

INTERNATIONAL  
ACCOUNTING SECTION  
of the



American  
Accounting  
Association

NO. 97

Summer 2009

# FORUM

INTERNATIONAL ACCOUNTING

EDITOR: Jeannie J. Harrington  
Middle Tennessee State University

## PRESIDENT'S MESSAGE

International Accounting Section Members:

Summer is here and it is time to gear up for the annual meeting. Thanks to Tony Kang, Lynn Rees and their committee, we have a wonderful annual meeting program committee, the section and all of AAA has a spectacular meeting planned. Be sure to check out the Saturday and Sunday CPE sessions, featuring programs on teaching and researching International Accounting topics, including IFRS.

On Monday, August 3<sup>rd</sup>, the section will host its annual luncheon. Please join us for a great networking opportunity, and a chance to hear Wayne Carnall, Chief Accountant of the SEC's Division of Corporation Finance. Wayne has extensive international experience, and is a colorful speaker.

The AAA annual meeting marks the end of AAA year, and the start of a new one. As we close out the current year, I extend my sincere thanks to all of the officers, committee chairs and section volunteers. Looking forward, I encourage each of you to volunteer in the future!

Last, but certainly not least, a special thanks to Jeannie Harrington. Jeannie has served as the Editor of the *Forum* for the past seven years. Thank you, Jeannie!

Best regards,

Cheryl Linthicum

IAS President 2008-2009



*Cheryl Linthicum*

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**International Accounting Section**  
**Forum Deadlines, Suggestions, Comments for 2009/2010**  
**Fall 2009 Issue - September 30, 2009**  
**Spring 2010 Issue – February 15, 2010**  
**Summer 2010 Issue - May 31, 2010**

Any comments and suggestions you have to make the *Forum* more informative and enjoyable are appreciated. Please submit comments and items for publishing via email using a Microsoft Word Times New Roman 12 font format file as an attachment. Submit to New Editor, Chris Hodgdon, at the following address:

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**FORUM EDITOR HARRINGTON MOVES ON**

In the Fall 2009, I will be taking on the position of Secretary in the International Accounting Section. I have really enjoyed being the editor for the past seven years. I appreciate all your help, contributions and comments. The *Forum* is our newsletter but it also serves to preserve the history of our section (hence, programs, minutes, bylaw revisions, etc. are included). Thank you for allowing me to provide this service.

*Forum* Editor, Jeannie Harrington, Middle Tennessee State University,

*Jeannie and Jack heading off to Lake Barkley,  
Kentucky.*



**NEW FORUM EDITOR, CHRIS HODGDON**

Chris Hodgdon, (left) University of Vermont, will become the new editor of the *Forum* effective for the Fall issue of 2009. If you are interested in taking over the “Have you seen...?” column, please notify Chris at [chodgdon@bsad.uvm.edu](mailto:chodgdon@bsad.uvm.edu). We look forward to many years of excellent editing under his new leadership.

**PRELIMINARY SCHEDULE OF ACTIVITIES  
INTERNATIONAL ACCOUNTING SECTION  
AAA ANNUAL MEETING  
NEW YORK, NEW YORK - AUGUST 1-5, 2009**

**Saturday, August 1**

**CPE #7            8:00 a.m. – 12:00 p.m.**  
**IFRS-Based Accounting Education**

Presenters: Denise Probert  
Kaplan Schweser

**CPE #14        1:00 p.m. – 5:00 p.m.**  
**IFRS Teaching and Research**

Presenters: Mary Barth, Stanford University, Former IASB Board Member  
Paul Munter, Department of Professional Practice, KPMG, New York  
Donna Street, University of Dayton, IAAER  
Michael Wells, Education Projects — International Accounting Standards Committee  
Foundation  
Katherine Schipper, Professor of Accounting, Duke University and former FASB member

**Sunday, August 2**

**CPE #25        8:00 a.m. – 11:00 a.m.**  
**Fraud: A Global Perspective**

Presenter: Patricia Johnson, Canisium College

**CPE #28        8:00 a.m. – 12:00 p.m.**  
**FASB/IASB Update — Part 1**

Presenters: Mary E. Barth, International Accounting Standards Board  
Thomas J. Linsmeier, Financial Accounting Standards Board

**CPE #34        8:00 a.m. – 12:00 p.m.**  
**Understanding IFRS — US GAAP Differences**

Presenters: Ian Hague, Accounting Standards Board Canada  
Steve Krohn, KPMG US Capital Markets Group  
Cheryl Linthicum, University of Texas at San Antonio and former SEC Academic Fellow  
Paul Munter, KPMG Department of Professional Practice  
Mary Tokar, KPMG International Financial Reporting Group

