

ROBERT M. BOWEN
PricewaterhouseCoopers & Alumni Professor of Accounting
Foster School of Business
University of Washington

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EDUCATION

Stanford University	Accounting/Finance Ph.D., 1978	
Thesis:	<u>Valuation of Capitalized Interest on Construction Expenditures in the Electric Utility Industry, May 1978</u>	
Committee:	William Beaver (Chairman), Jim Patell, and Mark Wolfson	
Washington University (St. Louis, MO)	Accounting/Economics	M.B.A., 1971
Drury College (Springfield, MO)	Business Administration/Economics	A.B., 1968

TEACHING EXPERIENCE

Professor (9/90 - present)	University of Washington
Visiting Professor (Winter 2001)	INSEAD
Associate Professor (9/84 - 8/90)	University of Washington
Assistant Professor (9/78 - 8/84)	University of Washington
Acting Assistant Professor (9/76 - 6/78)	University of Santa Clara
Lecturer (9/74 - 6/76)	University of Santa Clara
Lecturer (Summer 1971)	Washington University, St. Louis

Courses Taught include:

- Financial Reporting & Analysis: Executive MBA
- Managerial Accounting: Executive MBA
- Financial/Managerial Accounting: Executive MBA
- Financial Accounting: MBA and undergraduate
- Managerial Accounting: MBA and undergraduate
- Financial Statement Analysis: MBA and undergraduate
- Doctoral Seminar in Financial Accounting
- Assorted short courses for UW Executive Programs

RESEARCH PUBLICATIONS

- "Financial Whistle-Blowing: Target Firm Characteristics and Economic Consequences" (with A. Call and S. Rajgopal). *The Accounting Review*, July 2010, pp. 1239-1271.
- "Analyst Coverage and the Cost of Raising Equity Capital: Evidence from the Underpricing of Seasoned Equity Offerings" (with X. Chen and Q. Cheng). *Contemporary Accounting Research*, Fall 2008, pp. 657-700.
- "Accounting Discretion, Corporate Governance and Firm Performance" (with S. Rajgopal and M. Venkatachalam). *Contemporary Accounting Research*, Summer 2008, pp. 351-405.
- "Emphasis on Pro Forma versus GAAP Earnings in Quarterly Press Releases: Determinants, SEC intervention, and Market Reactions" (with A. Davis and D. Matsumoto). *The Accounting Review*, October 2005, pp. 1011-1038.
- "Determinants of Revenue-Reporting Practices for Internet Firms" (with A. Davis and S. Rajgopal). *Contemporary Accounting Research*, Winter 2002, pp. 523-562.
- "Do Conference Calls affect Analysts' Forecasts?" (with A. Davis and D. Matsumoto). *The Accounting Review*, April 2002, pp. 285-316.
- "Evidence on EVA" (with G. Biddle and J. Wallace), *Journal of Applied Corporate Finance*, 1999, vol. 12, no. 7, Summer, pp 8-18. Also published in Corporate Governance at the Crossroads: A Book of Readings by D. Chew and S. Gillan, McGraw-Hill, 2004.
- "Economic Value Added: Some EVAidence" (with G. Biddle and J. Wallace), *Managerial Finance*, 1998, volume 24, no. 11, pp. 60-71.
- "Does EVA beat Earnings? Evidence on associations with stock returns and firm values" (with G. Biddle and J. Wallace), *Journal of Accounting and Economics*, December 1997, pp. 301-336.
- "Stakeholders' Implicit Claims and Accounting Method Choice" (with L. DuCharme and D. Shores), *Journal of Accounting and Economics*, December 1995, pp. 255-295.
- "Intra-industry Market Reactions to Failures of Publicly-Held Savings and Loans" (with W. Blacconiere), *Journal of Accounting, Auditing and Finance*, Fall 1993, pp. 369-397.
- "Determinants of the Timing of Quarterly Earnings Announcements" (with M. Johnson, T. Shevlin and D. Shores), *Journal of Accounting, Auditing and Finance*, Fall 1992, pp. 395-422.
- "Determinants of Regulatory Accounting Principles in the Savings and Loan Industry" (with W. Blacconiere, S. Sefcik and C. Stinson), *Journal of Accounting and Economics*, July 1991, pp. 167-201.
- "Informational Efficiency and the Information Content of Earnings during the Stock Market Crash of 1987" (with M. Johnson and T. Shevlin), *Journal of Accounting and Economics*, July 1989, pp. 225-254.
- "Tax Incentives and the Expensing of Indirect Manufacturing Costs in the Steel Industry" (with E. Noreen), *Accounting Horizons*, March 1989, pp. 29-42.
- "The Year-End LIFO Purchase Decision: The Case of Farmer Brothers Company" (with G. Pfeiffer), *The Accounting Review*, January 1989, pp. 152-171.
- "The Incremental Information Content of Accrual Versus Cash Flow Data," (with D. Burgstahler and L. Daley), *The Accounting Review*, October 1987, pp. 723-747.

