

KALASH JAIN

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EMPLOYMENT

Columbia Business School

Assistant Professor of Business, Accounting Division

New York, NY

2023 – Present

EDUCATION

University of Chicago Booth School of Business

PhD, Dissertation Area: Accounting

MBA

Chicago, IL

2023

2023

University of Chicago

BA Economics, BA Statistics

Chicago, IL

2017

RESEARCH

Interests

My research examines the impact of frictions in information processing, investor decision making, and financial statement analysis on asset prices and firm investment. Some examples include examining the frictions in processing industry classifications, constructing investment portfolios when facing career concerns, and analyzing loan loss provisions on bank financial statements.

Working Papers

“Processing Industry Classification” [Job Market Paper]

- *Abstract:* External users of financial reporting often rely on industry classification providers to reduce processing costs. I study the economic consequences of capital market participants relying on the Global Industrial Classification Standard (GICS). I find that firms with higher quality classifications exhibit stronger liquidity, a lower cost of capital, and higher investment. When exploiting staggered GICS reclassifications as a shock to classification quality, I find relative improvements for firms with lower pre-treatment classification quality. The results are stronger for conglomerate firms that are more difficult to process and for firms that lack sell-side analyst coverage. Finally, I find increased investment for spillover firms after reclassified firms join their GICS industry group. Taken together, I provide evidence that industry classification providers generate capital market, real, and spillover effects through their information processing.
- Committee: Philip Berger (chair), Valeri Nikolaev, Haresh Sapra, Christopher Stewart

“Career Concerns and Time Arbitrage”

- *Abstract:* Fund managers face career concerns that can distort decision making. Managers may make short-term investment decisions because of the possibility of asset redemption from their investor base, which can create mispricing opportunities for longer-term fund managers who do not face such frictions. Value investors have speculated about these opportunities, but prior literature has yet to study this possibility systematically. I fill this gap by examining whether this mispricing opportunity, known as Time Arbitrage, exists. I identify longer-term managers using active managers' share-weighted holding periods (Duration). Consistent with long-term managers exploiting Time Arbitrage, I find that firms with long Duration generate significantly greater returns than those with short Duration. The predictive power of Duration lasts for more than 5 years after the fund holdings are reported, in line with the mispricing being long-term in nature. The mispricing premium is larger among small, volatile, and poorly performing firms that are harder for career concerned managers to hold. Taken together, this paper provides the first systematic evidence of the Time Arbitrage strategy.

Works in Progress

“Diagnostic Expectations and Loan-Loss Provisions” (with Yao Lu and Valeri Nikolaev)

“Demand Systems and Information Asymmetry” (with Sandra Schafhäutle)

“Identifying Customer Acquisition Costs from Financial Statements”

TEACHING

University of Chicago Booth School of Business

MBA Teaching Assistant, Advanced Financial Analysis and Valuation

- Prof. Christian Leuz

Chicago, IL

2020, 2021, 2022

University of Chicago Law School

Law Teaching Assistant, Accounting and Financial Analysis

- Prof. Philip Berger

Chicago, IL

2021, 2022

University of Chicago Booth School of Business

Executive MBA Teaching Assistant, Financial Accounting

- Prof. Haresh Sapra
- Dean's Letter for Exceptional Service

Chicago, London, Hong

Kong

2020, 2021

University of Chicago Booth School of Business

Executive MBA Teaching Assistant, Managerial Accounting and Analysis

- Prof. Douglas Skinner
- Dean's Letter for Exceptional Service

Chicago, IL

2021

CONFERENCES

IU - St. Louis Fed Workshop	2023
CBS Junior Accounting Faculty Conference	2023
Journal of Accounting Research Conference	2020-2023
Journal of Accounting and Economics Conference	2022
Symposium on Private Firms: Reporting, Financing, & the Aggregate Economy	2022

HONORS AND AWARDS

Ernest Wish PhD Fellowship	2018-2023
Booth School of Business PhD Fellowship	2018-2023
Phi Beta Kappa	2017
Dean's List	2013-2017

PROFESSIONAL EXPERIENCE

Citigroup	New York, NY
Investment Banking Analyst – Financial Strategy and Solutions	2017-2018

OUTSIDE ACTIVITIES (required conflict of interest disclosure)

None