

Spring 2016

# THE PARLIAMENT

NEWSLETTER OF THE JONES GRADUATE SCHOOL OF BUSINESS ACCOUNTING GROUP



# MAACC IS BACK!

THE RICE MASTER OF ACCOUNTING

Rice Business Wisdom p. 6 | Faculty Updates p. 7 | MAcc Program Q&A p. 11



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# THE PARLIAMENT

*A “parliament” is the literary collective noun for a group of owls. Similarly, the name of our newsletter reflects the collective spirit and wisdom of Rice Owls personified by the alumni, faculty and friends of the Jones Graduate School of Business accounting group.*

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## *Greetings from the Accounting Area Coordinator*

We're off and running. Another school year is upon us, and we're grateful to be sharing news of the accounting area in this long-awaited issue of the Parliament. The professors are back in the classroom, deep into their research, collaborating with Ph.D. students and preparing for the re-launch of the MAcc next fall — exactly twenty years since the last class matriculated.

If the suspense is too much, Ben Lansford, director of the MAcc program, and I provide an update on the program design, admissions, student interest, alumni support and internship successes (p. 9-10). Ben has been working closely with the committee spearheading the re-launch — myself; Brian Rountree, associate professor of accounting; Dick Viebig, professor in the practice of accounting; and Steve Zeff, professor of accounting and Keith Anderson Professorship in Business.

This annual issue of the Parliament also highlights our faculty research and honors and includes an excerpt from our new research website — Business Wisdom — and a book review on Dr. Zeff's latest contribution to the accounting literature. You'll meet new faculty, new Ph.D. students and read about the impressive Rice undergraduates who have been accepted into the MAcc program for next fall.

The accounting area is more robust than ever before and the work we're producing in and out of the classroom has resulted in major contributions to accounting research and pedagogy. My colleagues include:

- A member of The Accounting Hall of Fame;
- A current editor of two of the top-3 accounting research journals;
- A recipient of academe's research impact award for management accounting practice.

Please let me know what you would like to see from our faculty and our programs. We're interested in your feedback.

Sincerely,

**K. Ramesh**

*Herbert S. Autrey Professor of Accounting*  
Academic Dean for Special Initiatives  
Area Coordinator for Accounting

# NEW BOOK STUDIES FORMATION OF GLOBAL ACCOUNTING STANDARDS

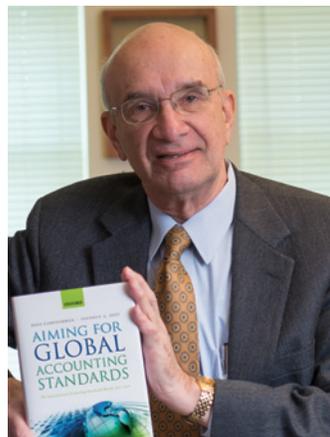
BY JEFF FALK

From 2001 to 2011, the International Accounting Standards Board (IASB) and its International Financial Reporting Standards (IFRS) acquired a central position in the practice and regulation of financial reporting around the world. A new book co-authored by Rice's Stephen Zeff and Dutch accounting professor Kees Camfferman explores and chronicles the board's rise to prominence, which has been accompanied by vivid political debates about its governance and accountability.

"Aiming for Global Accounting Standards: The International Accounting Standards Board, 2001-2011" was commissioned by the IFRS Foundation, the oversight body of the board, and will be published this month by Oxford University Press USA. The 662-page book should help practitioners, policymakers, researchers and educators form a deeper understanding of the people, forces and events that have shaped the IFRS, said Zeff, the Keith Anderson Professor in Business at Rice's Jones Graduate School of Business.

"The significance of the IASB is that it sets accounting standards for publicly traded companies — that is, those listed on stock exchanges — in most countries of the world except the United States, which means that it decides how companies are to measure and report their profitability and the amounts at which their assets and liabilities appear in their balance sheets," Zeff said. A leading expert in the history of financial reporting, Zeff is the past president of the American Accounting Association and a member of the U.K. Financial Reporting Council's academic panel.

The IASB's work in setting standards for financial reporting has at times made it the center of controversies, Zeff said. A private-sector body based in London, the board sets standards with legal force in a great many jurisdictions. This can make it the target of political or corporate influence, especially in times of financial



stress such as the global economic crisis of 2007-09, Zeff said.

The book resulted from six years of extensive research, writing and more than 170 interviews conducted around the world with high-level government officials and corporate financial executives — from the U.S. to nine European countries and to Hong Kong, China, Japan, Australia and New Zealand. Among those interviewed was leading American economist Paul Volcker, the former chairman of the Federal Reserve who was the first chairman of the IFRS Foundation.

