

SPARTAN ACCOUNTING AND FINANCE NEWS

Accounting Major Helps Students Address COVID-19 Stress

The COVID-19 pandemic has increased stress for college students across the country. Accounting senior Parisa Motee served as team leader for a group of three undergraduate students at UNC Greensboro's Bryan School of Business and Economics that devised a strategy to help their peers.

Under the direction of Joseph M. Bryan Distinguished Professor of Innovation Dr. Cheryl Nakata, the team used their knowledge from the Business Communications & Innovation course to develop BIASTUDY, an educational website designed to provide college students with access to online study tools and mental health services. "We created the idea for BIASTUDY to help students like us overcome challenges like academic performance concerns, independent learning struggles, stress, and anxiety," says Motee.

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The team researched how the pandemic has impacted college students' access to on- and off-campus resources, their academic performance, and their mental health. They conducted student surveys, observed students as they took classes and studied, and accessed research from the UNCG library. "We found that many students were struggling," says Motee. "Some had technological problems ranging from lack of access to a laptop to unstable internet service. Many had academic concerns like not being able to finish work on time,

dealing with too many assignments, or doing a lot of independent study without regular support from their instructors or access to resources. In addition to the stress and anxiety related to grades, many students mentioned lack of motivation and a tendency to get distracted, interruptions from family members, and health- or isolation-related anxiety."

Dr. Nakata guided the students in developing BIASTUDY by using a new approach called human flourishing innovation, which applies design thinking and human-centered capacities to problems that are difficult to solve. These processes emphasize learning from, listening to, and working well with teammates and being sensitive to the people who will ultimately benefit from the innovation to create a superior solution. The innovation aim was to provide user friendly experiences that would enhance student learning and reduce stress.

To use BIASTUDY, college students visit the website and manually input their college or university and class information, or simply sync their existing Canvas learning management system page to the BIASTUDY website. Once signed up, students can access online study tools for each of their courses, like flashcards, study guides, lecture videos, and practice quizzes. From each class, students can form a study group with other students taking the class, request to chat, or arrange a virtual meeting with a live tutor and share their screens to work out difficult homework problems.

To access mental health resources, students click on the Services tab on BIASTUDY's main menu and navigate to various stress-relieving activities like coloring books, Sudoku, puzzles, yoga, and aerobics; listen to meditation podcasts; or connect with a therapist. The team proposed a 30-day



Parisa Motee, Accounting Major

therapy trial followed by a reasonably priced monthly subscription.

As students dealing with remote education themselves, Motee notes there were challenges related to class schedules, time zones, and more – but the team was able to persevere.

"Dr. Nakata provided great resources and lessons as we worked through this project," Motee says. "What really helped my group were her lessons about taking a human flourishing approach and having a growth mindset. Because everyone works differently, it's about learning to work within a group and communicate effectively to resolve issues instead of just panicking."

Nakata believes others across campus may be interested in BIASTUDY, from both the student affairs and mental health perspectives. "Everyone has become much more aware of and sensitive to anxiety, depression, and all the difficulties college students experience, which have hugely accelerated because of COVID. Students are still feeling a bit at sea because the plans, parameters, and structure of their education have dramatically changed," she says.

A version of this article appeared in the Fall 2021 Bryan Business Report.

Message from the ACF Department Head



Randy Elder, PhD
Department Head
DHG Term Professor

The past eighteen months have been a challenge for almost everyone, and academia has been no exception. Our faculty have embraced teaching in different modalities, even while continuing to produce research at a high level. As we head toward the Spring 2022 semester we plan to be operating “normally” with classes offered either in-person or asynchronous online. However, how we approach education has changed greatly during this period.

As noted on the adjacent page, the BS accounting and BS finance degrees started online degree delivery in fall 2021. These efforts largely predated the pandemic and reflected the need for accessible education for the diverse UNCG student population and the successful launch of the online MS accounting program.

Our faculty continue to produce leading research. We feature three different articles that appeared in the *Journal of Financial Economics*. Finance professor Dayong Huang continues an impressive streak of publications in elite journals with a co-authored study of the amplification effect of trading volume on stock market anomalies. Assistant accounting professor Gillian Lei and two co-authors provide interesting evidence on how firms selectively reword negative disclosure on peer firms to their own benefit. Co-authored research by assistant accounting professor Mengmeng Wang finds that insider trading at acquisition targets signal whether merger synergies are likely to be realized.