RESEARCH PUBLICATIONS (continued)

- "Evidence on the Relationships Between Earnings and Various Measures of Cash Flow" (with D. Burgstahler and L. Daley), *The Accounting Review*, October 1986, pp. 713-725.
- "Intra-Industry Effects of the Accident at Three Mile Island" (with R. Castanias and L. Daley), *Journal of Financial and Quantitative Analysis*, March 1983, pp. 87-111.
- "Evidence on the Existence and Determinants of Inter-Industry Differences in Leverage" (with L. Daley and C. Huber, Jr.), *Financial Management*, Winter 1982, pp. 10-20.
- "Editorial and Publication Lags in the Accounting and Finance Literature" (with G. Sundem), *The Accounting Review*, October 1982, pp. 778-784.
- "Valuation of Earnings Components Resulting from Interperiod Tax Allocation" (with L. Daley) *Collected Abstracts of the American Accounting Association's Annual Meeting*, American Accounting Association, Sarasota, Florida, August 16-28, 1982, pp. 26-27.
- "Determinants of the Corporate Decision to Capitalize Interest" (with E. Noreen and J. Lacey), *Journal of Accounting and Economics*, Vol. 3, No. 3, October 1981, pp. 154-179.
- "Valuation of Earnings Components in the Electric Utility Industry," *The Accounting Review*, January 1981, pp. 1-22.

RESEARCH IN PROGRESS

- "Is Warren Buffett's commentary on accounting, governance and investing practices reflected in the investment decisions and subsequent influence of Berkshire Hathaway?" (with S. Rajgopal and M. Venkatachalam).
- "The Economic Consequences of Relaxing Fair Value Accounting and Impairment Rules on Banks during the Financial Crisis of 2008-2009" (with U. Khan)

PERMANENT WORKING PAPERS

- "Is the whole greater than the sum of its parts? Evidence of synergies in earnings versus EVA[®]" (with G. Biddle and J. Wallace).
- "Valuation of Earnings Components Resulting From Interperiod Tax Allocation" (with L. Daley).
- "A Model of the Economic Effects of Alternative Compensation Techniques for Capital Devoted to Construction by Rate Regulated Firms."
- "Determinants of Economic and Accounting Components of Residual Income: An Application to the Pharmaceutical Industry" (with D. Shores).
- "Economic and Industry Determinants of Accounting Method Choice" (with L. DuCharme and D. Shores).

SELECTED RESEARCH PRESENTATIONS

Conference on Financial Markets and the Corporation (1998), Vanderbilt University.
 Universities of British Columbia, Oregon and Washington Summer Accounting Research Workshop (1980, 1981, 1982, 1984, 1990).
 University of Southern California, School of Accounting Workshop (1984).
 Columbia University Graduate School of Business, Accounting Research Workshop (1981).
 MIT (Sloan School), Finance and Applied Economics Workshop (1982).
 Harvard Graduate School of Business, Department of Control Workshop (1982).
 American Accounting Association, Capital Market Research Session (1982).