Zeff and Camfferman trace the history of the IASB from its foundation as successor to the International Accounting Standards Committee and discuss its operation, changing membership and leadership, the development of its standards and their reception in jurisdictions around the world.

"The major countries that require their listed companies to adopt all, or virtually all, of the IASB's accounting standards are all 28 countries in the European Union, Norway, Canada, Hong Kong, China, South Korea, Australia, Brazil, Argentina, Chile, Mexico and South Africa and a great many developing countries," Zeff said. "In Japan, some 50 companies have so far voluntarily adopted the board's standards. The World Bank and the U.S. Securities and Exchange Commission have been strong supporters of the IASB since the beginning."

This is the third book Zeff and Camfferman have co-authored. In 2007 they published a history of the IASB's predecessor body titled "Financial Reporting and Global Capital Markets: A History of the International Accounting Standards Committee, 1973-2000." In 1992 they published "Company Financial Reporting: A Historical and Comparative Study of the Dutch Regulatory Process."

# TIMING IS EVERYTHING

- New research uncovers an unfair trading advantage that skewed the playing field before Regulation Fair Disclosure (Reg FD) became effective in 2000. Before Reg FD, the SEC gave financial journalists early access to corporate press releases. Over time, this led to the creation of high-cost subscription services.
- The practice ended after the SEC released Regulation Fair Disclosure (Reg FD).
- This advance notice had as much impact on investing as personal contact from executives, a practice long criticized for its favoritism.

It may be hard to believe, but as recently as 2000, an SEC-sanctioned rule gave financial news media a 15-minute head start on viewing firm press releases.

Today, just a fraction of a second of such early access can mean staggering profits. To grab that advantage, investment houses pour millions of dollars into ultra-fast fiber optic and microwave communication?

Before Reg FD, financial media actually sold advanced access to this information — by subscription. According to research coauthored by K. Ramesh, Herbert S. Autrey Professor of Accounting at the business school, buyers used the information to move markets before the general public ever saw the releases. The policy strikingly disadvantaged regular investors.

Not that the SEC meant for the early bird information to be used this way. In fact, it was supposed to do the opposite: to level the playing field for regular investors. Sophisticated investors, after all, enjoy better resources and expertise for extracting valuable information from firm news. The SEC decided to give regular investors a 15-minute edge by granting financial reporters early access to firm press releases.

The idea was that the press would use that 15-minute window to distill tradable information and release it prior to the full press release went out to the public. Instead, the plan backfired. Media outlets charged subscriptions for the special access, effectively making investing a pay-to-play game. The good news is that this practice ended in August 2000, after Reg FD reinforced the importance of fair access to public information.

Interestingly, the SEC had meant for its early-access plan to democratize investing. It was Business Wire and PR Newswire, the firms hired by companies to publicize their business news, that first shed light on the practice.

To study what happened before this policy change, Ramesh and his coauthors used intra-day data to analyze the flow of information into the stock market. The team compared the 15-minute market activity before earnings press releases went public before Reg FD and after its implementation.

They found that traders with advance access were moving markets before the public got the same information. The effects were especially lopsided for firms with institutional investors that base their stock positions on short-term earnings. Subscribers also had a striking edge after good-news press releases, which are easier for traders to use in investing.

The early peeks also increased information uncertainty, which they measured by bid-ask spreads. The bottom line: giving traders early access to firm information gave sophisticated investors an edge. Today, 15 years after the SEC changed its policy, the study raises a new question. Do traders now get an unfair advantage when they can snatch just a few seconds' advance look at information? If so, it may take both policy and technology to reconcile these current practices with the spirit of Reg FD.

K. Ramesh is an accounting professor in the business school at Rice University.

*To learn more, please see: Dong, Bei, Edward Xuejun Li, K. Ramesh and Min Shen. (2015). Priority dissemination of public disclosures. The Accounting Review, 90(6), 2235-2266.*

*For links to the full academic paper and for more articles by the business school faculty, visit [ricebusinesswisdom.com](http://ricebusinesswisdom.com).*



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# FACULTY UPDATES

Three of five annual faculty teaching honors awarded by the Jones School were given to accounting faculty. Congratulations to Brian Akins, Brian Rountree and Karen Nelson.