Our students continue to impress during this challenging period. The cover article describes a project led by accounting senior Parisa Motee to support students academically and emotionally during the pandemic, while masters students Chris Causey and Madison Ferguson helped evaluate grant proposals to assist Black- and Latinx-owned businesses impacted by COVID-19. In a student profile, master’s student Alore Chambers describes her passion for tax and her efforts to support financial literacy. As noted in Dean Banks adjacent message, UNCG has entered a comprehensive campaign with several key areas of focus, including student success. The greatest need in the ACF department continues to be scholarship funds at both the undergraduate and graduate level to support our great students.



Message from the Dean

The fall semester brought with it a sense of normalcy after over a year of almost fully online education in the Bryan School. Challenges remain, but UNCG and the Bryan School classes have largely returned to pre-pandemic scheduling. The Bryan School already had a significant number of online students, and COVID-19 has accelerated this trend. Fortunately, most of our departments were prepared to meet this demand, including the Department of Accounting and Finance, which now offers its three degrees on-campus and online.

We continue to be ranked as one of the best business schools in the U.S. by Princeton Review, and many of our online programs are ranked. We are especially proud of our rankings for affordable business degrees and resources for minority students, and UNCG continues to be ranked No. 1 in social mobility among North Carolina schools.

While there is much to be proud of, we also seek to improve. UNCG recently announced “Light the Way: The Campaign for Earned Achievement,” a comprehensive campaign to raise \$200 million to strengthen in key areas of access, excellence, and impact. The Bryan School’s priorities, ensuring student success, investing in faculty excellence, promoting research excellence, increasing student access to excellence, and fueling the enrichment fund, fit well with the University’s key areas. I hope you will give careful consideration to how you wish to support the ACF Department or one of its specific programs, or the Bryan School, with a gift, a pledge, or a bequest that will ensure that we are able to continue developing exceptional problem solvers well into the future.

McRae C. Banks, PhD
Margaret & Harrell Hill Distinguished
Professor and Dean

ALORE CHAMBERS

Current MSA student Alore Chambers was destined for tax. “I realized I was good with numbers when I was in middle school, which led me to learn how to do taxes at the age of 16” says Chambers. “When I learned how to prepare tax returns I knew I could do it for a living. My grandfather used to do taxes, so I am following in his footsteps.”

Not surprisingly, Alore is pursuing the Tax Concentration in the MSA program. She completed an internship with PricewaterhouseCoopers (PwC) this past summer and will start as a Tax Associate next fall. During her internship, she made sure to ask lots of questions so that she learned as much as possible from each task she completed. Not only did she gain experience on the internship, but she developed relationships as well. One of the associates she worked with is now her mentor, and Alore has used her as a resource for questions about the CPA exam.

A native of High Point, NC, Alore found her way to UNCG during her junior year as an undergraduate student studying accounting at Winston-Salem State University. She attended a virtual UNCG information

session and quickly became interested in the MSA program. “I stayed in contact with MSA program director Amanda Cromartie and she answered any questions I had about the program.”

Alore says the most memorable part of her experience has been connecting with other students. “Most of the students I have met are in my classes, so we spend a lot of time studying together” notes Chambers. She can often be found in the DHG Accounting & Finance library, where she spends part of her time as an accounting tutor. During her free time, she also loves giving back to the community, and planned a “Community Thanksgiving” event for the homeless. A strong proponent of financial literacy, she notes, “before the pandemic, I went to elementary and high schools around the Triad to talk to students about the importance of financial literacy.”

Alore advises students to join an organization. She is currently in the process of creating a National Association of Black Accountants (NABA) chapter at UNCG. NABA offers professional development, networking opportunities, scholarships, and



Alore Chambers
MS Accounting Student

career connections to students. “I believe it is important to find an organization that is going to help you grow, professionally and personally. NABA has opened many doors for me, and I would not be where I am today if I did not join NABA” states Chambers.

