Xiangyu Li

xiangyu.li@marshall.usc.edu | website

EDUCATION

University of Southern California 2022 – 2027 (expected)
Ph.D. in Accounting

The Hong Kong University of Science and Technology (HKUST) 2018 – 2022
BSc in Economics and Finance (minor in Mathematics)
Academic Achievement Medal and First Class Honor

RESEARCH

Interests: Debt Contracting; Auditing; Disclosure.

Publication:

Re-doing the Audit, with Isabel J. Cho and Clive Lennox. Forthcoming at *Journal of Accounting and Economics* | Link

Abstract: This study investigates the practice of re-audits—where an incoming audit firm re-audits the prior year's financial statements previously examined by a predecessor audit firm. We examine the costs and benefits of such re-audits. We find that re-audits are more likely when the risks of misstatement are high and when incoming auditors can expect to win more clients by identifying material misstatements overlooked by predecessor auditors. Our results show that incoming auditors who perform re-audits are more successful in winning new clients from predecessor auditors. Moreover, re-audits result in significantly more restatements. However, consistent with the resource-intensive nature of re-audits, we also find that they are associated with longer audit delays and higher audit fees. Overall, we conclude that re-audits have important consequences for financial statement users, incoming auditors, and predecessor auditors.

- Presented at the AAA Western Region Doctoral & Faculty Interchange, Egyptian Online Seminars in Business, Accounting and Economics*, Fox and Haskayne Accounting Conference*, Hong Kong University of Science and Technology*, International Symposium on Audit Research, University of Alberta Accounting Research Conference*, University of Alabama*, and University of Southern California
- Received the Best Paper Award at the Fox and Haskayne Conference

Working Papers:

To Hide or Highlight? How Borrowing Firms Summarize Their Loan Contracts (Dissertation)

Abstract: This study examines how firms summarize loan contracts. Loan announcements in Form 8-Ks typically include the full contract as an exhibit along with a summary in the main file. I find that firms omit covenant details from summaries when the likelihood of covenant violation is high, consistent with incentives to downplay credit risks and operational restrictions. This tendency is stronger when investors face higher costs of processing the full contracts. While some investors mitigate potential information loss by consulting the contracts, many remain unaware of the omitted details. Less detailed summaries predict a higher likelihood of future covenant violations and lower borrower profitability, suggesting that summarization choices themselves convey information. Overall, the evidence highlights the strategic use of summaries and underscores the significance of information processing costs, as disclosures that contain no incremental information nonetheless reflect deliberate reporting choices and shape investor behavior.

- Committee: Clive Lennox (co-chair), Regina Wittenberg-Moerman (co-chair), Maria Ogneva, Lorien Stice-Lawrence, and Odilon Câmara
- Presented at AAA/Deloitte Foundation/J. Michael Cook Doctoral Consortium, CAPANA Annual Research Conference, and University of Southern California
- Received the Best Paper Award at the CAPANA Annual Research Conference

Lender-borrower Interactions and Loan Contracting, with Allen Huang and Xinlei Li | Link
Abstract: In commercial lending, lenders interact with borrowers to source new loans and assess credit risk. Using proprietary data from a bank, we study what drives lender–borrower interactions and how they shape loan contracting. Interactions increase with borrowers' business prospects and risks, consistent with prospecting and credit assessment motives. Although interaction-derived information is not incorporated into the bank's internal risk ratings, loans initiated after interactions are priced more efficiently, with interest rates that better predict future defaults, especially when interactions are more likely to generate new information. Loan officers use interaction-derived information to approve loans that would otherwise be rejected, but not to reject loans that would otherwise be approved; this asymmetry is more pronounced when their prospecting incentives are stronger. These findings highlight how loan officers collect and use interaction-derived information with their prospecting and screening incentives and have implications for research on loan officer incentives and the role of information in credit decisions.