**BRIAN AKINS**, *assistant professor of accounting*, received the Jones Graduate School of Business Full-time MBA Award for Teaching Excellence. Brian has a forthcoming paper, “Bank Competition and Financial Stability: Evidence from the Financial Crisis” with Lynn Li, Jeff Ng, and Tjomme Rusticus in the *Journal of Financial and Quantitative Analysis*.

**ERIC FLOYD**, *assistant professor of accounting*, has a paper forthcoming in *Journal of Financial Economics* titled, “Payout Policy Through the Financial Crisis: The Growth of Repurchases and the Resilience of Dividends,” (with Nan Li and Douglas Skinner). His paper “Using Field Experiments in Accounting and Finance,” (with John A. List) was presented in the 2015 *Journal of Accounting Research Conference*. He also presented

a paper at The Health Policy Forum at the 25th Annual Health Economics Conference (AHEC) hosted by Rice University’s Baker Institute. The paper was titled, “The Effects of Price Transparency Regulation on Prices in the Healthcare Industry.” Authors: Hans B. Christensen (University of Chicago), Eric Floyd (University of Chicago/Rice University, presenting) and Mark Maffett (University of Chicago). He is scheduled to present papers at UNC, Harvard and Washington University at St. Louis.

The Kauffman Foundation approved a \$1.5 million multi-year grant to fund Dr. Yael Hochberg’s research. She is Ralph S. O’Connor Associate Professor in Entrepreneurship and Head of Rice Entrepreneurship Initiative. Because of Eric Floyd’s participation in the grant proposal, he will receive financial support and research funding for a Randomized Control Trial (RCT) project with Dr. Hochberg on entrepreneurship skill training.

**THOMAS HEMMER**, *Houston Endowment Professor of Accounting*, is editor of *The Accounting Review* and was appointed guest editor for *Journal of Accounting Research* to make editorial decisions on all papers with connections to Chicago Booth (where the journal is housed). This honor recognizes Dr. Hemmer as a leading scholar in accounting theory. He is frequently called upon to conduct doctoral seminars on analytical models in accounting theory to Ph.D. students across the globe.

**PATRICIA NARANJO**, *assistant professor of accounting*, co-authored a paper with Francois Brochet and Gwen Yu titled, *The Capital Market Consequences of Language Barriers in the Conference Calls of Non-U.S. Firms*. She was a discussant at the AAA Annual Meetings and presented a paper at UCLA.

**KAREN NELSON**, *Harmon Whittington Professor of Accounting*, was appointed a member of PCAOB's Standing Advisory Board, a prestigious three year appointment. She published, "On the persistence and pricing of industry-wide and firm-specific earnings, cash flows, and accruals" in the *Journal of Accounting and Economics* with co-authors Kai Wai Hui and Eric Yeung. Also, "Carrot or Stick? The Shift from Voluntary to Mandatory Disclosure of Risk Factors," was published in the *Journal of Empirical Legal Studies* with A.C. Pritchard. Her textbook, co-authored with James S. Wallace, Theodore E. Christensen and Kenneth R. Ferris, *Financial Accounting for Undergraduates*, 3rd edition, will be published in 2016 by Cambridge Business Publishers. She also presented papers at University of Chicago, Cornell and the University of Iowa; was an invited discussant at PCAOB Center for Economic Analysis/Journal of Accounting Research 2014 and 2015 Conferences on Auditing and Capital Markets; and was honored with the Jones Graduate School of Business Professionals Evening Award for Teaching Excellence.

**K. RAMESH**, *Herbert S. Autrey Professor of Accounting and academic dean for special initiatives*, published, "Do analyst stock recommendations piggyback on recent corporate news? An analysis of regular-hour and after-hours revisions" in the *Journal of Accounting Research* and "Priority dissemination of public disclosures" in *The Accounting Review*. He also conducted a mini Ph.D. seminar on capital markets and contracting for the Ph.D. students and faculty at the Chinese University of Hong Kong's Business School during the summer of 2015. Ramesh also moderated the Jones Partners Thought Leadership Series with David Stover, president and CEO of Noble Energy.

**BRIAN ROUNTREE**, *associate professor of accounting*, received the Jones Graduate School of Business MBA for Executives Award for Teaching Excellence. He has made presentations

at the University of Chicago, Washington University in St. Louis, Georgetown, and the University of Colorado in the past year. Brian has a new working paper on the valuation accuracy of private equity net asset value estimates (presented at Chicago and Wash U). He continues as associate editor at *Journal of Business, Finance and Accounting*.

