

JERE R. FRANCIS
KPMG Distinguished Research Professor
University of Missouri-Columbia

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QUALIFICATIONS

- Doctor of Economics, University of New England, Australia, 1994, awarded by examination for post-doctoral research on *The Economics of Auditing and Financial Reporting*
- Ph.D., Accounting, Faculty of Economic Studies, University of New England, Australia, 1982
- M.S., Accounting, University of Minnesota, 1973
- B.S., Accounting and Economics, Drake University, 1971
- Certified Public Accountant (CPA), State of Minnesota, 1976 (Inactive License)
- *Who's Who in Business Higher Education* (Academic Keys, 2003)

TEACHING INTERESTS: Financial Statement Analysis; Financial Accounting; Auditing

RESEARCH INTERESTS: The Economics of Auditing, Corporate Governance, International Accounting

PROFESSIONAL POSITIONS

Honorary Professorial Fellow, University of Melbourne, 2004-2006.
KPMG Distinguished Research Professor, University of Missouri-Columbia, 1994-present.
Visiting Professor, University of Sydney, January-June 1997.
Professor, University of Iowa, 1993-94; Associate Professor, 1987-93; Assistant Professor, 1985-87.
Visiting Professor, University of Queensland, January-June 1990.
Assistant Professor, School of Accountancy, University of Missouri-Columbia, 1983-85.
Assistant Professor, College of Business Administration, Drake University, 1980-83.
Lecturer, Faculty of Economic Studies, University of New England (Australia), 1977-80.
Staff Accountant, Haskins and Sells (Certified Public Accountants), Minneapolis, 1975-76.
Lecturer, School of Business Studies, Deakin University (Australia), 1973-74.
Teaching Assistant, School of Business Administration, University of Minnesota, 1972.

EDITORIAL BOARDS

Associate Editor: Journal of Accounting and Economics (1994-2003); Auditing: A Journal of Practice and Theory (2004-05); **Current Board Memberships:** The Accounting Review (1986-89, 1996-present); Accounting Organizations and Society (1993-present); Auditing: A Journal of Practice and Theory (1989-present); Abacus (1988-present); International Journal of Accounting (2003-present); Asia-Pacific Journal of Accounting and Economics (1999- present); Australian Accounting Review (1999-present); Pacific Accounting Review (1995-present). **Previous Board Memberships:** Journal of Accounting and Public Policy (1989-95); Accounting and Finance (1998-2002); Information and Organization (1992-2000, formerly titled Accounting Management and Information Technologies).

SERVICE TO THE AMERICAN ACCOUNTING ASSOCIATION (AAA):

Member, AAA National Council (1991-92)
President (1991-92) and President-Elect (1990-91) of Public Interest Section
AAA Competitive Manuscript Committee (1992-93 and 1993-94)
SEC Liaison Committee (1996-97 and 1997-98)
Outstanding Auditing Dissertation Committee (1997-98 and 1998-99)
Screening Committee for AAA Notable Contribution to Accounting Literature Award (1999-2000)
Nominating Committee for Editor of *Auditing: A Journal of Practice and Theory* (2000-01)
Nominating Committee for AAA Outstanding Educator Award (2001-02)
Nominating Committee for AAA Wildman Medal Award (2003-04)
Chair, Nominating Committee for AAA Outstanding Educator Award (2004-05)

CURRENT WORKING PAPERS/PROJECTS

- Disclosure of Fees Paid to Auditors and the Market Valuation of Earnings Surprises (with B. Ke)
- The Effect of National and City-Specific Auditor Reputation for Industry Expertise on the Quality of Accounting Earnings (with D. Wang).
- Impact of the SEC's Public Fee Disclosure Requirement on Subsequent Period Fees and Implications for Market Efficiency (with D. Wang)
- Audit Pricing in the United Kingdom: Tests of Big 4 Audit Fee Premia for Brand Name, Industry Leadership and City Leadership (with I. Basioudis)
- Do Large Accounting Firms Screen Out Risky Clients? (with J.K. Reynolds)
- Investor Protection, Auditor Conservatism and Earnings Quality: Are Big 4 Auditors Conservative only in the United States? (with D. Wang)
- Global Evidence on Incentives for Voluntary Accounting Disclosures and the Effect on Cost of Capital (with I. Khurana and R. Pereira)