TEACHING PUBLICATIONS

"Microsoft's Financial Reporting Strategy" (with D. Matsumoto), case 9-100-027, *Harvard Business School Publishing*, February 2000. An integrated, multi-disciplinary case featuring Microsoft's financial reporting strategies. Included in *Harvard Business School Publishing's* 'Premier Case Collection,' 2006-11.

"Microsoft's Financial Reporting Strategies: Teaching Note" (with D. Matsumoto), case 5-100-068, *Harvard Business School Publishing*, December 1999. Teaching note.

"Interior Systems, Inc." (with J. Wallace), *Issues in Accounting Education*, August 1999. An integrated, multi-disciplinary case illustrating the pros and cons of using EVA for performance measurement, capital budgeting and incentive compensation.

"Multi-Paints, Inc." (with N. Soderstrom and S. Sefcik), *Journal of Accounting Case Research*, 1996. An integrated, multi-disciplinary case featuring a complex capital budgeting decision in the context of uncertain environmental costs.

Financial Accounting: A Casebook (with G. Pfeiffer). Cases based on actual annual reports. Targeted toward introductory MBA and executive education markets, 1985, Prentice-Hall.

CASES IN FINANCIAL REPORTING (not included above)

General Motors Acceptance Corporation -- zero coupon bonds
 Grumman Corporation -- income taxes
 H. J. Heintz -- income taxes
 Melridge, Inc. -- comprehensive case
 Puget Sound Power and Light -- capitalized interest
 Chrysler Corporation -- short-term liquidity
 Iomega Corporation -- comprehensive case
 Rouse Company -- historical versus current market values
 Quaker Oats -- residual income and performance evaluation
 Southwest Airlines -- leases, income taxes
 General Electric -- inter company investments
 Egghead -- reconstructing financial transactions
 Walt Disney Company -- long-term bonds
 Coke vs. Pepsi (with P. Dukes and J. Kennedy) -- adjusting Coke's financial statement for 'aggressive' accounting decisions
 Microsoft's Stock and Savings Plans (with M. Hanlon) -- stock options

CASES IN FINANCIAL REPORTING (continued)

Seattle FilmWorks -- revenue recognition and capitalized marketing costs
 iVillage.com (with A. Davis) -- controversial accounting practices of internet companies
 Amazon.com (with A. Davis and J. Kennedy) -- financial statement analysis; internet accounting
 Drugstore.com (with J. Kennedy) -- financial statement analysis; cost structure; management's choice of accounting policies
 ExxonMobil: the Politics of Profit (with J. Kennedy) -- financial statement analysis; inventory valuation; management's choice of accounting policies
 Apple's iPhone Revenue Recognition Strategy (with J. Kennedy) -- revenue recognition; forecasting; management's choice of accounting policies
 WaMu's Option-ARM Strategy (with J. Kennedy) -- evaluating the bank before its 2008 implosion – does financial reporting reveal the problems?
 Implications of IFRS for the U.S. Timber Industry: Plum Creek Timber and Brookfield Timberlands (with J. Kennedy) -- fair value vs. historical cost and the value of standing timber
 iRobot's Intellectual Property (with J. Kennedy) -- accounting for research and development costs
 Accounting for Toyota's Recalls (with J. Kennedy) -- how should management report the potential financial implications of a massive product recall?
 Starbucks – intro to equity valuation
 Groupon (with J. Kennedy) – non-financial performance metrics, break-even analysis, revenue recognition

CASES IN MANAGERIAL ACCOUNTING (not included in publications above)