**STEPHEN A. ZEFF**, *Professor of Accounting and Keith Anderson Professorship in Business*, has been named Don Trow Visiting Research Fellow at Victoria University of Wellington in New Zealand for four weeks during 2016. In addition to providing research and publication advice to faculty at Victoria University of Wellington's School of Accounting and Commercial Law, Dr. Zeff will be presenting seminars to business and accounting community in Wellington as well as to faculty and post-graduate students at the school, and will be lecturing at other universities. Also, Dr. Zeff and Tom Dyckman were commissioned by the editor of *Abacus*, the leading Australian journal, to write a paper on "Accounting Research: Past, Present and Future" for its 50th anniversary issue in December.

**MAC GAULIN**, *Ph.D. student in accounting*, 2011 start. Mac was a discussant at the AAA's 2015 Financial Accounting and Reporting Section's Midyear Meetings and was a co-discussant with Professor K. Ramesh at the 27th Annual Accounting Research Conference in Honor of Nick Dopuch. Mac completed a working paper titled "Debt Contracting on Human Capital" jointly with professors Brian Akins and David De Angelis. He also taught BUSI 305 during summer 2014.

**JONATHAN BONHAM**, *Ph.D. student in accounting*, 2012 start. Jonathan completed a working paper titled "Stewardship and Conditional Conservatism" and is working on several studies with Professor Hemmer and on his own. Jonathan shared his research in the Ph.D. poster session at the 28th Annual Accounting Research Conference in Honor of Nick Dopuch. He represented Rice University at the 2015 AAA Deloitte University Doctoral Consortium and 2015 AAA FARS Doctoral Consortium. Jonathan will be presenting a paper at the 2016 FARS Midyear Meetings.

**RAFAEL COPAT**, *Ph.D. student in accounting*, 2012 start. Rafael is conducting research on proxy advisory firms' analysis of say-on-pay proposals. He is an invited discussant for the 2016 FARS Midyear Meetings. Rafael taught BUSI 305 during summer 2015.

# NEW FACES IN ACCOUNTING



**PATRICIA NARANJO**, *assistant professor of accounting*. A native of Chile, Patricia Naranjo is the daughter of a heart surgeon (her father) and child psychologist (her mother). After five years in professional positions — including as a financial risk analyst at Banco Penta, MIS; reporting analyst at HSBC; and finance and

compliance assistant at Citigroup Private Bank — she decided the meetings and management weren't for her. "I like to have time to think." So she went back to school.

Her research investigates the effect of disclosure on capital markets behavior and the economic effects of financial reporting regulations around the world. "Broadly, my research is about disclosures. I bring in an international angle."

She taught Financial Statement Analysis to full-time MBA students and is currently teaching financial accounting to undergraduate students.

Naranjo earned a B.Eng. in industrial and bioprocess engineering at Pontificia Universidad Catolica de Chile and a Ph.D. from Sloan School of Management at MIT.



**ERIC FLOYD**, *assistant professor of accounting*. Eric Floyd played soccer as an undergraduate at the University of Chicago, but it was his volunteer work for John List, the Homer J. Livingston Professor of Economics, that pulled him first into economics and then into academia. "I wanted to be like him," Floyd said.

After earning a B.A. in economics, he stayed at Chicago and earned his MBA and Ph.D. from Booth School of Business. It was at Booth that Floyd met Hans Christensen, associate professor of accounting, and began his deep dive into accounting.

"Hans and Doug (Skinner) showed me that great accounting research utilized the economic principles that I spent my undergraduate life learning," Floyd said.

Today, at the Jones School, his research encompasses understanding the economic causes and consequences of regulation, with an emphasis on financial market and transparency regulation.

Floyd currently teaches Financial Statement Analysis and Valuation to professional MBA students.



**SEUNG LEE**, Ph.D. *student in accounting*, 2014 start. Growing up in Florida, Seung Lee thought he wanted to be a lawyer, which led him to political science courses at the University of Florida. There he met Paul D'Anieri, former dean of the University of Florida College of Liberal Arts and Sciences and

current executive vice president and provost of the University of California, Riverside. D'Anieri was writing a new edition to his textbook *International Politics: Power and Purpose in Global Affairs*. Seung conducted significant research and editing and "gave myriad suggestions to make the text more appealing to students."

After writing the first draft of the human security theory section, he was hooked. He went on to co-author a paper with D'Anieri, "Learning to Live with a Nuclear North Korea: Deterrence Dilemmas for the United States," which is forthcoming in *International Security*.