**CPE #37        1:00 p.m. – 4:00 p.m.**  
**First-time Adoption of International Financial Reporting Standards**

Presenter: Paul Pacter, Deloitte and International Accounting Standards Board

**CPE #44        1:00 p.m. – 4:30 p.m.**  
**FASB/IASB Update — Part 2**

Presenters: Mary E. Barth, International Accounting Standards Board  
Thomas J. Linsmeier, Financial Accounting Standards Board

*(continued on page 4)*

## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 3)*

**CPE #50 1:00 p.m. – 5:00 p.m.**

**Islamic Financial Services and its Potential Uses for Accounting Pedagogy**

Presenter: Athar Murtuza, Seton Hall University

**CPE #54 1:00 p.m. – 5:00 p.m.**

**Incorporating International Financial Reporting Standards (IFRS) in Intermediate Financial Accounting — How to Proceed**

Presenters: John Brozovsky, Virginia Tech  
Jennifer Edmonds, Virginia Tech  
Rebecca Fay, Virginia Tech  
Patty Lobingier, Virginia Tech

**2:15 p.m.-3:15 p.m. Chairs/Directors Meeting (Hilton)**

**Monday, August 3**

**9:45 – 11:00 a.m.**

#### **Effective Learning Strategies I**

*A Case Research Project on the Transition from U.S. GAAP to IFRS*

Presenter: Christina Ritsema, St Norbert College

*IFRS Immersion.*

Presenter: Mark Crowley, Bridgewater State College

*An In-Class Scavenger Hunt Using Financial Reports from Foreign Companies*

Presenter: Diane Riordan, James Madison University

*IFRS Compliant Real-Time 2-Way AV (Audio/Video) HD (High Definition) Recording Audit of Effective Learning Strategies for Forensic IT Networks of Expert Witnesses Research that Focuses on Investigative Accounting Testimony, & Computer Litigation Support*

Presenters: Avi Rushinek, University of Miami; Sara Rushinek, University of Miami

#### **Research Interactive Session I**

*Accounting Profession in Developing Countries: Accounting Closure in Sri Lanka*

Prem S. Yapa, RMIT University

*An Examination of the Relationship between the Board Role, Ownership Structure and the Delisted Firms—Evidence from Taiwan.*

Chu-Yang Chien, National Yunlin University of Science and Technology; Yuh-Juan Melody Parng, National Yunlin University of Science and Technology and Transworld Institute of Technology ; Chen-Wei Lu, National Yunlin University of Science and Technology

*Analyst Bias, Firm Characteristics and Stock Returns in the Australian Stock Market*

Shibley Sadique, Monash University; Francis In, Monash University; Madhu Veeraraghavan, Monash University

*Identifying Potential Delisting Firms from Board of Directors Perspective in Taiwan Market.*

Yuh-Juan Melody Parng, Transworld Institute of Technology; Chung-Jen Fu, National Yun Lin University of Science and Technology

**10:15 – 11:45 a.m.**

**1.20 Contemporary International Accounting Issues 1**

Moderator: Veena Looknanan-Brown, Florida Atlantic University

*(continued on page 5)*

## **International Accounting Section, AAA Annual Meeting** **Preliminary Schedule of Activities** *(continued from page 4)*

*Does Corporate Governance Predict Future Performance? Evidence from Hong Kong.*  
Yan Leung Cheung, Hong Kong Baptist University; J. Thomas Connelly, Chulalongkorn University; Ping Jiang, University of International Economics and Business; Piman Limpaphayom, Chulalongkorn University

*Service Recovery Strategy by Banks Services: Malaysian Perspective.*

Shaharudin Jakpar, University Malaysia Sarawak; Abu Hassan Md Isa, University Malaysia; Lee Sieng Ming, University Malaysia Sarawak; Junaid M. Shaikh, Curtin University of Technology Sarawak Offshore Campus Malaysia; Mohammad Azmi Othman, University Utara Malaysia

*The Impact of Management Characteristics on Firm Performance.*

Hsiu-Feng Lin, Tunghai University; Jan-Zan Lee, National Taipei University; Shu-Wei Hsu, Tunghai University

*The Operating Performance of Seasoned Equity Offerings Firms: The Evidence from China.*

Hueiling Chen, Graduate Institute of Management, National Taiwan Normal University; Wan-Ling Liao

*Value Information of Corporate Decisions and Corporate Governance Practices.*

Hae-Young Byun, Kangwon National University; Lee-Seok Hwang, Seoul National University; Woo-Jong Lee, Hong Kong Polytechnic University

