting Association (2008 – Present)
- China Institute of CPA (2003 – Present)

REFERENCE

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