Despite his interest in political science, Seung loved the logic behind accounting. "Everything fits together." He finds the political angle to accounting research a unique fit for him as well. Seung was an audit intern at KPMG. His areas of research interest are yet to crystallize but are at the intersection of political economics and accounting. Seung earned a B.S. in accounting from the University of Florida.



**DANIELA DE LA PARRA HURTADO**, Ph.D. *student in accounting*, 2015 start. Daniela grew up and learned to play chess in Durango, Mexico. “My dad was a chess player. In school, my professors wanted to start a chess tournament. I raised my hand and told my dad that afternoon. He taught me a few

strategies, and the next day I won the whole tournament.” She was 10.

As her father trained her, she qualified to play against other schools, the state tournament and nationals. She won nationals six consecutive years, and then earned the official title of Woman International Master in Chess granted by the World Chess Federation. Daniela accepted a full chess scholarship to The University of Texas at Brownsville. “When I went to college, I didn’t know what part of business I wanted to study. I really liked finance and accounting. Maybe it was related to chess. I’ve always been a very disciplined person who loves having a plan. In chess you have to know where you’re going, you need to be prepared.”

When asked why she wanted to pursue a Ph.D. She said, “I’m a very curious person. I like school. I always want to learn more, not just what’s in the book. I knew that with the Ph.D. I could do exactly that. I could go deeper, beyond the books.” When she was younger, Daniela wanted to be a neurosurgeon. “I thought I didn’t want to teach things. But I have learned that being a professor is not only about teaching. You also do a lot of analytical things. You are discovering things. Becoming a professor would make me happy for the rest of my life.”



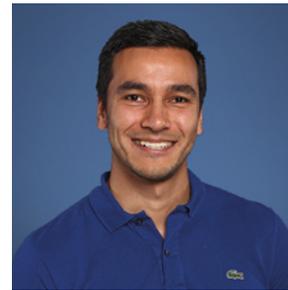
**ETHAN SMITH**, Ph.D. *student in accounting*, 2015 start. Ethan was busy back in high school — class president, played saxophone in jazz band, marching band, concert band and pit orchestra. He also planned the prom, went though he never really liked dances. He grew up near Akron, Ohio. “My parents

were both Ohio natives, went to Ohio State and met there.” He attended as well. He started in engineering, then landed in the business school. The quality of instruction in the accounting department was exceptional. I took honors accounting and was really drawn to those professors.”

While in school he was a lab instructor and teaching assistant before graduating in 2015 as a double major in business

administration in accounting and philosophy. Thoughts about a Ph.D. surfaced during some of the honors accounting courses, which required him to read papers and go through models of simpler theory papers. “I found that really interesting. Professor Rick Young [director of the Ohio State Accounting Honors Program], I talked to him a lot about the Ph.D. He was supportive.”

When Ethan interviewed at Rice, the faculty and the atmosphere of the accounting students won him over. “They were welcoming and my research interests coincided.” As for the program so far? “It’s tough. Classes are hard. Math and stats camp was hard.” His one regret? “I wish I played the saxophone. I still have one. I just don’t have time.”



**RUSTAM ZUFAROV**, Ph.D. *student in accounting*, 2015 start. A native of Tashkent, Uzbekistan, Rustam grew up with three older brothers and parents who were medical doctors. One older brother studied accounting at Auburn University. So Rustam took the opportunity to go to the States through a

cultural exchange program in Austin, Minnesota. A year later he enrolled at Minnesota State University. “I was interested in business. When I took the first accounting class I liked the concept and was good at it.” His brother who studied at Auburn was an accountant back in Uzbekistan. “He inspired me.”

Rustam flourished at Minnesota State, where he was president of the accounting club, Phi Theta Kappa All Minnesota Academic Team, Beta Gamma Sigma and dean’s list for six consecutive semesters. “I started to think about the Ph.D. the second half of my junior year. My professor, Byron Pike, had just graduated and said there was a good opportunity to go into research in academia. I started working on research projects with professors and learned about job prospects, opportunities and challenges the Ph.D. in accounting offers.”

He built up his resumé by passing the CPA exam after graduation and accepting a tax associate position with Kern DeWenter Viere. After a year and a half he went back to Minnesota State to earn his MAcc, during which he taught a financial accounting class. After earning his degree, he accepted a plum position as an auditor with Deloitte & Touche. Less than a year later he was accepted into the Ph.D. program at Rice. “The outstanding faculty and engaging research environment were impressive. They were friendly, and it seemed like they cared more about the candidates and current students than other schools.”