PUBLIC LECTURES AND OTHER INVITED PRESENTATIONS

- Doctoral Symposium, mid-year meeting of the Auditing Section of the American Accounting Association (New Orleans, January 2005).
- Plenary Speaker, China Accounting and Finance Research Symposium, Hong Kong (June 2004)
- Plenary Speaker, British Accounting Association Annual Conference, York University (April 2004)
- CPA Distinguished Lecture, CPA Society of Australia and University of Melbourne (June 2003)
- Doctoral Symposium, mid-year meeting of the Auditing Section of the American Accounting Association (Huntington Beach, January 2003)
- Invited Plenary Speaker for the Session "In the Wake of Enron: Accounting Regulation, Government, Corporate Governance and Ethical Issues," European Accounting Association Annual Congress (Copenhagen, April 2002)
- Invited Lecture on U.S. Developments in Assurance, Consulting, & Regulation presented at the conference "The Future of Audit, Assurance and the Accounting Profession," Copenhagen Business School (June 2001)
- Doctoral Seminar on Audit Research, European Doctoral Education Network (EDEN), European Institute for Advanced Studies in Management (Brussels, October 2000).
- Invited Panelist on Economics-Based Auditing Research: Analytical, Experimental and Archival Approaches (with Rick Antle and Ron King), mid-year meeting of the Auditing Section of American Accounting Association (Newport Beach, January 2000).
- Doctoral Seminar on Audit Research, European Doctoral Education Network (EDEN), European Institute for Advanced Studies in Management (University of Maastricht, October 1994).
- Ernst & Young Distinguished Research Lecture, Sydney, Australia (July 1989)

VISITING PROFESSOR-IN-RESIDENCE

University of Paris Dauphine IX (March 2004); Aston Business School (Birmingham, England, October 2003); Hong Kong Polytechnic University (September-October 2003); City University of Hong Kong (April-May 2003); University of Queensland (May 2002; January-June 1990); University of Technology, Sydney (June 2002; July-August 1998); University of Sydney, Australia (January-June 1997; May-June 1993); Strathclyde University (Scotland, July 1995); Maastricht Universiteit (Holland, October 1994); University of Melbourne, Australia (June 2003; July 1992); Macquarie University (Australia, July-August 1989); University of New England, Australia (June-August 1988); University of Manchester (England, May 1988).

PUBLISHED BOOKS AND MONOGRAPHS

A Conceptual Framework for Enhancing the Independence and Objectivity of Internal Auditors (Institute of Internal Auditors, 2001). Member of the Task Force of the Auditing Section of the American Accounting Association that wrote the monograph.

Accounting Theory: A Conceptual and Institutional Approach (South-Western Publishing Company, 1st edition 1984; 2nd edition 1989; 3rd edition 1992), with M. Tearney and H. Wolk.