Apple Computer: 1985 -- operating leverage; cost, volume, profit analysis
 Apple Computer: 1984-2002 -- estimating cost behavior
 Puget Sound Printing (B) -- pricing decisions with excess capacity
 Standards, Incentives, and Compensation Schemes for college Textbook Salespersons
 Using the Accounting Systems as an Aid in Establishing a Merit Raise Pool
 What's the Cost of an MBA? (with Glenn Pfeiffer) -- identifying relevant costs
 Pentagon Spare Parts -- cost allocation as a cause for high prices
 Genzyme, Inc. -- cost, pricing and public policy issues surrounding "orphan drug" sales
 WTM, Inc. -- CVP with multiple products and constraints; intro to linear programming
 Ajax Caulking -- theory of constraints
 NorthWest Medical Equipment -- accounting based performance measures and decisions
 Mismanagement in Higher Education? -- dropping Schools and Departments at UW
 Metalfab, Inc (with J. Jiambalvo) -- lost profit estimates and outsourcing decisions
 Microsoft's 'Red-ink' Xbox -- modeling the profitability of a project
 Robot Technologies (A) and (B) (with L. Tanlu) -- incremental analysis and cash budgeting in a financial crisis

BOOK REVIEWS

Review of: Financial Statement Analysis by Charles H. Gibson and Patricia A. Boyer, *The Accounting Review*, January 1980, pp. 211-212.
 Review of: Financial Statement: Form, Analysis, and Interpretation by Stewart Y. McMullen, *The Accounting Review*, January 1980, pp. 219-220.

Ph.D. THESIS ADVISOR FOR:

Lane A. Daley, Initial placement: University of Minnesota (deceased August 1998)
Topic: The Valuation of Reported Pension Measures for Firms Sponsoring Defined Benefit Plans
Completed: March 1982

Walt Blacconiere, Initial placement: University of Southern California; Associate Professor of Accounting, Indiana University (deceased March 2007)
Topic: Accounting Regulations in the Savings and Loan Industry: Evidence of Market Reactions and Implications of Contracting Theory
Completed: May 1988

Marilyn Johnson, Initial placement: University of Michigan; currently Associate Professor of Accounting, Michigan State University
Topic: Business Cycles and the Relation between Security Returns and Earnings
Completed: March 1992

Alastair Murdoch, Initial placement: University of Saskatchewan; currently works in practice
Topic: Dividends and Earnings: Their Effect on Firm Value
Completed: September 1992

Tom Porter, Initial placement: Boston University
Topic: Determinants of Accounting Decisions: Evidence from the U.S. Airline Industry
Completed: December 1992

Jim Wallace, Initial placement: UC – Irvine; currently Claremont Colleges - Peter F. Drucker Graduate School of Management
Topic: Adopting Residual Income-Based Compensation Plans: Evidence of Effects on Management Actions
Completed: June 1996

Dawn Matsumoto, Initial placement: Harvard Business School; currently Associate Professor of Accounting, University of Washington
Topic: Management's Incentives to Influence Analysts' Forecasts; paper based on her thesis won the AAA Competitive Manuscript award, 1999.
Completed: June 1998

Laurel Franzen, Initial placement: University of Texas at Dallas; currently Loyola-Marymount
Topic: The Nature of Losses and the Value Relevance of Earnings and Book Values
Completed: August 2000

Angela Davis, Initial placement: Washington University in St. Louis; currently Associate Professor, University of Oregon
Topic: Valuation of Revenues and Earnings for Internet firms: Does Grossed-up or Barter Sales Make a Difference?
Completed: September 2001

HONORS and AWARDS at UW (1978 on)*General* (Research and Teaching):

- Foster School All Star, 2010-11
- Ron Crocket Award for Academic Excellence, 2010
- PricewaterhouseCoopers & Alumni Professorship in Accounting, 2006 - current
- Herbert O. Whitten Professorship in Accounting, 1997-2006
- John B. and Delores L. Fery Endowed Faculty Fellowship, 1992-1995
- Seafirst Faculty Excellence Award, 1990
- First Interstate Faculty Award, 1987
- Runner-up, Bank of America Faculty Excellence Award, 1982

Teaching:

- Excellence in Teaching Award from the “Regional” sections of the Executive MBA classes graduating in June: 1987 (first EMBA class taught), 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2010 and 2011. (24 years out of 25 opportunities)
- Excellence in Teaching Award from the “North America” sections of the Executive MBA classes graduating in June: 2000 (inaugural class), 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2010 and 2011. (11 years out of 12 opportunities)
- Charles E. Summer Outstanding Teaching Award, 2010 (A vote of graduate students at the Foster School)
- Lex Gamble (Dean’s) Award for Best Teaching Case – "WaMu’s Option ARM Strategy," 2009
- Dean’s Award for Best Teaching Case – "Exxon Mobil: the politics of profits," 2007
- Dean’s Award for Best Teaching Case – "Microsoft’s ‘Red-Ink’ Xbox," 2006
- Case, “Microsoft’s Financial Reporting Strategy” (with Dawn Matsumoto) included in Harvard Business School Publication’s "Premier Case Collection," 2006-2009
- William A. & Helen I. Fowler Award for Special Achievement, 2005
- Best Teaching Award for core classes, graduating class of December 2001, INSEAD
- Outstanding Ph.D. Mentor Award, 1998
- Excellence in Teaching Award from Management Program class of 1991
- Burlington Northern Distinguished Teaching Award, 1984
- Professor of the Quarter (election based on per capita vote of the M.B.A. students); first place (Fall 1986, Winter 1983, Winter 1979); second place (Winter 1990, Winter 1985, Winter 1981); third place (Fall 1980, Fall 1982)
- Nominated, University of Washington Distinguished Teaching Award (multiple years)

Research:

- Glen McLaughlin Research Prize for Research in Accounting Ethics for "Financial Whistle-Blowing: Target Firm Characteristics and Economic Consequences" (with A. Call and S. Rajgopal) May 2008. Awarded annually by the Univ. of Oklahoma Price College of Business.
- Best Paper Award, American Accounting Association, Accounting and Financial Reporting Section, 1999, for "Does EVA® beat Earnings? Evidence on Associations with Stock Returns and Firm Values"

- University of Washington Business School Dean's Research Award, 1999
- American Accounting Association Competitive Manuscript Award, 1979, for "Valuation of Earnings Components in the Electric Utility Industry"

Service:

- US West Andrew V. Smith Faculty Development Award for Service to the School, 1993

CITATIONS

Paper citations:

"Evidence on EVA*" (with G. Biddle and J. Wallace), *Journal of Applied Corporate Finance*, 1999, vol. 12, no. 7, Summer. http://papers.ssrn.com/paper.taf?ABSTRACT_ID=178168 With almost 13,000 downloads, it is currently no. 10 (no. 51) among "All time downloads" on the Accounting Research Network (Social Sciences Research Network, SSRN); see <http://papers.ssrn.com/sol3/topTen/topTenResults.cfm?groupingtype=2&groupingId=204>

"Does EVA* beat Earnings? Evidence on associations with stock returns and firm values" (with G. Biddle and J. Wallace), *Journal of Accounting and Economics*, December 1997.

- Featured in side-bar (p. 44) in Metric Wars article in *CFO*, October 1996, pp. 41-50.
- Letter to editor in *CFO*, January 1997, p. 7.
- Cited in *The Wall Street Journal*, Executive Pay supplement, April 10, 1997, p. R10.

"Determinants of the Corporate Decision to Capitalize Interest" (with E. Noreen and J. Lacey), *Journal of Accounting and Economics*, Vol. 3, No. 3, October 1981, pp. 154-179.

Ranked among the "classics" of the accounting literature as the twenty-first most cited article according to "Influential accounting articles, individuals, Ph.D. granting institutions and faculties: A citational analysis" by L. Brown, *Accounting, Organizations and Society*, 1996, pp. 723-754.

Author citations and downloads:

Google Scholar lists over 2100 citations as of October 2010.

Listed among top 200 in "all-time total downloads" out of over 160,000 authors on ssrn.com (89th among Business authors; 18th among Business authors in downloads *per paper*); see http://www.ssrn.com/institutes/top_authors_transfer_files/top_authors_transfer_files.html.