### **1.21 How the Adoption of IFRS is Changing the Firms and the Profession**

Moderator: Cheryl Linthicum, The University of Texas at San Antonio

Panelists: Mary Dolson, PricewaterhouseCoopers

D. J. Gannon, Deloitte & Touche

Danita Ostling, Ernst & Young

Mary Tokar, KPMG IFRG

### **1.22 IFRS 6**

Moderator: Patricia Poli, Fairfield University

*Transition from U.S. GAAP to IFRS: The Case of Deutsche Bank.*

Robert D. Hayes, Tennessee State University; Eva K. Jermakowicz, Tennessee State University

Discussant: Fatima A. Alali, California State University, Fullerton

*International Financial Reporting Standards, Analyst Following, Institutional Infrastructure, and Stock Price Synchronicity around the World.*

Jeong-Bon Kim, Concordia University; Haina Shi, Fudan University

Discussant: Joung W. Kim, Nova Southeastern University

*Trading Volume Reaction to the Earnings Reconciliation from IFRS to U.S. GAAP: Further Evidence.*

Lucy Huajing Chen, Arizona State University; Heibatollah Sami, Lehigh University

Discussant: S. M. Khalid Nainar, McMaster University

### **1.23 International Auditing Issues 3**

Moderator: Obeua Persons, Rider University

*An Exploratory Study of Chinese Accounting Students' and Auditors' Audit-specific Ethical Reasoning.*

Damon M. Fleming, San Diego State University; Chee W. Chow, San Diego State University; Wenbing Su, Nanjing University

Discussant: Edward N. Balli, Aurora University

*(continued on page 6)*

## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 5)*

*Survey Research regarding Internal Controls and Auditing—Comparison between the U.S. and Japanese Firms.*

Kazuyuki Suda, Waseda University; Masumi Nakashima, Fukushima College; Takashi Sasaki, Hitotsubashi University; Shin'ya Okuda, Osaka Gakuin University

Discussant: Mingming Feng, Oklahoma State University

*Cultural Dimension as an Explanatory Variable in Use and Compliance with Internal Auditing Standards in Nineteen Countries.*

Mohammad J. Abdolmohammadi, Bentley University; Gerrit Sarens, Université Catholique de Louvain

Discussant: Mingming Feng, Oklahoma State University

#### **1.24 International Corporate Governance 5**

Moderator: Mari Paananen, University of Hertfordshire

*Does Corporate Credibility Matter in Emerging Markets? Evidence from China.*

Ran Zhang, Peking University; Zabihollah Rezaee, The University of Memphis; Jigao Zhu, Peking University

Discussant: Jiwei Wang, Singapore Management University

*The Relation among Family Management, Outside Directorate Ties and Firm Value.*

Hsiu-Feng Lin, Tunghai University; Jan-Zan Lee, National Taipei University; Yueh-Hung Chen, Tunghai University

Discussant: Hongqi Yuan, Fudan University

*Does Higher Ownership Control Suggest More Bad Influences? Evidence from the Value of Cash Holdings and Cash Dividends in Chinese Listed Firms.*

Yenn-Ru Chen, Department of Accountancy, National Cheng Kung University

Discussant: Rameshwar D. Gupta, Jackson State University

#### **1.25 International Diversification and Cost of Capital**

Moderator: Giorgio Gotti, University of Massachusetts Boston

*Political Connections and the Cost of Equity Capital.*

Narjess Boubakri, HEC Montreal; Omrane Guedhami, University of South Carolina; Dev Mishra, University of Saskatchewan; Walid Saffar, HEC Montreal

Discussant: Wagdy M. Abdallah, Seton Hall University

*International Diversification and Conference Calls: Legal System and Ownership Structure.*

Chen-Lung Chin, National Chengchi University; Yu-Ju Chen, Asia University

Discussant: Elaine Henry, University of Miami

*Accounting Conservatism and Cost of Capital: International Analysis.*

Xi Li, London Business School

Discussant: Giorgio Gotti, University of Massachusetts Boston

#### **1.26 International Evidence on Earnings Management 1**

Moderator: Gordian A. Ndubizu, Drexel University

*The Impact of Tax Unification on Earnings Management.*

Changjiang Lu, Fudan University; Dichu Bao, Fudan University; Jia Wu, University of Massachusetts Dartmouth

Discussant: Joyce van der Laan Smith, University of Richmond

*(continued on page 7)*

## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 6)*

*Stakeholder Influence on Earnings Properties: International Evidence.*

Jana Smith Raedy, The University of North Carolina at Chapel Hill; Wendy Wilson, Southern Methodist University