MAJOR REFEREED PUBLICATIONS

- Francis, J., K. Reichelt and D. Wang, "The Pricing of National and City-Specific Reputations for Industry Expertise in the U.S. Audit Market," *The Accounting Review* (forthcoming).
- Reynolds, J.K., D. Deis and J. Francis, "Professional Service Fees and Auditor Objectivity," *Auditing: A Journal of Practice and Theory* (Spring 2004), Vol. 23, No. 1, pp. 29-52.
- Casterella, J., J. Francis, B. Lewis, and P. Walker, "Auditor Industry Specialization, Client Bargaining Power, and Audit Pricing," *Auditing: A Journal of Practice and Theory* (Spring 2004), Vol. 23, No. 1, pp. 123-140.
- Ferguson, A., J. Francis, and D. Stokes, "The Effects of Firm-Wide and Office-Level Industry Expertise on Audit Pricing," *The Accounting Review* (April 2003), Vol. 78, No. 2, pp. 429-448.
- Francis, J., I. Khurana, and R. Pereira, "The Role of Accounting and Auditing in Corporate Governance and the Development of Financial Markets Around the World," *Asia-Pacific Journal of Accounting and Economics* (2003), Vol. 10, No. 1, pp. 1-30.
- Francis, J., and J. Krishnan, "Evidence on Accounting Firm Risk-Management Strategies Before and After *The Private Securities Litigation Reform Act of 1995*," *Asia-Pacific Journal of Accounting and Economics* (December 2002), Vol. 9, No. 2, pp. 135-157.
- Reynolds, J.K. and J. Francis, "Does Size Matter? The Influence of Large Clients on Office-Level Auditor Reporting Decisions," *Journal of Accounting and Economics* (December 2000), Vol. 30, No. 3, pp. 375-400.
- DeFond, M., J. Francis and T.J. Wong, "Auditor Industry Specialization and Market Segmentation: Evidence from Hong Kong," *Auditing: A Journal of Practice & Theory* (Spring 2000), Vol. 19 No.1, pp. 49-66.
- Francis, J., E. Maydew and H.C. Sparks, "The Role of Big 6 Auditors in the Credible Reporting of Accruals," *Auditing: A Journal of Practice and Theory* (Fall 1999), Vol. 18 No.2, pp. 17-34.
- Francis, J. and A. Craswell, "Pricing Initial Audit Engagements: A Test of Competing Theories," *The Accounting Review* (April 1999), Vol. 74, No. 2, pp. 201-216.
- Francis, J. and J. Krishnan, "Accounting Accruals and Auditor Reporting Conservatism," *Contemporary Accounting Research* (Spring 1999), Vol. 16, No. 1, pp. 135-165.
- Francis, J., D. Stokes and D. Anderson, "City Markets as a Unit of Analysis in Audit Research and the Re-examination of Big 6 Market Shares," *Abacus* (June 1999), Vol. 35, No. 2, pp. 185-206.
- Francis, J. and R. Grimlund, "A Model of Errors and Irregularities as a General Framework for Risk-Based Audit Planning," in *Auditing Symposium XIII: Deloitte & Touche/University of Kansas Symposium on Auditing Problems* (University of Kansas, 1996), pp. 135-153.
- Craswell, A., J. Francis, and S. Taylor, "Auditor Brand Name Reputations and Industry Specializations," *Journal of Accounting and Economics* (December 1995), Vol. 20, No. 3, pp. 297-322.
- Bandyopadhyay, S. and J. Francis, "The Economic Effect of Different Levels of Auditor Assurance on Bankers' Lending Decisions," *Canadian Journal of Administrative Sciences* (Fall 1995), Vol. 12, No.3, 238-249.
- Francis, J., "Auditing, Hermeneutics, and Subjectivity," *Accounting, Organizations and Society* (1994), Vol. 19, No. 3, pp. 235-269.