# THE MACC IS BACK

## *Preparing for the dynamic world of accounting*

*In December, the Parliament sat down with Director of the Master of Accounting Program Ben Lansford and Herbert S. Autrey Professor of Accounting and Accounting Area Coordinator K. Ramesh to talk about the MAcc and its relaunch.*

### **What is the program design of the MAcc?**

The Rice MAcc will be an intensive, two-semester program that runs from August through May. Several elements will set apart the Rice MAcc from other universities' Master of Accounting programs.

- The Rice MAcc builds on the liberal arts and sciences foundation of Rice University. Beyond the requisite accounting knowledge, the coursework promotes:

- critical and analytical thinking
- the ability to synthesize across disciplinary areas
- exemplary oral and written communication skills
- an understanding of the accounting regulatory process
- ethics and integrity
- leadership development
- The Rice MAcc is designed to develop students' cross-cutting analytical and judgment skills, rather than focusing narrowly on specialized technical expertise. Highlights include:
  - the importance of judgment in professional services firms
  - the globalization of accounting rules and markets
  - the technology-driven corporate disclosure and communication strategies

- The Rice MAcc's innovative courses will challenge students to reach greater heights and prepare them for the dynamic world of accounting.

- Dr. Steve Zeff will teach an Accounting Theory course that will provide an understanding of the history and evolving dynamics of the standard-setting process for financial reporting.

- MAcc students will travel to Washington, DC for an intensive 5-day course on Accounting Regulation in which various officials involved in public policy (such as current/former staff members of the SEC, PCAOB, GAO, IRS, and Congress) will lead presentations and discussions, followed by a planned stopover at the FASB.
- The Rice MAcc leverages two popular courses that Bulleteare already taught in the top-20 MBA program, The Economic Environment of Business and Financial Options and Futures, by having these same courses taught to our MAcc students, often by the same professors.

While there are many distinguishing features to our program, the Rice MAcc will also prepare our students to successfully sit for the CPA exam. And there will be sufficient coursework in both financial accounting and taxation so that graduates will be able to pursue either an audit or tax path.

### **What does admissions look like?**

We anticipate that about two-thirds of the incoming MAcc students each year will enter the program having just completed their undergraduate degree at Rice. The Rice undergraduate student body, which is top-tier, is in our "backyard," so we will work hard to convey the educational benefits and professional opportunities of the MAcc program to attract Rice undergrads with the right aptitude and interest.

We plan to recruit the remaining students from other universities and will maintain rigorous admissions standards, selecting applicants with demonstrated strength in both inside and outside of the classroom.

### **What has student interest been?**

Starting in the spring 2014 semester, we have been actively spreading the word about the MAcc relaunch to Rice undergraduates through classroom presentations, posters, ads in *The Thresher*, and targeted emails. And, though the program has not yet launched, we've been very pleased with the amount of interest Rice undergraduates are showing in the program.

Two new accounting courses open to Rice undergraduates, Auditing and Intermediate Financial Accounting I, serve as natural feeder courses for the MAcc. Each class has had an enrollment of about 20 students, which is a good leading indicator for future enrollment in the MAcc. Marketing efforts beyond the Rice campus are paying dividends as well. As of November, over 100 non-Rice applicants from around the country and world filled out applications for admission to the inaugural MAcc cohort.

#### **How have alumni been involved and how can they help strengthen the program?**

Alumni have been instrumental in making the re-launch of the Master of Accounting program successful. Their contributions are arriving in the three dimensions that all alma maters hope to receive: time, talent and treasure! Alumni have already created two “building block” funds.

The James S. Turley – Ernst & Young Leadership Development Initiative, is valued at over \$2.5M. This initiative honors the many contributions Jim (BA '77, MAcc '78) has made to Rice and, more broadly, to making the global accounting profession more judicious, ethically-driven and innovative. The primary purpose of the initiative is to attract and develop innovative future leaders in the accounting profession, who will approach strengthening it from a multidisciplinary vantage point.

The Deloitte Leader-in-Residence Program, a new fund which will allow the Jones School to invite a high-profile thought leader in accounting. The program will be structured to facilitate deep interactions between the invited thought leader and our MAcc students, with an unparalleled opportunity for professional development for our students. The financial support of alumni at Deloitte, chief among them Amy Sutton (BA '89, MBA '90) and John Fogarty (BA '77, MAcc '78), has made this program possible.

Beyond raising funds for the program, alumni cutting across Rice have been actively consulting on the planned curriculum, recruiting students for internships and marketing the MAcc program. As they say in MasterCard commercials, such efforts are priceless! We are extremely grateful for the amazing support

we have from our alumni. Few other programs are lucky enough to have such a loyal and generous alumni base.

