

Meng Li

PhD Program Office, Booth School of Business, The University of Chicago
5807 Woodlawn Ave. Chicago IL 60637
Phone: (773) 791-4718; Email: mli5@chicagobooth.edu

EDUCATION

The Booth School of Business, University of Chicago	Chicago, IL
PhD in Accounting and MBA	2012, Expected
The Ohio State University	Columbus, OH
M.A. in Economics	2007
Tsinghua University	Beijing, China
B.A. in Economics, Major in Finance	2005

RESEARCH INTEREST

Disciplinary role of accounting; Corporate Governance; Executive Compensation; Managerial Incentives; Agency problem; Earnings management; Firm organizational structure.

WORKING PAPERS

“Moral Hazard and Internal Discipline: Theory and Evidence” (*Job Market Paper*)

Abstract: I model managerial diversion in the presence of an agency problem between a manager and her subordinate. I show that the subordinate's incentive pay serves as an internal disciplinary mechanism to curb the manager's diversion of firm resources. I demonstrate that this mechanism is more effective as the diversion becomes more observable to the subordinate. Furthermore, I show that the sensitivity of the manager's diversion to observability increases (i) as the agency problem between the manager and her subordinate intensifies and (ii) as other corporate governance mechanisms weaken. Using a series of tests, I find empirical results that are largely consistent with my theoretical predictions. Specifically, I find that my three proxies for top management diversion--CEO excess compensation, CEO perquisite consumption, and the market reaction to acquisition announcements--are associated with my observability proxies in a way that is consistent with my theoretical predictions.

“Is Japan Really a ‘Buy’? The Corporate Governance, Cash Holdings, and Economic Performance of Japanese Companies” (*with Kazuo Kato and Douglas Skinner*)

Abstract: Over the past ten years there has been much discussion about whether corporate governance in Japan has improved and, if so, whether this has translated into improved corporate performance. We investigate whether observed changes in Japanese firms' cash holdings and payout policy are consistent with improved governance practices. To do this, we benchmark Japanese firms against U.S. firms. We find mixed evidence on whether Japanese governance has improved overall, in that the cash holdings of Japanese firms are still systematically higher than those of U.S. firms. However, we also find that for Japanese firms there is an inverse relation between changes in (excess) cash holdings and changes in performance, consistent with improvements in governance being associated with improved performance. Further, we find that the market valuation of cash holdings was systematically lower for Japanese firms than U.S. firms in the 1990s, consistent with poorer governance, but that this difference largely reverses in the 2000s. Overall, our evidence suggests that governance practices in Japan have improved for some firms, and that when governance does improve it is associated with improvements in performance and valuation.

WORK IN PROGRESS

“Internal Control Weakness and Market Reaction to the Dodd-Frank Act” (*with Abbie Smith*)

TEACHING INTEREST

Financial Accounting; Financial Statement Analysis; Managerial Accounting

TEACHING EXPERIENCE

Financial Accounting

Recitation Leader for Professor Keith Bockus, Booth School of Business 2008

Principles of Microeconomics

Recitation Leader for Professor Lucia Dunn, Department of Economics, OSU 2006

Accounting and Financial Analysis I

Teaching assistant for Professor Philip Berger 2009-2010

Teaching assistant for Professor Douglas Skinner 2008

Financial Statement Analysis

Teaching assistant for Professor Ellen Engel 2010-2011

Teaching assistant for Professor Abbie Smith 2009-2010

Teaching assistant for Professor Michael Minnis 2011

HONORS AND AWARDS

Chicago Booth School of Business Fellowship 2007-2012

Lake Tahoe Doctoral Consortium Fellow 2011

Chicago Booth School of Business Summer Research Grant 2008

The Ohio State University Graduate Student Scholarship 2005-2007

Tsinghua University Academic Excellence Award 2002-2004

CONFERENCE PARTICIPATION (by invitation or nomination)

Journal of Accounting Research Conference 2008-2011

Journal of Economics and Accounting Conference 2011

Chicago-Minnesota Theory Conference 2009-2011

AAA FARS Doctoral Consortium and Midyear Meeting 2010

University of North Carolina Tax Doctoral Seminar 2010

American Accounting Association Annual Meeting 2007

SELECTED MBA COURSES TAKEN

Financial Accounting, Accounting and Financial Analysis I, Financial Statement Analysis, Managerial Accounting, Corporate Governance

REFERENCES

Haresh Sapra (Dissertation Committee Co-Chair)

Professor of Accounting

University of Chicago, Booth School of Business

5807 South Woodlawn Avenue

Chicago, IL 60637

haresh.sapra@chicagobooth.edu

Phone: (773) 834-1585

Douglas J. Skinner (Dissertation Committee Co-Chair)

John P. and Lillian A. Gould Professor of Accounting

University of Chicago, Booth School of Business

5807 South Woodlawn Avenue

Chicago, IL 60637

douglas.skinner@chicagobooth.edu

Phone: (773) 702-7137

Milton Harris

Chicago Board of Trade Professor of Finance and Economics

University of Chicago, Booth School of Business

5807 South Woodlawn Avenue

Chicago, IL 60637

milton.harris@chicagobooth.edu

Phone: (773) 702-2549

Abbie Smith

Boris and Irene Stern Distinguished Service Professor of Accounting

University of Chicago, Booth School of Business

5807 South Woodlawn Avenue

Chicago, IL 60637

abbie.smith@chicagobooth.edu

Phone: (773) 702-7295

Please contact Gen Hensley (Genevieve.Hensley@chicagobooth.edu) for written references.