- Anderson, D., J. Francis and D. Stokes, "Auditing, Directorships and the Demand for Monitoring," *Journal of Accounting and Public Policy* (1993), Vol. 12, No. 4, pp. 353-375.
- Arrington, C.E. and J. Francis, "Giving Economic Accounts: Accounting as a Cultural Practice," *Accounting, Organizations and Society* (1993), Vol. 18, Nos. 2/3, pp. 107-124.
- Francis, J., W. Andrews and D. Simon, "Voluntary Peer Reviews, Audit Quality, and Proposals for Mandatory Peer Reviews," *Journal of Accounting, Auditing and Finance* (1990), Vol. 5, No. 3, pp. 369-378.
- Francis, J., "After Virtue? Accounting as a Moral and Discursive Practice," *Accounting, Auditing and Accountability Journal* (1990), Vol. 3, No. 3, pp. 5-17.
- Francis, J., "The Credibility and Legitimation of Science: A Loss of Faith in the Scientific Narrative," *Accountability in Research: Policies and Quality Assurance* (1989), Vol. 1, No. 1, pp. 5-22.
- Arrington, C. E. and J. Francis, "Letting the Chat Out of the Bag: Deconstruction, Privilege and Accounting Research," *Accounting, Organizations and Society* (1989), Vol. 14, Nos. 1/2, pp. 1-28.
- Francis, J. and E. Wilson, "Auditor Changes: A Joint Test of Theories Relating to Agency Costs and Auditor Differentiation," *The Accounting Review* (October 1988), Vol. 63, No. 4, pp. 663-682.
- Simon, D. and J. Francis, "The Effects of Auditor Changes on Audit Fees: Tests of Price Cutting and Price Recovery," *The Accounting Review* (April 1988), Vol. 63, No. 2, pp. 255-269.
- Francis, J. and S. Reiter, "Determinants of Corporate Pension Funding Strategies," *Journal of Accounting and Economics*, (March 1987), Vol. 9, No. 1, pp. 35-59.
- Francis, J., "Lobbying Against Proposed Accounting Standards: The Case of Employers' Pension Accounting," *Journal of Accounting and Public Policy* (Spring 1987), Vol. 6, No. 1, pp. 33-57.
- Francis, J. and D. Simon, "A Test of Audit Pricing in the Small-Client Segment of the U.S. Audit Market," *The Accounting Review* (January 1987), Vol. 62, No. 1, pp. 145-157.
- Francis, J. and D. Stokes, "Audit Prices, Product Differentiation and Scale Economies: Further Evidence from the Australian Market," *Journal of Accounting Research* (Autumn 1986), pp. 383-393.
- Francis, J., "Debt Reporting by Parent Companies: Parent-Only Versus Consolidated Statements," *Journal of Business Finance and Accounting* (Autumn 1986), Vol. 13, No. 3, pp. 393-403.
- Francis, J., "The Effect of Audit Firm Size on Audit Prices: A Study of the Australian Market," *Journal of Accounting and Economics* (August 1984), Vol. 6, No. 2, pp. 133-151.
- Pound, G. and J. Francis, "The Accounting Services Market: Theory and Evidence," *Journal of Business Finance and Accounting* (Autumn 1981), Vol. 8, No. 3, pp. 352-371.
- Francis, J. and B. Pollard, "An Investigation of Nonaudit Fees in Australia," *Abacus* (December 1979), Vol. 15, No. 2, pp. 136-144.
- Francis, J., "Asset Size Distribution: Some Research Implications," *Accounting and Business Research* (Winter 1979), Vol. 10, No. 44, pp. 54-58.
- Francis, J., "A Profile of Accounting Firms and Their Public Company Clients," *The Australian Accountant* (November 1978), Vol. 49, No. 11, pp. 637-641.

Gibson, R. and J. Francis, "Accounting for Goodwill in Australia," *Abacus* (December 1975), Vol. 11, No. 2, pp. 167-171.

RECENT CONFERENCE PRESENTATIONS

The Pricing of National and City-Specific Reputations for Industry Expertise in the U.S. Audit Market (with K. Reichelt and D. Wang), to be presented at American Accounting Association Annual Meeting (Orlando, August 2004).

Discussant's comments on the paper "Monitoring the Auditors: Evidence on the Self-regulated Peer Review Program" by Gilles Hilary and Clive Lennox, presented at the University of Kansas/Deloitte Touche Audit Symposium (April 30-May 1 2004).

Audit Pricing in the United Kingdom: Tests of Big 4 Audit Fee Premia for Brand Name, Industry Leadership and City Leadership (with I. Basioudis), presented at British Accounting Association Annual Conference (York, England, April 2004).

Audit Pricing in the United Kingdom: Tests of Big 4 Audit Fee Premia for Brand Name, Industry Leadership and City Leadership (with I. Basioudis), presented at presented at European Accounting Association Annual Congress (Prague, Czech Republic, April 2004).

Cross-Country Differences in National Accounting Standards, Endogeneity of Legal Systems, and Financial Market Development (with I. Khurana and R. Pereira), presented at European Accounting Association Annual Congress (Prague, Czech Republic, April 2004).