ONLINE BACHELORS OF SCIENCE IN ACCOUNTING AND FINANCE LAUNCH

The Bryan School of Business and Economics launched the online Master of Science in Accounting in Fall 2020 and it was an immediate success. “We were surprised at the number of students in the online MS program with non-accounting backgrounds” says MSA program director Amanda Cromartie. “These students needed core accounting classes in an online format.” ACF department head Randy Elder observes “I receive inquiries all the time asking whether the undergraduate accounting and finance degrees are available online.” Given this demand, the accounting and finance faculty approved offering these degrees online beginning in the Fall 2021 semester. Now all degrees offered by the department are available in on-campus and online formats.



Faculty Research and Professional Activities

JANUARY 2020 – JUNE 2021

BOOKS AND PAPERS PUBLISHED OR ACCEPTED FOR PUBLICATION

RANDAL ELDER

“An Exploration of Bank Confirmation Process Automation” (with P. Caster and D. Janvrin), *Journal of Information Systems* (forthcoming).

“Practitioner Summary: The Introduction of State Regulation and Auditor Retendering in School Districts: Local Audit Market Structure, Audit Pricing, and Internal Control Reporting” (with A. Yebba), *Current Issues in Auditing* (Spring 2021).

“Managing Academic Programs” (with S. Albring), *Issues in Accounting Education* (November 2020).

WILLIAM HARDEN

“Business Tax Planning Issues for 2021” (with A. Curatola, J. Rinier, and D. Upton), *Journal of Financial Service Professionals* (November 2020).

“Retirement Income Planning Issues for 2021” (with A. Curatola, J. Rinier, and D. Upton), *Journal of Financial Service Professionals* (September 2020).

DAYONG HUANG

“Expected Return, Volume, and Mispricing” (with Y. Han, Dashuan Huang, and G. Zhou), *Journal of Financial Economics* (forthcoming).

“Anomalies Enhanced: A Portfolio Rebalancing Approach” (with Y. Han and G. Zhou), *Financial Management* (Summer 2021).

“The Effects of Oil Supply Shocks on Industry Returns” (with J. Li and K. Wu), *Journal of Commodity Markets* (forthcoming).

SOONCHUL HYUN

“Differences in Online Review Cause by Distribution Channels” (with J. Kim), *Tourism Management* (April 2021).

“Understanding the Dynamics of Review Posting and the Management Intervention Effects on Those Dynamics” (with J. Kim

and K. Hwang), *International Journal of Hospitality Management* (July 2020).

“Quantifying Organizational Ability in Manufacturing Plants” (With M. Anderson and R. Banker) *Data Envelopment Analysis Journal* (2021).

GILLIAN LEI

“Negative Peer Disclosure” (with S. Cao and V. Fang) *Journal of Financial Economics* (June 2021).

“Establishing the Boundary Conditions for Female Board Directors’ Influence on Firm Performance through CSR,” (with H. Buttner and T. Liu), *Journal of Business Research* (forthcoming).

JAY LI

“The Effects of Oil Supply Shocks on Industry Returns” (with D. Huang and K. Wu), *Journal of Commodity Markets* (forthcoming).

AYALEW LULSEGED

“Asymmetric Monitoring of Quarterly Financial Statements by Big 4 Auditors and the SEC’s Timely Review Requirement” (with C. Dee and T. Zhang), *Accounting Horizons* (forthcoming).

DAVID UPTON

“Business Tax Planning Issues for 2021” (with A. Curatola, J. Harden, and J. Rinier), *Journal of Financial Service Professionals* (November 2020).

“Retirement Income Planning Issues for 2021” (with A. Curatola, J. Harden, and J. Rinier), *Journal of Financial Service Professionals* (September 2020).

MENGMENG WANG

“Does Target Firm Insider Trading Signal the Target’s Synergy Potential in Mergers and Acquisitions?” (with I. Suk), *Journal of Financial Economics* (forthcoming).

EXTERNAL ACCOUNTING AND FINANCE ADVISORY BOARD MEMBERS

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April Wright, *HanesBrands*

DANIEL WINKLER

“Seller-Required Mortgage Preapprovals and the Homebuying Process” (with B. Gordon and C. Lipscomb), *Journal of Real Estate Research* (forthcoming).

