

ANKITA MARWAHA

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Doctoral Candidate (Accounting), Indian School of Business
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EDUCATION

Indian School of Business, Hyderabad, India Fellow Program in Management (Accounting)	<i>2017 - 2023</i>
Institute of Chartered Accountants of India Chartered Accountant	<i>2011 - 2015</i>
Bharathiar University Bachelors in Commerce	<i>2012 - 2014</i>

RESEARCH INTERESTS

Qualitative financial disclosures, implicit biases in markets

RESEARCH

Working papers

- *Risk Factor Disclosure Complexity and Litigation Risk: Evidence From Textual Analysis* (Job Market Paper)

Risk factor disclosures were mandated as a discussion of risks faced by the firm. However, industry has criticized them as being unclear and uninformative. A major reason cited for this is firms' defensive approach to risk factor disclosures, which involves discussing all possible risks to shield them from potential shareholder lawsuits. Using Liberal court, an exogenous measure of litigation risk, I examine the direct impact of litigation risk on the complexity of risk factor disclosures. I predict and find that, when firms anticipate a higher risk of shareholder litigation, their risk factor disclosure language shows more complexity, an effect which is stronger for bad news firms. In further tests, I find that this complexity is associated with greater information asymmetry, thus closing the link between complex risk factor disclosures and informativeness. Overall, my results are consistent with the argument that firms use risk factor disclosures to seek safe harbor from litigation and in the process, make the language complex and less informative.

(Presented at AAA Annual Conference 2021, AFAANZ Virtual Conference 2021, and India Finance Conference 2021. Selected for presentation at EAA Annual Congress 2022)

- *The Emergence of Racial Sympathy: Evidence from the Stock Market Reaction to anti-Asian Sentiment during COVID-19* (With Saipriya Kamath & Devin Shanthikumar; currently under revision)

Racial resentment towards Asian Americans has surged upwards during the Covid-19 pandemic. While the number of hate incidents have shot up, there is also a growing movement to reverse this trend, particularly from the business community. In this study, we examine whether racial biases – either antagonism or sympathy – towards Asian Americans show up in the trading behavior of investors. We compare the stock market response to Asian-American-CEO led firms with that to White-CEO led firms. We find that on days of high racial resentment, when investors are expected to be negative towards Asian Americans, the stock market reaction is positive and significant for Asian-American-CEO firms relative to White-CEO firms. In two placebo tests, we find that the positive abnormal returns noted for Asian-CEO led firms do not occur outside of our event dates, and that the market reaction does not extend to other minority led firms. Investigating the

reasons for this positive reaction, we find that it cannot be explained by differential mispricing or media coverage of Asian-American-CEO firms. We find that the positive reaction is predominantly generated from firms headquartered in states low in racial resentment, which suggests that the observed phenomenon is racial sympathy exhibited by investors. Strengthening this argument, we find that market reaction for sympathy triggering events is greater than that for low sympathy events. Our findings point to the emergence of racial sympathy in the financial markets.

(Presented at EAA Annual Congress 2022, Hawai'i Accounting Research Conference 2022, and India Finance Conference 2021. Selected for presentation at AAA Diversity Section Midyear Meeting 2021)

- *Managerial Changes and Risk Factor Disclosures* (Part of Dissertation)

While risk factor disclosures have invited academic debate about their informativeness, there is little evidence on how management influences them. Practitioners note that these disclosures are primarily driven by legal teams. In this paper, I use CEO changes to provide evidence on whether managers influence risk factor disclosures. I find that in the years when a new CEO is appointed, there are changes in risk factor disclosures, and the negative and uncertain tone in these disclosures increases. These effects are more pronounced for firms with higher CEO share ownership but no different for firms with higher litigation risk. This suggests that my main results are not driven by the firm's concerns on the appointment of the CEO, but the concerns of the new CEOs themselves. I also find that the risk factor disclosure changes around CEO changes are not informative to the market. My results suggest that there is management participation in risk factor disclosures, but this participation does not necessarily translate into higher informativeness.

Work-in-progress

- *CEO Race and Networks* (With Saipriya Kamath & Devin Shanthikumar, data analysis stage)
- *Relative Disclosure Informativeness* (With Bhavya Singhvi, data collection stage)

INVITED PRESENTATIONS

- 2022 Presenter, European Accounting Association Annual Conference
- 2022 Presenter, Hawai'i Accounting Research Conference
- 2021 Presenter, India Finance Conference
- 2021 Presenter, AAA Annual Conference
- 2021 Presenter, AFAANZ Virtual Conference

CONFERENCE & WORKSHOP PARTICIPATION

Workshops

- Teaching Workshop for Doctoral Students, Centre for Teaching & Learning, Indian Institute of Management, Bangalore, India
- ISB Case Writing and Teaching Workshop, Indian School of Business, Hyderabad

Conferences

- 2022 European Accounting Association Annual Congress
- 2022 Hawai'i Accounting Research Conference
- 2021 India Finance Conference
- 2021 SOAR Accounting Symposium, Singapore Management University
- 2021 AAA Annual Conference
- 2021 AFAANZ Virtual Conference
- 2021 European Accounting Association Congress