Audit Pricing in the United Kingdom: Tests of Big 4 Audit Fee Premia for Brand Name, Industry Leadership and City Leadership (with I. Basioudis), presented at the National Auditing Conference of the Auditing Special Interest Group of the British Accounting Association (Southampton, England, March 2004).

Impact of the SEC's Public Fee Disclosure Requirement on Subsequent Period Fees and Implications for Market Efficiency (with D. Wang), presented at the mid-year meeting of the Auditing Section, American Accounting Association (Clearwater, January 2004).

Investor Protection and Auditor Conservatism: Are Big 4 Auditors Conservative only in the United States? (with D. Wang), presented at the second European Auditing Research Network Symposium (Manchester, England, October 31-November 1, 2003).

The Effect of Legal Environment on Big Five Auditor Conservatism Around the World (with D. Wang and A. Nikitkov), presented at American Accounting Association Annual Meeting (Honolulu, August 2003).

Disclosure of Fees Paid to Auditors and the Market Valuation of Earnings Surprises (with B. Ke), presented at American Accounting Association Annual Meeting (Honolulu, August 2003).

The Effect of Legal Environment on Big Five Auditor Conservatism Around the World (with D. Wang and A. Nikitkov), mid-year meeting of the Auditing Section, American Accounting Association (Huntington Beach, January 2003).

The Effect of Fee Dependence on Non-Big 5 Clients' Abnormal Accruals (with K. Reichelt), mid-year meeting of the Auditing Section, American Accounting Association (Huntington Beach, Jan. 2003).

The Effect of Legal Environment on Big Five Auditor Conservatism Around the World (with D. Wang and A. Nikitkov), Asia-Pacific Journal of Accounting and Economics Research Conference (Shanghai, January 2003).

- The Role of Accounting and Auditing in Corporate Governance and the Development of Financial Markets Around the World (with I. Khurana and R. Pereira), Asia-Pacific Journal of Accounting and Economics Research Conference (Shanghai, January 2003).
- Does the Provision of Non-Audit Services Compromise Auditor Independence? (with B. Ke), presented at American Accounting Association Annual Meeting (San Antonio, August 2002).
- Investor Protection Laws, Accounting and Auditing Around the World (with I. Khurana and R. Pereira), presented at American Accounting Association Annual Meeting (San Antonio, August 2002).
- Industry Leadership and Audit Pricing in City-Specific Audit Markets (with A. Ferguson and D. Stokes), presented at American Accounting Association Annual Meeting (San Antonio, August 2002).
- Investor Protection Laws, Accounting and Auditing Around the World (with I. Khurana and R. Pereira), presented at International Symposium on Audit Research (Sydney, July 2002).
- Industry Leadership and Audit Pricing in City-Specific Audit Markets (with A. Ferguson and D. Stokes), presented at International Symposium on Audit Research (Sydney, July 2002).
- Industry Leadership and Audit Pricing in City-Specific Audit Markets (with A. Ferguson and D. Stokes), presented at Accounting Association of Australia and New Zealand Annual Meeting (Perth, July 2002).
- Investor Protection Laws, Accounting and Auditing Around the World (with I. Khurana and R. Pereira), presented at Hong Kong University of Science & Technology 2002 Summer Symposium on Accounting Research (June 2002).
- Investor Protection Laws, Accounting and Auditing Around the World (with I. Khurana and R. Pereira), presented at the European Accounting Association Annual Meeting (Copenhagen, April 2002).
- Investor Protection Laws, Accounting and Auditing Around the World (with I. Khurana and R. Pereira), mid-year meeting of the Auditing Section of the American Accounting Association (Orlando, January 2002).
- Audit Markets Around the World, presented at Workshop on the Future of Audit, Assurance and the Profession, sponsored by Copenhagen Business School and European Institute for Advanced Studies in Management (Copenhagen, June 2001).
- Strategic Accounting and Financial Analysis: Old Economy versus New Economy, presented at the International Seminar on the Changing Face of Business Learning for the New Economy, Ecole Superier de Commerce (Pau, France, March 2001).
- The Demand for Nonaudit Services from Auditors (with A. Craswell), American Accounting Association Annual Meeting (Philadelphia, August 2000).
- The Economics of Human Capital in Accounting Firms (with S. Maijoor and R. Meuwissen), International Symposium on Audit Research (Maastricht, Holland, July 2000).
- The Effect of Client Size on Auditor Reporting Decisions: An Office-Level of Analysis (with J.K. Reynolds), mid-year meeting of the Auditing Section of American Accounting Association (Newport Beach, January 2000).
- Evidence on Risk-Based Client Screening by Big Six Accounting Firms (J.K. Reynolds), European Accounting Association, Annual Meeting (Bordeaux, France, May 1999).