Discussant: Gia Chevis, Baylor University

*International Evidence on Analyst Monitoring and Earnings Management: The Roles of Corporate Disclosure and National Culture.*

Sam Han, Korea University; Tony Kang, Oklahoma State University; Gerald Lobo, University of Houston; Yong Keun Yoo, Korea University

Discussant: Joyce van der Laan Smith, University of Richmond

**12:00 Noon – 1:45 p.m.**

### **International Accounting Section Luncheon (Ticket Required)**

Speaker: Wayne Carnall, Chief Accountant, Division of Corporation Finance, US Securities and Exchange Commission

**2:00 p.m.– 3:30 p.m.**

### **International Accounting Section Business Meeting**

**3:00 – 4:30 p.m.**

### **Research Interaction Session II**

*Appointment of Political Top Executives and Subsequent Performance and Corporate Governance: Evidence from China's Listed SOEs.*

Fang Hu, City University of Hong Kong; Sidney C. M. Leung, City University of Hong Kong  
*The Impact of Industrial Clusters and Social Networks on Firm Performance in China.*

Anne Wu, National Chengchi University; Sui-Hua Yu, National Chung Cheng University;  
Jiawen Liang, National Chengchi University

*The Audit Quality of Semiannual Reports: Evidence from Taiwan.*

Ping-Yung Chiu, National Yunlin University of Science and Technology; Ya-Fen Chang,  
National Yunlin University of Science and Technology; Providence University

*The Joint Determination of Audit Fees, Nonaudit Fees and Earnings Management: Evidence from France*

Julien Le Maux, HEC Montreal

*Defining Assets across IFRS—A Contribution to a Consistent Standard Setting Process.*

Stefanie Schmitz, Goethe-University Frankfurt, Germany; Philipp Eigler, Goethe-University Frankfurt, Germany; Michael Hommel, Goethe-University Frankfurt, Germany

*Employer Expectations of Accounting Undergraduates' Entry-Level Knowledge and Skills in Global Financial Reporting.*

Christopher G. Jones, California State University, Northridge; Rishma Vedd, California State University, Northridge; Sung Wook Yoon, California State University, Northridge

*Empirical Evidences of Correlation between Innovation and Ethical Behavior in the EU Countries Area.*

Massimo Pollifroni, University of Turin

*Analysis on Ethiopian NGOs Reports.*

Padakanti Laxmikantham, Addis Ababa University

*Determinants of Corporate Governance Disclosure in a Developing Market: The Case of Egypt.*

Khaled M. Dahawy, The American University in Cairo; Khaled Samaha, The American University in Cairo

*(continued on page 8)*

## International Accounting Section, AAA Annual Meeting

### Preliminary Schedule of Activities *(continued from page 7)*

*Earnings Quality and Firm Market Valuation Following the Implementation of Mandatory Accounting Standards in an Emerging Country: The Egyptian Experience.*

Mohamed A. Elbannan, Cairo University

*The Effects of Adopting Mandatory IFRS on Intangibles: French Evidence.*

Corinne Bessieux Ollier, Groupe Sup de Co Montpellier, CEROM, France; Marie Chavent, University of Bordeaux 1; Vanessa Kuentz, University of Bordeaux 1; Elisabeth Walliser, University of Montpellier 1

*Auditor Compensation and Tournament Theory: Empirical Tests on Taiwan Data.*

Yu-Lin Chen, Chung Yuan Christian University; Meichu Huang, Chung Yuan Christian University

*Planning and Control at Hongdou Industrial Stock Company.*

Raef Lawson, Institute of Management Accountants; Jiliang Yang, HKUST (retired)

#### 4:00 – 5:30 p.m.

##### 3.17 FASB-IASC-SEC Update

Moderator: Terry D. Warfield, University of Wisconsin

Panelists: Mary Barth, Stanford University

James Kroeker, U.S. Securities and Exchange Commission

Thomas Linsmeier, Financial Accounting Standards Board

##### 3.26 IFRS 7

Moderator: Bowe Hansen, University of New Hampshire

*The Effect of IFRS Adoption on Balance Sheet Measures and Value Relevance of Accounting Information.*

Shwu Hsing Wu, Tainan University of Technology; Shu-hsing Li, National Taiwan University

Discussant: Marilyn A. Waldron, University of South Australia

*Does an IFRS Impairment Approach Improve the Association between Goodwill Accounting and Firms' Investment Opportunities?*

Keryn Chalmers, Monash University; Jayne M. Godfrey, Monash University; John Webster, Monash University

