

Supplement to:

Barnett, William P., Xiao Xiao, and Yi Zhou. 2021.
“Competitive Exclusion versus Mimetic Isomorphism:
An Identified Empirical Test.” *Sociological Science* 8:
211-229.

Appendix A

Variable Definitions

Auditor choice of Andersen's clients (AC)	=	An indicator variable equal to one if a firm chooses an auditor, and zero otherwise.
Auditor of AC's larger rivals	=	An indicator variable equal to one if an auditor audited at least one of AC's larger rivals in 2000, and zero otherwise.
Auditor of AC's smaller rivals	=	An indicator variable equal to one if an auditor audited at least one of AC's smaller rivals in 2000, and zero otherwise.
Auditor of AC's rivals	=	An indicator variable equal to one if an auditor audited at least one of AC's rivals, and zero otherwise.
Switch	=	An indicator variable equal to one if a firm switches to a new auditor in 2003, and zero otherwise.
AC's larger rivals	=	An indicator variable equal to one if a firm is a larger rival of any AC that switches from Andersen to the firm's current auditor, and zero otherwise.
AC's smaller rivals	=	An indicator variable equal to one if a firm is a smaller rival of any AC that switches from Andersen to the firm's current auditor, and zero otherwise.
AC's rivals	=	An indicator variable equal to one if a firm is a rival of any AC that switches from Andersen to the firm's current auditor, and zero otherwise.
Expertise	=	Total assets of all firms audited by an auditor in an industry (defined by 3-digit SIC code) divided by total assets of all firms in the industry.
Assets	=	Natural logarithm of assets.
Growth	=	Total assets less beginning total assets, divided by beginning total assets.
ROA	=	net income divided by total assets.
Loss	=	An indicator variable equal to one if $ROA < 0$, and zero otherwise.
Leverage	=	Total debt divided by total assets.
Size	=	Natural logarithm of market value of equity.
M&A	=	An indicator variable equal to one if a firm has M&A in 2002, and zero otherwise.
Clean Opinion	=	An indicator variable equal to one if a firm receives a clean audit opinion in 2002, and zero otherwise.