- 2021 5th Journal of Accounting, Auditing & Finance (JAAF) Symposium
- 2020 4th Journal of Accounting, Auditing & Finance (JAAF) Symposium, Indian Institute of Management, Bangalore, India
- 2020 2nd IIMB Accounting Research Conference, Indian Institute of Management, Bangalore, India
- 2020 PhD Student Symposium on Financial Market Policy Developments and Research, The University of Texas at Austin
- 2019 13th ISB Accounting Research Conference, Indian School of Business, Hyderabad, India
- 2019 Inaugural IIMB Accounting Research Conference, Indian Institute of Management, Bangalore, India
- 2018 12th ISB Accounting Research Conference, Indian School of Business, Hyderabad, India
- 2018 8th India Finance Conference, Indian Institute of Management, Calcutta, India
- 2018 ISB Centre for Analytical Finance Summer Research Conference, Indian School of Business, Hyderabad, India
- 2017 11th ISB Accounting Research Conference, Indian School of Business, Hyderabad, India

TEACHING EXPERIENCE

Teaching Assistance and tutorials in MBA courses at ISB

- **Accounting Analysis and Information**
Shyam V Sunder (University of Arizona)
- **Financial Statement Analysis**
Hariom Manchiraju (ISB)

Teaching Assistance and tutorials in Doctoral Courses at ISB

- **Data Analysis Techniques for Accounting Research**
Mani Sethuraman (Cornell University)
- **Microeconomics A**
Parikshit Ghosh (Delhi University)
- **Econometrics A - Cross-section**
Samarjit Das (Indian Statistical Institute)
- **Econometrics B - Advanced Cross-section**
Samarjit Das (Indian Statistical Institute)
- **Econometrics D - Panel Data**
Samarjit Das (Indian Statistical Institute)

PROFESSIONAL EXPERIENCE

Ernst & Young

Consultant, Transfer Pricing and International Tax Services

2015 - 2017

A Sachdev & Co.; Bansal & Co.

Articled Assistant training in Auditing as part of mandatory requirements under the Chartered Accountancy regulations

2012 - 2015

PROFESSIONAL AFFILIATIONS

Member, European Accounting Association

Member, American Accounting Association

Fellow Member, Institute of Chartered Accountants of India

ACHIEVEMENTS

2017-Current Scholarship, Indian School of Business
2015 All India Rank 18, Level II, Institute of Chartered Accountants of India

TECHNICAL STRENGTHS

Python, Stata, L^AT_EX, R

REFERENCES

Sanjay Kallapur

Professor, Accounting

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Devin Shanthikumar

Associate Professor, Accounting

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State University of New York at Binghamton
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APPENDIX A - COURSE WORK

	Course/ Workshop	Faculty	Affiliation
Seminar Courses	Empirical Research in Accounting	Hariom Manchiraju	ISB
	Topics in Accounting Research	Sanjay Kallapur	ISB
	Research in Auditing	Sanjay Kallapur	ISB
	Psychology Based Research in Management Accounting	Ranjani Krishnan	Broad School of Business, Michigan State University
	Theoretical Accounting – A & B <i>(Ph.D. Seminar on Agency Theory, and Information Economics)</i>	Swaminathan (Sri) Sridharan	Kellogg School of Management, Northwestern University
	Empirical Asset Pricing 1	Vikas Agarwal	J. Mack Robinson College of Business, Georgia State University
Research Methods	Experimental Design	Ashwini Chhatre	ISB
	Econometrics – A <i>(Cross-sectional)</i>	Sisir Debnath	ISB
	Econometrics – B <i>(Advanced cross-sectional)</i>	Samarjit Das	Indian Statistical Institute, Kolkata
	Econometrics – C <i>(Time Series)</i>	Anindya Chakrabarti	Indian Institute of Management, Ahmedabad
	Econometrics – D <i>(Panel Data)</i>	Samarjit Das	Indian Statistical Institute Kolkata
	Research Methodology <i>(Overview of Different Methods)</i>	Sanjay Kallapur and Ashwini Chhatre	ISB
	Causal Inference and Scientific Investigation	Sanjay Kallapur	ISB
Others	Foundations of Financial Economics – A & B	Apoorva Javadekar	ISB
	Overview of Accounting Research	Jacob Thomas	Yale School of Management, Yale University
	Probability (A & B) Statistics (A & B)	Bhimasankaram P.	ISB
	Microeconomics – A	Parikshit Ghosh	Delhi School of Economics
	Microeconomics – B	Deepal Basak	ISB
	Microeconomics – C	Debasis Mishra	Indian Statistical Institute, Delhi
	Philosophy of Science	Sanjay Kallapur	ISB
	ISB Case Writing and Teaching Workshop	Philip C. Zerrillo	ISB
		Havovi Joshi	Singapore Management University
	IIM B CTL Teaching Workshop for Doctoral Students	Arun Pereira	Independent
Sourav Mukherji		Indian Institute of Management, Bangalore	