Discussant: May Zhang, University of Missouri

*IFRS Adoption in Germany Empirical Evidence from 1998–2005.*

Stéphanie Aurélie Hoermanseder; Wu Wien; Alexander Schiebel

Discussant: May Zhang, University of Missouri

##### 3.27 International Corporate Governance 3

Moderator: Sanjian Bill Zhang, McGill University

*Top Management Turnover, Firm Performance and Government Control: Evidence from China's Listed SOEs.*

Fang Hu, City University of Hong Kong; Sidney C.M. Leung, City University of Hong Kong

Discussant: Minna Yu, Ball State University

*Timeliness of Financial Reporting and Ownership Structure: Evidence from the Emerging Chinese Market.*

Hui Du, University of Houston–Clear Lake; Gaoliang Tian, Xi'An Jiao Tong University;

Fangjun Wang, Xi'An Jiao Tong University

Discussant: Minna Yu, Ball State University

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 8)*

*The Dispersion between Profit Sharing Bonus and Dividends: Incentives or Entrenchments?*

Wen-hsin Hsu, National Taiwan University; Stephen Lin, Florida International University

Discussant: Yuansha Li, University of Wisconsin–Parkside

### **3.28 International Evidence on Opportunistic Reporting Behaviors**

Moderator: Lucy Huajing Chen, Arizona State University

*Investor Protection, Ownership Concentration, and Mimicking Repurchases around the World.*

In-Mu Haw, Texas Christian University; Simon SM Ho, University of Macau; Bingbing Hu, Hong Kong Baptist University; Xu Zhang, University of Macau

Discussant: Wendy Wilson, Southern Methodist University

*Exploring New Areas of Creative Accounting: Empirical Evidence from Sales Manipulation.*

Evangelos P. Koumanakos, University of Ioannina; Dimitris Tzelepis, University of Patras

Discussant: Wendy Wilson, Southern Methodist University

*Empirical Examination of Association between Earnings Quality and Corporate Governance Bonding: Evidence from PRC Primary foreign Listing Firms.*

Ling Mei Cong, Curtin University of Technology; J-L. W. Mitchell Van der Zahn, Curtin University of Technology; Alistair Brown, Curtin University of Technology; Greg Tower, Curtin University of Technology

Discussant: Lucy Huajing Chen, Arizona State University

## **Tuesday, August 4**

### **8:45 a.m.– 9:45 a.m. Tuesday Plenary Session**

Speaker: Sir David Tweedie, Chairman, International Accounting Standards Board  
The Financial Crisis and Regulatory Arbitrage – A real-world stress-test of accounting standards

### **9:45 a.m. – 11:00 a.m.**

#### **Emerging and Innovative Research Session**

*Cost Accounting Methods on Mexican Small and Medium Enterprises*

Presenters: Yaneli Cruz, Instituto Tecnológico Autónomo de México; Ana Diaz, Instituto Tecnológico Autónomo de México; Virginia Kalis, Instituto Tecnológico Autónomo de México

*Ethical Relativism and Disciplinary Actions: The Mexican Code of Ethics*

Presenter: Esperanza Huerta, University of Texas at El Paso

*Understanding Currency Translation and Hedging*

Presenters: Susan Sorensen, University of Houston–Clear Lake

#### **Research Interaction Session III**

*Rugged Landscapes: Identifying ‘K and N’ Values for Global and Mid-Tier Professional Firms in the U.K.*

Rachel F. Baskerville, University of Exeter; Kevin McMeeking, University of Exeter

*Loss of an Auditor’s Reputation and Client Stock Price Reactions: Evidence from Japan.*

Yoshihiro Sakuma, Fuji University

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 9)*

*The Choice of Joint-Auditors and Earnings Quality: Evidence from French Listed Companies.*  
Sophie Marmousez, HEC Montreal

*The Effects of Audit Partner Pre-Client Experience on Earnings Quality and Perceptions of Earnings Quality: Evidence from Taiwan.*

Wuchun Chi, National Chengchi University; Linda Myers, University of Arkansas; Thomas Omer, Texas A&M University; Hong Xie, Syracuse University

*Corporate Social Responsibility Disclosure in the Islamic Bank Annual Reports.*

Sofyan Syafri Harahap, Trisakti University; Abul Hassan, Markfield Institute of Higher Education

*Predictive Ability and Stock Price Informativeness of Segment Reporting Disclosures of Companies Listed in the Stock Exchange of Thailand.*

Narongrit Chansuwan, Rajamangala University of Technology, Phra Nakhon; Visarut Sribunnak, Chulalongkorn University