- Presented at the AAA Annual Meeting, Chinese University of Hong Kong*, City University of Hong Kong*, EAA Annual Congress*, Fudan University*, Harbin Institute of Technology Shenzhen*, Hawai'i Accounting Research Conference*, National Taiwan University*, Peking University*, Southern University of Science and Technology*, Tsinghua University*, University of Illinois Chicago*, UC Davis*, UC Irvine*, and the Eleventh International Conference of the Journal of International Accounting Research

Work in Progress:
Auditor Responses to Financial Crises, with Isabel J. Cho and Clive Lennox

- Presented at University of Southern California

** Presented by co-author.*

CONFERENCES

Presentations:

AAA Annual Meeting (*scheduled*)	August 2026
CAPANA Annual Research Conference (Best Paper Award)	July 2026
AAA/Deloitte Foundation/J. Michael Cook Doctoral Consortium	June 2026
International Symposium on Audit Research (ISAR)	June 2025
AAA Western Region Doctoral Student Faculty Interchange (DSFI)	April 2025
AAA Annual Meeting	August 2024
International Conference of the Journal of International Accounting Research (JIAR)	June 2024

Service:

AAA Annual Meeting (*scheduled*) | discussant & moderator	August 2026
Southern California Accounting Research Forum (SCARF) | moderator	April 2026
AAA Annual Meeting | discussant & moderator	August 2024

Participation:

2026	Annual SEC and Financial Reporting Conference, CityUHK–CJAR Joint Accounting Research Conference, Debt Markets Conference at Kellogg, Financial Accounting and Reporting Section Midyear Meeting (FARS), Southern California Accounting Research Forum (SCARF)
2025	Conference on Emerging Technologies in Accounting and Financial Economics (CETAFE), Debt Markets Conference at Kellogg, Hawaii Accounting Research Doctoral Institution (HARDI), HKUST Accounting Research Symposium
2024	CUHK Accounting Research Conference, HKUST Accounting Research Symposium, Southern California Accounting Research Forum (SCARF), Wharton Spring Accounting Conference
2023	CUHK Accounting Research Conference, HKUST Accounting Research Symposium

ACADEMIC SERVICE

Ad hoc reviewer: AAA Annual Meeting, Conference on Emerging Technologies in Accounting and Financial Economics (CETAFE), Financial Accounting and Reporting Section Midyear Meeting (FARS), Hawaii Accounting Research Conference (HARC)

TEACHING

Interests: Financial Accounting; Managerial Accounting; Auditing; Data Analytics. Open to other subjects.

University of Southern California
Undergraduate Foundations of Accounting

Instructor (Instructor rating mean: 3.7 out of 4; median: 4 out of 4)	Spring 2025
Teaching Assistant for Professors James Leonetti and Gregory Kling	Fall 2024

HONORS & AWARDS

Best Paper Award at the CAPANA Annual Research Conference	2026
Marshall PhD Fellowship, USC Marshall School of Business	2026
FARS Midyear Meeting Excellence in Reviewing Award	2026
AAA/Deloitte Foundation/J. Michael Cook Doctoral Consortium Fellow	2026
Dissertation Completion Fund Award, USC Marshall School of Business	2025
Best Paper Award at the Fox and Haskayne Conference	2024
Institute for Outlier Research in Business (iORB) Research Grant, USC Marshall School of Business	2024
Doctoral Fellowship, USC Marshall School of Business	2022 – present
HKSAR Government Scholarship	2020 – 2022

REFERENCES

Clive Lennox (committee co-chair & coauthor)
USC Accounting Associates Chair – University of Southern California
clennox@marshall.usc.edu

Regina Wittenberg-Moerman (committee co-chair)
Stanley Gradowski Professor of Accounting Information & Management – Northwestern University
regina.wittenbergmoerman@kellogg.northwestern.edu

Maria Ogneva (committee member)
Associate Professor of Accounting – University of Southern California
ogneva@marshall.usc.edu

Lorien Stice-Lawrence (committee member)
Associate Professor of Accounting – University of Southern California
sticelaw@marshall.usc.edu