

Paper accepted by the *Journal of Accounting and Economics*
(*JAE*) – Dr Xindong (Kevin) Zhu



Dr Xindong (Kevin) Zhu, Associate Professor in the Department of Accountancy, has had a paper accepted for publication in the *Journal of Accounting and Economics (JAE)*. The paper is entitled “PCAOB International Inspections and Merger and Acquisition outcomes.”

The *JAE* is one of the world’s top three journals in accounting studies and covers a wide range of topics, such as the information content and role of accounting numbers in the firm and/or in capital markets; the role of accounting in financial contracts and in monitoring agency relationships; and government regulation of corporate disclosure and/or the accounting profession. In this paper, Dr Zhu examines how PCAOB international inspections of non-U.S. auditors affect international merger and acquisition (M&A) outcomes. He finds that clients of inspected auditors are more likely to become acquisition targets after the public disclosure of an auditor’s inspection report. He also finds that deal completion is more likely and that deal announcement returns are higher if deals involve targets that have been audited and for which inspection reports are available. Engagement deficiencies and unremediated quality control deficiencies identified in inspection reports weaken the positive effect of PCAOB oversight on M&A outcomes.

Please visit the *JAE* website for more details.

<https://www.sciencedirect.com/science/article/pii/S0165410120300203>.