*An Investigation of Capital Market Reactions of Quoted French Banks to Pronouncements on IAS 39.*

Nessrine Ben Hamida, ISC Paris

*The Quality of Financial Reporting in China.*

Min Wu, The University of Hong Kong; Xia Wang, East China Normal University

*The Role of Conditional Conservatism and Debt Contract Conditions in Accruals Models: Evidence from the Chinese Stock Market.*

Wei Ting, Chung Yuan Christian University; Sin-Hui Yen, Tamkang University; Chien-Liang Chiu, Tamkang University

### **10:15 – 11:45 a.m. Concurrent Sessions**

#### **4.0. Integrating IFRS: Ernst & Young Academic Resource Center**

Moderator: Catherine Banks, Ernst & Young

Panelists: Tim Eaton, Miami University of Ohio

Jana Raedy, The University of North Carolina at Chapel Hill

Irene Wiecek, University of Toronto

#### **4.2 Accounting Education: The Impact of Globalization**

Moderator: Belverd E. Needles, Jr., Vice President–Education Elect, AAA; DePaul University

Panelists: Mark Allison, Chairman, International Accounting Education Standards Board (IAESB)

Kazuo Hiramatsu, Vice President–International Elect, AAA Kwansai Gakuin University

Gary Sunden, Vice President–Education, International Association for Accounting Education and Research (IAAER); University of Washington

Michael Wells, International Accounting Standards Board (IASB)/IASC Foundation, Director, IFRS Education Initiative

#### **4.3 IFRS in the United States? A Research Analysis of Economic and Policy Considerations**

Moderator: Tom Linsmeier, FASB

Panelists: Luzi Hall, University of Pennsylvania

Ray Pfeiffer, University of Massachusetts and former FASB Research Fellow

Peter Wysocki, Massachusetts Institute of Technology

#### **4.27 IFRS 2**

Moderator: Picheng Lee, Pace University

*Who Benefits from the Adoption of IFRS?*

Shin'ya Okuda, Osaka Gakuin University

*(continued on page 11)*

## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 10)*

- Discussant: Norbert Tschakert, San Diego State University  
*Could IFRS Replace U.S. GAAP? A Comparison of Earnings Attributes and Informativeness in the U.S. Market.*  
Elizabeth A. Gordon, University of Pennsylvania, Temple University; Bjorn N. Jorgensen, University of Colorado at Boulder; Cheryl L. Linthicum, The University of Texas at San Antonio
- Discussant: Norbert Tschakert, San Diego State University  
*Earnings Quality Effects of Mandatory IFRS Adoption.*  
Juan Manuel García Lara, Universidad Carlos III de Madrid; Beatriz García Osma, Universidad Autónoma de Madrid; Peter F. Pope, Lancaster University
- Discussant: Joseph E. Trainor, Florida Atlantic University

#### **4.28 IFRS 3**

- Moderator: Eva K. Jermakowicz, Tennessee State University  
*How Do Foreign Retail Investors React to Global IFRS Adoption?*  
Ulf Brüggemann, Lancaster University; Holger Daske, University of Mannheim; Carsten Homburg, University of Cologne; Peter F. Pope, Lancaster University
- Discussant: Gary Entwistle, University of Saskatchewan  
*Do IFRS Improve Comparability of Reported Financial Information?*  
Wing Yue Yip, The Chinese University of Hong Kong; Danqing Young, The Chinese University of Hong Kong
- Discussant: Ramesh Narasimhan, Montclair State University  
*The Impact of IFRS Adoption and Corporate Governance Principles on Transparency and Disclosure: The Case of Istanbul Stock Exchange.*  
Mine Aksu, Sabanci University; Hassan Espahbodi, Western Illinois University
- Discussant: Ramesh Narasimhan, Montclair State University

#### **4.29 International Corporate Governance 6**

- Moderator: Fouad K. AlNajjar, Baker Center for Graduate Studies  
*State Policies, Ownership, and Firm Value: The Evidence of the State-Controlled Listed Firms in China.*  
Li Cheng, National Cheng Kung University; Yenn-Ru Chen, National Cheng Kung University; Jeng-Ren Chiou, National Cheng Kung University; CF Lee, Rutgers University
- Discussant: Thomas M. Carment, Rogers State University  
*Ownership Concentration, Foreign Institutional Investors and Default, Operating and Market Risk of the Firms.*  
Cheng-Li Huang, Tamkang University; Wei Ting, Chung Yuan Christian University
- Discussant: Stephen Brian Salter, The University of Texas at El Paso  
*The Impact of Chilean Firms' Ownership Structures on Performance and Disclosure Levels.*  
Veronica Pizarro, Universidad de Chile; Sakthi Mahenthiran, Butler University; David Cademartori, Pontificia Universidad Católica Valparaíso; Roberto Curci, Butler University
- Discussant: Susan B. Anders, St. Bonaventure University