“Selling Prices and Time on the Market of Houses Sold through Relocation Management Companies,” (with B. Gordon), *Journal of Housing Research* (forthcoming).

“Residential Property Overpricing: The Effect of Seller Motivation and Asset Heterogeneity” (with B. Gordon and C. Lipscomb), *Real Estate Finance* (December 2020).

“COVID-19 and Single Family Home Market: One City’s Experience” (with B. Gordon), *Real Estate Issues* (March 2021).



Dr. Dayong Huang
UNCG Finance Professor

“Expected Return, Volume, and Mispricing” forthcoming in the *Journal of Financial Economics*, UNCG finance professor Dayong Huang and coauthors Yufeng Han, Dashan Huang, and Guofu

TRADING VOLUME AND STOCK MARKET ANOMALIES

Stock market anomalies only exist among stocks with high trading volumes. Trading volume plays an important role for price discovery, risk sharing, and liquidity provision in the stock market. It affects stock returns as this inherently multi-faceted variable can be related to factors such as investor disagreement, volatility, liquidity, investor attention, and private information. In

Zhou document a novel volume amplification on mispricing. Specifically, they find that mispricing is concentrated among high volume stocks as expected return is related to trading volume positively among underpriced stocks but negatively among overpriced stocks.

The authors use a mispricing measure based on 11 accounting fundamentals and interact it with trading volume. They find that the Fama and French five-factor alpha of underpriced-minus-overpriced (UMO) portfolio is 0.26% among low volume stocks and 1.18% among high volume stocks, with the difference, dubbed the volume amplification effect, equal to 0.93% per month. The volume amplification effect is related to dispersion of beliefs as measured by dispersion of expected returns estimated by analysts, consistent with recent theoretical findings that emphasize how disagreement can amplify forecast bias.

BENEFITTING FROM PEERS’ BAD NEWS

In a recent study in the *Journal of Financial Economics*, UNCG accounting professor Gillian Lei and coauthors Sean Shun Cao and Vivian Fang uncover an emerging type of corporate disclosure, negative peer disclosure, or NPD, for short. In such disclosures, companies publicize adverse news of industry peers on social media to boost their prospects in a cunning and subtle fashion. Companies issuing NPDs are not explicitly criticizing their competitors but simply sharing fact-based news reports. For example, Dropbox, Box, and Globalscape compete in the online file storage space. In 2014, news broke of a Dropbox and Box security flaw that exposed their users’ private data. Globalscape responded by retweeting a news article with this headline: “Dropbox and Box Leak Files in Security Through Obscurity Nightmare.”

The NPDs were mostly disclosed by successful companies such as Nvidia, T-Mobile, Symantec, and others. Firms are more likely to issue NPDs against their rivals who use similar technologies. The NPDs act as an implicit form of self-disclosure to send a credible, positive signal to the market that they are not affected by their competitors’ negative news. In the case of Globalscape, the company could have been affected in two ways when the negative news came out about Dropbox and Box: on one hand, it could have been a positive news for Globalscape since it didn’t have any security breakdowns; at the same time, the market might have assumed Globalscape was subject to the same technology vulnerability. The NPD tweet posted by Globalscape was the equivalent to a self-disclosure of “what happened to Dropbox doesn’t apply to us.”



Dr. Gillian Lei
UNCG Accounting Professor

The research points out that the approach of NPD appears to work. Firms using NPDs receive positive market reactions and tend to outperform their non-NPD-using peers. That said, there are potential drawbacks and potential regulatory risks. The practice could backfire if a company issues an NPD only to later suffer from the same issues it posted about.

Insider Trading and Merger Synergies

Insider trading provides information to investors to help interpret and price corporate events. In a study forthcoming in the *Journal of Financial Economics*, UNCG accounting professor Mengmeng Wang and coauthor Inho Suk investigate whether a firm looking for a takeover target can use insider purchases at a target firm as a signal of the potential worthiness of the acquisition.