Listed among "Top 42" (tied for 21st) individuals in acknowledgments in articles published in the "top 3" accounting journals (JAE, JAR & TAR). See table 6 in "The Importance of Circulating and Presenting Manuscripts: Evidence from the Accounting Literature" by L.D. Brown, *The Accounting Review*, January 2005, p. 70. See <http://ssrn.com/abstract=480190>

Listed among 123 individuals in Accounting with a high career "citation index" (ibid.)

OTHER PROFESSIONAL EXPERIENCE

Reviewer for: *Accounting Horizons*; *The Accounting Review* (Editorial Board, 2000-2004); *Journal of Accounting and Economics*; *Journal of Accounting Research*; *Journal of Financial Economics*; *Journal of Financial and Quantitative Analysis*; *Contemporary Accounting Research*; *Financial Management*.

Executive teaching for: UW FANE Program (2004-2011); UW-UH FANE Program (2009); Bank of Hawaii (2009); UW WRECO program (2005-2008); Children's Healthcare System (2005); Wizards of the Coast (1997); UW Management Program (1985-1993); Pacific Coast Banking School (1983-88); Seattle First National Bank (1983-1988); Wells Fargo Bank (1979-1981); Price Waterhouse (1979).

Consulting with: Consumer Credit Counseling Service of Seattle (1994, 1996, 1997); Group Health Credit Union (1995); Boeing Employees Credit Union (1995); Seafirst Dealer Banking Group (1994).

Community Service: Downtown Seattle Residents Council (2001-2002); Committee for Children (1988-1997); Montlake Community Club, Board of Directors (1981-1984); Montlake Community Club, Treasurer (1980-1981).

School and Department Service: Chair, Foster School Information Technology Policy Committee (2005-current); Member, Paccar A-V Committee (2009); Chair, Foster School Professorship Committee (2008), Member, Paccar Classroom Committee (2007-2008); Co-editor, Accounting Department Newsletter (2005-2007); Member, Professorship Review Committee (2006-current); Chair, John Narver Endowed Professorship Search Committee (2002-2005); Member, EMBA Curriculum Review Committee (2004-2005); Member, WebCT review committee (Fall 2004); Member, IT Steering Committee (2003); Chair, Business School Faculty Council (2002-2003); Member, School of Business Faculty Council (2009-2011; 2001-2003; 1990-1992; 1982-84; substitute: 2007, 2004-2005); Chair, Lane A. Daley Faculty Fellowship Committee (1998-2002); Chair, Department Recruiting (1999-2000); BACS Director Search Committee (1999); Vice-chair, Capital and Space Planning Committee (1995-98); Faculty Incentives Review Committee (1996); Research and Travel Committee (1992-93, Chair 1996-98); Chair, New Facilities Committee (1990-95); Prepared School's Master Plan for Facilities (1994) and Capital Budget (1993-1994); Ad hoc committee to review EMBA expansion and develop curricula (1995-97); EMBA Admissions Committee (1988-98); Vice-chair, Facilities Planning Committee (1990); Computer Policy Committee, member (1993-1996), Chair (1990-91); Chair, Finance Department Chair Search Committee (1990); Accounting Department Chair Search Committee (1986-1988); MBA Program Committee (1984-87, Chair 1985-87); MBA Core Review Committee (1984-85); other ad hoc committees.

University Service: Member, Faculty Council on Benefits and Retirement (2008-current); Chair, Faculty Council on Benefits and Retirement (2006-2008); Member, Faculty Senate Executive committee (2006-2008); Member, Provost's Special Childhood Advisory Committee (2007); Member, Committee to review the Business programs at UW Bothell (2006-07); Member, Special Committee on Council/Committee Restructure (2005-06); Academic Assessment Committee overseeing proposed University contract with the State of Washington (2004); UW Extension Advisory Board for the Certificate Program in Management in the Technology Sector (2004-05); Committee on the Annual Faculty Lectureship (2003-2004); UW Faculty Senate Committee on Planning and Budgeting (1999-2003); Vice-chair, B.A. Site Programming Committee (1990-91); UW Faculty Senate (1988-1990).

Administration: Faculty Director, Executive MBA Program (1988-1989); Faculty Coordinator, Management Program (1988-1997)