

## **Congratulations to Professor Yaniv Konchitchki on Multiple Achievements!**



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UNIVERSITY OF CALIFORNIA, BERKELEY'S HAAS SCHOOL OF BUSINESS – Berkeley-Haas Professor Yaniv Konchitchki excels both in research and in teaching. He received this year's Hellman Fellows Fund Research Award for "Showing Capacity for Great Distinction in Research." This is a competitive and large award, selected across the University and determined by UC Berkeley's Chancellor and a prominent faculty panel. At the same time, MBA students awarded Konchitchki the prestigious Cheit Award for Excellence in Teaching, the highest teaching award bestowed upon professors at Berkeley Haas: <http://www.haas.berkeley.edu/faculty/awards.html>.

Professor [Yaniv Konchitchki](#), University of California at Berkeley, Haas School of Business, specializes in capital markets research. In particular, he investigates the usefulness of accounting information through its links to macroeconomics (e.g., inflation; GDP) and valuation (e.g., cost of capital; asset pricing). He has published in top academic journals including *The Accounting Review* and *Journal of Accounting and Economics* and won prestigious awards for excellence in research and teaching. Before receiving a PhD from Stanford University, he was a CPA and Senior Financial Consultant at PricewaterhouseCoopers, as well as a Senior Expert at the Securities Authority.

One example is his solo-authored study titled "Inflation and Nominal Financial Reporting: Implications for Performance and Stock Prices," which is based on his PhD dissertation at Stanford University Graduate School of Business and was recently published in *The Accounting Review*. This study investigates how firms' operating performance and valuation are affected by inflation. Using a comprehensive sample of U.S. publicly traded firms over

the past 25 years, a period during which inflation was relatively low (average three percent), Konchitchki provides strong empirical evidence for his hypotheses that inflation gains and losses affect future cash flows. He also finds that stock prices do not impound the cash-flow implications of the inflation effects, resulting in significant abnormal hedge returns to inflation-based trading strategies, after controlling for common risk factors. ([CLICK HERE FOR MORE INFORMATION.](#))

Another example is his study “Cost of Capital and Earnings Transparency,” published in the *Journal of Accounting and Economics* and co-authored by Mary E. Barth (Stanford Graduate School of Business) and Wayne R. Landsman (University of North Carolina at Chapel Hill’s Kenan-Flagler Business School). This study finds that greater transparency in firms’ earnings statement has a positive effect on the bottom line. More specifically, the study outlines an economic framework for understanding the relation between accounting earnings transparency and stock valuation. It hypothesizes and finds that transparency of a firm’s accounting earnings reduces uncertainty regarding the value of its equity. As a result such a firm enjoys a lower cost of capital and higher value because the firm’s value is an inverse function of its cost of capital. The basis for the hypothesis is the well-established positive relation between information asymmetry and cost of capital and the authors’ evidence that earnings transparency is significantly and negatively related to information asymmetry.

“Prior research examined the relation between measures of earnings quality and the cost of capital. Our study is the first to establish a significant negative relation between earnings transparency and the cost of capital and also to provide the economic mechanism that links transparency to valuation, through the channel of the information asymmetry effect of transparency,” says Konchitchki. ([CLICK HERE FOR MORE INFORMATION.](#))

Prof. Konchitchki also has a [new book](#) that is based on PhD-level financial accounting research courses required as part of the accounting PhD studies at Stanford University Graduate School of Business.

Read more about Prof. Konchitchki’s research and teaching at: <https://sites.google.com/site/ykonchit>