To make a gift directly to supporting the MAcc re-launch efforts and/or learn more about volunteer opportunities, alumni may contact Kat Engleman, Director of Development, at [Kat.Engleman@rice.edu](mailto:Kat.Engleman@rice.edu) or at 713-348-3982.

**“We firmly believe that having a non-accounting undergraduate background makes for a stronger, more dynamic MAcc graduate and future business leader.”**

#### **What does the internship landscape look like?**

The MAcc-bound Rice seniors concluded their hunt for summer 2016 Big 4 internships in November. Deloitte, EY, KPMG and PwC all came to campus to recruit and most MAcc-bound students ended up with more than one internship offer. What a great start! Thanks to all the recruiters and MAcc alumni (notably Patrick Good of EY and Chris Patton of Deloitte) for their support and help in guiding us through our first internship recruiting cycle!

#### **Does it differ from the MAcc we offered before? If so, how?**

Based on the success of our MAcc alumni, we recognize that we had a winning recipe! So our objective is to maintain many of the core elements of the MAcc program, including admitting students to the program from a very broad array of undergraduate majors.

We firmly believe that having a non-accounting undergraduate background makes for a stronger, more dynamic MAcc graduate and future business leader. We are thrilled that, among MAcc-bound Rice seniors, we have students representing majors in Sociology, Economics, Managerial Studies, Music, Religious Studies, Statistics, and Engineering. That is something you won't find at most other Master of Accounting programs.

# INCOMING MACC STUDENTS



## LAUREN CASTIGLIONI

Lauren Castiglioni always knew she wanted to do something in business. “I was on the dance team in high school and a social officer planning parties and t-shirts.” It was a lot of fun, but when she got to Rice, her interests leaned in a more studious direction. The

Sugar Land, Texas, native majored in psychology and minored in business. “It’s interesting to me. I love all the research we get to read in classes. Learning how people interact is fascinating, and all the professors are so great.”

At 4’11” Lauren’s enthusiasm eclipses her relatively small stature. She matches her passion for psychology with service to the community in Rice Splash, a program for inner-city school students. “I teach a class called the Psychology of Harry Potter. I’m a big Harry Potter nerd, and I’m a psychology major so I’m teaching it again this year.”

During Dr. Zeff’s class she heard the business school had a MAcc program years ago, but it wasn’t until the next semester that she heard about the re-launch. “The advanced classes were taught by Dr. Lansford. He’s one of my favorite professors. After I took the accounting class I knew that was something I liked. That was when I found out.” The MAcc was back.

Lauren’s father, Randy Castiglioni, associate vice president, Administrative and Enterprise Systems & Services at Rice, had been a CPA. He was excited. So was Lauren’s uncle. They both encouraged her to pursue the Master of Accounting.

As with all the Rice seniors applying to the MAcc program, Lauren interviewed for an internship on campus first with all the Big Four firms. She went for second round office interviews at EY, PwC and Deloitte. “The main thing I used to make the decision had to do with the people I met. The people at EY were friendly, and the culture seemed open. They said the partners would come in and talk to the interns.”

Her sincerity about the internship is palpable. “I’m going to be auditing in the Houston office,” she explained. But it’s clear that’s more of a dress rehearsal. What does she hope to gain from the Master of Accounting degree? “A good foundation in accounting

so that I can start my career with a solid understanding. I want to stay in public accounting for the next five years.”



## TIMOTHY CHANG

Seattle native Timothy Chang came to Rice knowing he wanted to be a business minor. “The course I was dreading the most was the introduction to accounting.” Mostly because his impression of the subject matter was dry and rote. But after taking

Professor Chasteen’s class, he found an unexpected vibrancy. “Accounting is present in everything we do,” Chang said.

In his introductory class they looked at Walmart’s balance sheets, income statements and statements of cash flow, and then used them to illustrate how they were relevant to decision making. “It was fascinating.”

The expressive senior is a sociology major, director of the Student Admission Council and president of an all-male acapella group, The Apollos. He is also enthusiastic about the future: graduation, a summer internship back in Seattle, and returning to Rice in the fall to matriculate with the first class of Master of Accounting students since 1996.

During his sophomore year, it was announced that the business school was bringing back the Master of Accounting program. “My cousin is an accountant in Houston. She is constantly learning and thinking critically on the job. She loves who she works with and what she does every day. I was interning at Edelman at the time. Public relations drives home this idea of trust. Without it, organizations collapse. That was how I understood accounting too. That makes the profession of accounting so important.”