#### **4.30 International Evidence on Managerial Compensation 1**

- Moderator: Paul V. Dunmore, Massey University  
*Effects of Political Connections on Market Performance and Executive Compensation: Evidence from Chinese Public Markets.*  
Shujun Ding, York University; Chunxin Jia, Peking University; Xiang Li, University of Saskatchewan; Zhenyu Wu, University of Saskatchewan

*(continued on page 12)*

## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 11)*

Discussant: Tom Lechner, The University of Utah  
*Firm Characteristics and Adoption of Equity-Based Compensation: Preliminary Evidences from China.*

Yufang Qiu, Tsinghua University & CSRC; Chunlai Ye, Boston University

Discussant: Tom Lechner, The University of Utah

**10:15 – 11:45 a.m.**

#### **New Scholars Concurrent Sessions**

*The Impact of Industry Concentration on the Market's Ability to Anticipate Future Earnings: International Evidence.*

In-Mu Haw, Texas Christian University; Bingbing Hu, Hong Kong Baptist University; Jay Junghun Lee, Hong Kong Baptist University; Woody Wu, The Chinese University of Hong Kong

Senior Faculty Mentor: Heibatollah Sami, Lehigh University

*The Provision of Incentives and the Impact of National Culture.*

Andreas Feichter, Vienna University of Economics and Business Administration

Senior Faculty Mentor: Timothy S. Douplik, University of South Carolina

*The Determinants and Consequences of Higher IFRS Compliance Following Mandatory IFRS Adoption in Emerging Markets.*

Francesco Bova, University of Toronto

Senior Faculty Mentor: Raynolde Pereira, University of Missouri–Columbia

*Can Market Effects of Mandatory IFRS Adoption be Attributed to Quality Effects or Convergence Effects?*

Lijie Yao, Tsinghua University

Senior Faculty Mentor: Ole-Kristian Hope, University of Toronto

*Foreign Private Issuers Exempted from Filing with the SEC and Markets Reactions.*

Giorgio Gotti, University of Massachusetts Boston; Stacy Mastrolia, University of Tennessee

Senior Faculty Mentor: Ole-Kristian Hope, University of Toronto

*Earnings Management Contagion in Multinational Corporations.*

Christof Beuselinck, Tilburg University; Marc Deloof, Antwerp University and Universite

Catholique de Louvain; Ann Vanstraelen, Antwerp University and Maastricht University

Senior Faculty Mentor: Carol Ann Frost, University of North Texas

**2:00 p.m.– 3:30 p.m.**

#### **5.3 IFRS, Convergence, and Accounting Research**

Moderator: Wayne B. Thomas, The University of Oklahoma

Panelists: A. Rashad Abdel-khalik, University of Illinois at Urbana–Champaign

Ray Pfeiffer, University of Massachusetts Amherst

Hollis Skaife, University of Wisconsin–Madison

Marco Trombetta, Instituto de Empresa

#### **5.25 Contemporary International Accounting Issues 2**

Moderator: Humberto Rito Ribeiro, De Montfort University

*Accountants and Actuaries: The Tower of Babel.*

Cameron K. J. Morrill, University of Manitoba; Janet B. Morrill, University of Manitoba; Kevin Shand, University of Manitoba

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## International Accounting Section, AAA Annual Meeting

### Preliminary Schedule of Activities *(continued from page 12)*

*Disclosure Quality and Corporate Governance in a Context of Controlling versus Minority Shareholder Agency Conflict.*

Chiraz Ben Ali, University Paris Dauphine

*Manager Compensation and Capital Structure: The Nonlinear Effect of Debt on Manager Pay.*

Chao-Jung Chen, Chung Yuan Christian University; Chung-Yuan Hsu, National Chengchi University

*Political Connections and Accounting Conservatism: Evidence from Malaysia.*

Yuyun A. Sejati, Western Illinois University

*The Impact of IFRS on International Financial Analysis: The Significance of Country*

*Differences in a Comparative Study of U.K., Australian, Dutch, French, German and Swedish Companies.*

Niclas Hellman, Stockholm School of Economics; Sid Gray, The University of Sydney; Richard D. Morris, The University of New South Wales; Axel Haller, The University of Regensburg