Under the presence of information asymmetry between corporate insiders and outsiders, observable insider trades act as an important information source. But it is not clear whether insider trading at a merger target can be used to infer the success of future acquisitions, because (1) target insiders are often uncertain about the bidder's synergy potential, and sometimes even lack knowledge of a potential acquisition; and (2) SEC rule Section 16b curbs target insiders' trading. Suppose in an acquisition, target firm insiders have some private information that can be used by the acquirer to infer the target's potential for generating acquisition benefits.

Notwithstanding the uncertain information and strict regulation, the authors predict that target insiders' pre-acquisition trades can be used by the acquirer as an information source in inferring the target's potential for generating acquisition gains and synergies.

The study examines this "signaling" or "informativeness" hypothesis and find that the insider top executives' pre-acquisition equity transactions help acquirers make more efficient acquisitions. Specifically, acquirer's stock returns at acquisition announcement, long-term future stock performance, operating income and sales, and deal synergies increase with target firm insiders' pre-acquisition net purchase ratios. Also, acquirers are willing to pay higher takeover premiums to targets with higher insider net purchase ratios. Overall, the findings suggest that target firm insider trading serves as a credible signal for acquisition outcomes and helps to reduce the "lemons problem" in the merger and acquisition market.



Dr. Mengmeng Wang
UNCG Accounting Professor

AMBROSE JONES RECEIVES BRYAN SENIOR FACULTY TEACHING AWARD



Dr. Ambrose Jones
UNCG Accounting Finance
Professor

There are many outstanding teachers in the Accounting and Finance Department, and several faculty members have been recent recipients of Bryan School teaching awards. Dr. Ambrose Jones is the latest award recipient in the department, as he was recognized with the Bryan School Senior Faculty Teaching Award in April 2021.

Dr. Jones teaches Intermediate Accounting II and Advanced Auditing. As noted in a 2019 article in the *Wall Street Journal*, this is his "second act" as he spent 33 years with a large accounting firm, and he draws on his wealth of experience as an accounting firm partner in his classes to illustrate how real-world practices differ from what is in textbooks. Even before the pandemic, he embraced technology to flip the classroom using videos and online conferencing tools. During the pandemic he taught in both synchronous and asynchronous formats to help meet students varied learning needs.

Kay Corbett, MS '20 credits Dr. Jones for encouraging her to pursue the MS degree which led to her current position as Senior Internal Auditor at Labcorp. "I couldn't have wished for a better mentor and caring professional as Dr. Jones" notes Corbett. Many students credit Dr. Jones for their success on the CPA Exam notes ACF department head Randy Elder.

His second act is drawing to a close, as Dr. Jones has entered phased retirement. "My favorite part is mentoring students with career and personal advice based on my own experiences" says Jones. Of his career in academia, he says "it has been a blast."

ACCOUNTING MASTERS STUDENTS HELP BUSINESSES IMPACTED BY COVID-19

When North Carolina's Small Business and Technology Development Center announced the availability of funding from donor pledges for the Piedmont Triad's Black- and Latinx-owned businesses impacted by COVID-19, it did not take long for the applications to come flooding in. "There were a lot. Hundreds," said Anthony Abney, former grant program chairman and now a business launch specialist for the center.

Abney says the center works with UNCG and other universities in the Triad region on numerous internship programs. He says for this particular effort, Bryan Master of Science in Accounting students were a perfect fit. MSA students Chris Causey and Madison Ferguson assisted with the decision process for the grants, evaluating applications and performing financial analysis.

After completing the interviewing and sorting through applications, \$229,000 was awarded to 21 Black- and Latinx-owned businesses. It was now time to award the grants, which was done over a Zoom call — but that didn't make it any less powerful of a moment, both for the 21 businesses as well as those who helped to make the project happen.

For Causey, it was nice to see the money going to those who needed it, the appreciation they showed, the pride of everyone on the call. She said it put the internship into context, that their work was bigger than just sorting through applications. "This was definitely a demonstration of what can happen when a community comes together and is unified and wants to get something done," said Abney. "This is the type of result that you get."

“ This was definitely a demonstration of what can happen when a community comes together and is unified and wants to get something done”

WE THANK OUR DONORS

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Gifts to the Accounting and Finance Enrichment Fund provide support beyond the regular operating budget to sustain program excellence. The fund supports course development, research activities, and alumni and employer outreach.

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