Evidence on Risk-Based Client Screening by Big Six Auditors (with J.K. Reynolds), 13th Symposium on Auditing Research, University of Illinois (October 1998).

City Markets as a Unit of Analysis in Audit Research and the Re-examination of Big 6 Market Shares (with D. Anderson and D. Stokes), American Accounting Association, Annual Meeting (New Orleans, August 1998).

Evidence on Risk-Based Client Screening by Big Six Auditors (with J.K. Reynolds), American Accounting Association, Annual Meeting (New Orleans, August 1998).

RECENT INVITED RESEARCH PRESENTATIONS

2004: Universite Paris-Dauphine, University of Toronto

2003: Temple University, Hong Kong University of Science & Technology, Hong Kong Polytechnic University, City University of Hong Kong, Aston Business School (England)

2002: Yale University, University of Wisconsin, University of Tennessee

2001: DePaul University, University of Oklahoma, Katholieke Universiteit (Belgium), Maastricht Universiteit (Holland)

2000: University of Florida; European Institute for Advanced Studies in Management

1999: Boston Area Research Colloquium (Boston College)

1998: University of British Columbia; University of Southern California, University of Sydney

1997: University of Auckland, University of Melbourne, University of New South Wales, University of Sydney

1996: Rutgers University-Camden, University of Rochester, Washington University, University of Iowa

1995: University of Queensland, Strathclyde University, University of Kansas

1994: University of New England, University of Maastricht, University of Alberta

1993: University of Sydney, University of Missouri

1992: Penn State University, University of Melbourne

RESEARCH AWARDS

Research Board Grant, University of Missouri System, 1998.

KPMG Peat Marwick Foundation Research Grant, Research Opportunities in Auditing, 1990.

Australian Research Council Research Grants, 1989, 1992.

University of Iowa Old Gold Research Grants, 1986-88.

Harry Hall Trice Award for Outstanding Published Research, University of Missouri: 1985, 1995, 1999, 2000, 2002, 2003.

Reserve Bank of Australia, Ph.D. Dissertation Grant, 1978.

Ph.D. DISSERTATION COMMITTEES

Chair: Dechun Wang (2004); Susan Cammack (2002); Angela Woodland (2001); J. Kenneth Reynolds (1999); Robert Dosch (1996); Teri Shearer (1996); Iris Stuart (1993); Sara Reiter (1985); Wesley Sampson (1985).

Member: Ken Reichelt (in-progress); Hong Zhu (in-progress); Maria Caban-Garcia (2004); Ken Smith (2001); Barbara Lippincott (1998); Penny Kleen (1996); Jolene Hallam (1995); K. Raghunandan (1990); Dong Kim (1989); Jeff Schatzburg (1987); Jae-Oh Kim (1987); Tom Omer (1986); David Gotlob (1985).

External Examiner: Jane Hamilton (Monash University, 2004); Heidi Vander Bauwhede (Katholieke Universiteit, Belgium, 2002); Andrew Ferguson (University of Technology, Sydney, 2002); Michael Kend (University of Melbourne, 2002); Steven Topple (University of Sydney, 2001); Christine Jubb (University of Melbourne, 2000); Lynette Barkess (University of New South Wales, 2000); V. Radcliffe (University of Alberta, 1994); S. Taylor (Australian Graduate School of Management, 1991); D. Anderson (University of Queensland, 1990).