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## Columbia Business School International Faculty Profile

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Amir Ziv, Vice Dean and Professor of Accounting

Dimple Kaur MBA '06

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*Professor Amir Ziv joined Columbia Business School in 1994 and was appointed vice dean in January 2006. Over the past 12 years, he has taught several Financial and Managerial Accounting courses in the MBA, Executive MBA and Doctoral programs. He has also taught Executive Development programs for such premier organizations as Goldman Sachs and Paine Webber. In addition, Professor Ziv has received numerous honors and awards, including recognition as one of the “Most Popular Professors” by Business Week magazine. He received a BA from the University of Haifa, an MSc through a joint program of the University of Haifa and Technion (Israel Institute of Technology) and a PhD from Stanford University.*

**We hear that you are splitting your time between New York and Israel.**

Yes, I travel a lot since my family is still in Israel. I spend about a week here and a week there. In the summer, my family will join me here in New York.

I was at Columbia between '94 and '02 full-time. When I left for Israel, I kept a connection with Columbia Business School as an adjunct. In Israel I have been teaching at a start-up university called the Interdisciplinary Center of Herzliya, which is about 12 years old now. The center represents an attempt to build a private, Ivy League-like university in Israel where care is taken towards research, teaching and making economic decisions about what's good for the education without government interference. I was a full-time faculty member there and established an executive education unit. I am actually still teaching there this semester.

**Were you born and raised in Israel?**

Yes, I was born and raised in Israel. I didn't actually leave Israel my first 20 years. I did my undergrad in accounting and economics—hated accounting; couldn't stand it. And when I went for my master's, I went after my heart and studied economics. When I went to do a PhD, my old economics professor was on sabbatical at Stanford, and he led me back to accounting. He also introduced me to the person who eventually became my advisor, Professor Nahum Melumad—who is currently chair of the Accounting Division at Columbia Business School. In retrospect, it was the best advice I've received in my life to do a career in accounting, because when I started teaching it, I realized how beautiful accounting is, how nice it is, how much intelligence you need to do it—it's wonderful.

**What did you do after receiving your PhD?**

In each juncture of my life, there was a person there who led me to my next step. Upon completing my PhD, I was teaching at Yale in the MBA when my advisor from Stanford moved to Columbia. A year later, I joined Columbia as well and have been here since then—first full-time, then part-time and now in a totally different capacity. I usually teach the core course in accounting. Here and there I teach Managerial Accounting and also executive education.

**Why did you dislike accounting?**

One of the drawbacks that made me hate accounting was that it would be a list of rules. Rule, rule, rule—learn the rule, and then learn subsection 12.62.526 and then yet another subsection. Many would be cases you'd never see in your life but you had to learn anyway. And then the question comes up “Do you remember all 50 subsections?” If you do, you are a good student. At times you thought, Why even bother asking any questions? At Columbia, the way things are taught is different. We try to teach accounting from a user's perspective: looking at the data, trying to decipher what happened and what will happen in the future. The professors try to get students to look at the big picture. Then you can see the beauty, the connection—of the core, of the materials and the system. The accounting system is an elegant and beautiful one. We want our students here to see that and to enjoy it.

**What are the difficulties of teaching in multiple countries?**

I'm teaching here, in London to Europeans and Americans and in Israel. And there are different accounting standards, but for the sake of beginners they don't matter much. The world is getting smaller and more synchronized. Going forward this will be even more the case. Of course, if you need to make an involved decision, then you have to understand the differences in the systems. But those are not so difficult to learn. Ninety percent of the content is one-to-one regardless of where I teach. Of course, if I teach an advanced course such as footnote analysis where we get into the nitty-gritty details of footnote 12 or 15—then the differences become more apparent. But a balance sheet is always a balance sheet.

**What kind of consulting work do you do?**

Most of it is executive education where I'm developing execs. I teach for companies some standard materials like what I would teach here for the core. Sometimes I develop unique materials if the firm wants something specific. The advantage for them is that the entire room is filled with their company execs, so they can open the room, open their minds and share with me and with each other their thoughts.

**What do you enjoy about teaching?**

One of the great things about teaching is that you work with so many people. It's been maybe 15 or 16 years since I finished my PhD. Since then I've probably met a few thousand students, and many of them were wonderful. In particular, I like interactions that last for a while, like a semester, so you see the evolution from day one to the end. When you teach people over time and see them evolve, that's much nicer.

**What methods do you apply to your research?**

My goal is to try and understand the world accounting operates in and accounting phenomenon. The nice thing about being in academia is that I'm choosing my own problems. My personal research is analytical: I'm a modeler. I'm building analytical, mathematical models using logic and applied game theory. I try to get an equilibrium—a prediction of behavior—and then leave it to my friends who are doing empirical work to go and collect data and test out the model. Most times, I am sort of losing the real world. I get input from it, but at a point I stop and I'm doing my own analytical work. To me the modeling is very important because it forces you to think very, very carefully—to make sure you cover all your bases. And then it gives you the insights. I think the nice thing about being in business school is that insights can be had in a way that someone who does not have this massive sophistication can access, use and benefit from.

**What research are you currently conducting?**

Right now I'm interested in voluntary disclosure. I have two projects: first, interperiod implications for the company and the market post-voluntary disclosure and, second, the connection between disclosure and operating decisions. The fact that I know that I can disclose might affect my operating decisions; the fact that I make operating decisions might affect my decision to disclose—there is a loop here. The trick is to solve this loop. And then there's the question of whether mandatory disclosure works or not. Sometimes it does, and sometimes it doesn't. I look at a problem and say it's an interesting puzzle to solve and might also have some impact, and that's where my ideas come from.

**Will you continue teaching the core course going forward?**

I think our core is very good. It's a gate to the electives and to the outside world. Basically, when you say you're a Columbia graduate, we know that you have certain skills, and the core gives you those. My profession is accounting—teaching accounting, changing the perception of accounting for students, giving them the tools to do a good job—that's what I like and enjoy, so I see no reason not to teach the core. I've been away from the MBA Program for a while, so teaching the core will be energizing. I know the student body has

changed over the last 10 years, and I'm eager to see this change and to be challenged by the classroom.

**Any parting words for students?**

Accounting is a fundamental component of the MBA education; it's a basic building block. You need to know how to read and write, and you need to know how to deal with numbers. Everyone uses the numbers. If you are in finance, you need to get information to make financial decisions. A great source of information is the financial reports. They are not the only source, but are a source. If you can open them, read through them, understand what the numbers mean and imply for the future, then your life as a finance person is easier. If you are a consultant, you look at the numbers you are given to determine whether the company is or isn't profitable. If you're in marketing, again, you have to know accounting. This is a skill students must develop. I love it when people come and tell me that "I went to a summer job and I was using what you taught me very well, and it helped me to get the job, to do the job well and to be promoted"—that's the best reward.