At the end of last year, Timothy sent out feelers to the Big Four about an internship. An interview in the Houston office of PwC landed him a summer internship in assurance with the firm’s audit practice in Seattle. “I loved the culture they were cultivating. With everyone I talked to I got a sense that they loved what they were doing. They were engaged in work that made them think and grow.”



### GIRAY OZSEKER

When Giray Ozseker's older sister came to the U.S. from Istanbul, Turkey, to study on exchange at the University of North Carolina, she encouraged her parents, both medical doctors, to let him study in the U.S. A few years later she was accepted into a Ph.D. program at

Baylor College of Medicine, and Giray went to summer school at Harvard. "When I visited my sister in Houston, I biked over to Rice. It was so beautiful."

That first impression was a lasting one. The economics major, who will graduate from Rice as a junior, decided to put one more year of study into the MAcc program. An avid traveler and language learner — Turkish, German, Spanish and English so far — Giray is also a teaching assistant in a research class with Ipek Martinez, associate dean at the School of Social Sciences; a staffer at Impact, a leadership retreat for underclassmen; and co-director of a research program in the School of Social Sciences called Gateway Study of Leadership.

He learned about the MAcc in Dr. Zeff's class. "They talked about where a career in accounting could take you. What are the challenges and improvements? I could be a part of the change in the field which will be really robust. Accounting sets the sense of trust between all the parties. I find that a great value I can add to the world."

Last summer, Giray found an internship through Sage Corps at Auth0, a startup trying to improve authorization processes located in Buenos Aires. "I wanted to improve my Spanish. Go to a place I'd never gone. Do something I'd never done. I had to learn the language and the work. It was a steep learning curve but really enjoyable. Running my own code, running my own projects."

This summer his internship will be in Houston as an audit intern with Deloitte. "I met with all the partners of the Big Four. Chris Patton, an audit partner at Deloitte, was the first person I met. At Rice he majored in economics and earned the MAcco. We followed up at Brochstein for coffee. There is a lot of intellectual stimulation in this firm. I don't want to settle in my career. I'm always looking for opportunities to grow."

Giray thinks the tangible returns of both the internship and the classroom work will be the foundation for his career. "I'm really excited to be a part of the first class."



### MEGAN PALMER

Megan Palmer knew since the fourth grade that she wanted to play college basketball. The 6'1" forward on the Rice University women's basketball team moved around a lot growing up — Mexico, Ohio, Houston, Holland. "My dad works for Shell. Moving

taught me so much about making friends and keeping friends from a distance. Plus we played away games in Paris and Cairo. Best experiences of my life."

But the accounting came as a surprise. "I took my first accounting class and really liked it. I'd always heard it was really hard, but it came naturally to me. I thought, maybe I should explore this path. My professor, Mac Gaulin, his passion rubbed off on the students."

As a sports management major and business minor, Megan is a senior leader on the basketball team and put together a Houston food bank visit with the women's volleyball team to pack over a thousand Backpack Buddies. She knew she liked helping people, but she hadn't figured out what she was going to do with her career.

"I love all my classes at Rice. After Professor Lansford came to talk to our class, I thought, this MAcc program is something I should definitely look into. I went to talk to him. He encouraged me to take the next accounting class, and it was harder, but I still really liked it. Then he suggested I interview with the Big Four accounting firms and, once I did that, I was hooked into the whole auditing accounting thing."

Megan interviewed with KPMG, Deloitte and PwC. "I learned a lot about the industry and what auditors actually do. I got to know the cultures of the firms and chose the one where I thought I'd fit best." She starts an internship with PwC this summer working with large private client services, "helping small firms grow to become bigger firms. I'm all about that. I love helping people." She says it's the "greatest start that I could have. I want to gain the knowledge to better my career. I really want to do big things."

In the meantime, PwC has a basketball league. And she'll be able to play tournaments overseas again.



## Request for Alumni News

Your fellow alumni want to hear about what's new in your professional and family life. E-mail us at [parliament@rice.edu](mailto:parliament@rice.edu) to give us an update, and also send us your high-resolution photos. We'll share your news in the next issue of **The Parliament**.

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Help us build the next class of students by recommending a friend, colleague or anyone that would make a great candidate for the Master of Accounting, Rice MBA for Professionals, MBA for Executives or Full Time MBA program. Candidates with verified referrals will have their application fee waived.

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