#### 5.26 **IFRS 1**

Moderator: Christopher D. Hodgdon, University of Vermont

*The Impact of Introducing Estimates of the Future on the International Comparability of Earnings Expectations.*

Christina Dargenidou, University of Exeter; Stuart McLeay, University of Wales

Discussant: Christopher D. Hodgdon, University of Vermont

*The Economic Impact of IFRS Adoption on Default Risk.*

Andreas Charitou, University of Cyprus; Irene Karamanou, University of Cyprus; Neophytos Lambertides, University of Aston

Discussant: Christopher D. Hodgdon, University of Vermont

*Funding the Development and Maintenance of International Financial Reporting Standards.*

Robert K. Larson, University of Dayton; Sara York Kenny, World Bank Group, International Finance Corporation

Discussant: Gary Entwistle, University of Saskatchewan

#### 5.27 **International Diversification**

Moderator: Shifei Chung, Rowan University

*Board Composition and Firm International Diversification.*

Tsun-Jui Hsieh, Providence University; Yu-Ju Chen, Providence University

Discussant: Joung W. Kim, Nova Southeastern University

*The Association between International Diversification and Industrial Diversification and CEOs Long-Term Compensation.*

Hwei Cheng Wang, Alabama A&M University; Howard Lawrence, The University of Mississippi; Joseph L. Balloun, Argosy University

Discussant: Surjit Tinaikar, University of Florida

*International Diversification and Management Earnings Guidance.*

Don Herrmann, Oklahoma State University; Tony Kang, Oklahoma State University; Joung Kim, Nova Southeastern University

Discussant: Donald E. Wygal, Rider University

#### 5.28 **International Evidence on Corporate Disclosure**

Moderator: Stephen R. Goldberg, Grand Valley State University

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 13)*

*Asset Write-Offs in Private Firms—The Case of German SMEs.*

Discussant: Andrea Szczesny, University of Frankfurt; Aljosa Valentincic, University of Ljubljana  
Khaled Dahawy, The American University in Cairo

*Environmental Disclosure Incentives in a Global Setting: An Empirical Investigation.*

Discussant: Gary F. Peters, University of Arkansas; Andrea M. Romi, University of Arkansas

Discussant: Paul Polinski, University of Illinois

*Adaptability of Fair Value Accounting in China: Assessment of an Emerging Economy  
Converging with IFRS.*

Discussant: Songlan Peng, York University; Kathryn Bewley, York University

Discussant: Paul Polinski, University of Illinois

### **5.29 International Standards: On the Road to Convergence**

Moderator: Charles H. Calhoun III, University of North Florida & IAESB CAG Chair

Panelists: Stephenie Fox, Technical Director, International Federation of Accountants

Jan Munro, International Ethics Standards Board for Accountants

Arnold Schilder, Chair, International Auditing and Assurance Standards Board

### **5.30 Standard Setting Issues across Countries**

Moderator: Jing Lin, St. Joseph's University

*A Word of Two Translations: The Case of Assurance.*

Rong-Ruey Duh, National Taiwan University; Hsiao-Lun Lin, National Taiwan University

Discussant: Aida Sy, Manhattan College

*Resistance and Confusion in International Accounting Standards Setting: The Case of the  
Chinese Approach to Accounting for Business Combinations.*

C. Richard Baker, Adelphi University; Yuri Biondi, CNRS CERAG Grenoble; Quisheng Zhang,  
Beijing Jiaotong University

Discussant: Aida Sy, Manhattan College

*The Economic Consequences of Using English in the Annual Report.*

Michael Erkens, HEC Paris; Thomas D. Jeanjean, HEC Paris; Hervé Stolowy, HEC Paris

Discussant: Jing Lin, St. Joseph's University

**3:00 – 4:30 p.m.**

### **Effective Learning Strategies II**

*An IFRS-enhanced Accounting Curriculum Using Dual Reporting of IFRS and U.S.-GAAP: A  
Learner-Centered Approach*

Presenters: Angela Hwang, Eastern Michigan University; Steve Lin, Florida International  
University

*Foreign Currency—Integrate a Current Events Assignment*

Presenter: Christie Johnson, Montana State University

### **Research Interaction Session IV**

*An Examination of the Valuation Properties of Earnings and Book Values Reported under IAS,  
Tax-Based Accounting and U.S. GAAP*

Li Li Eng, Missouri University of Science and Technology; Li Sun, Ball State University;

Thanyaluk Vichitsarawong, Chulalongkorn University

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## International Accounting Section, AAA Annual Meeting

### Preliminary Schedule of Activities *(continued from page 14)*

*International Spillovers of Auditor Credibility Impairment: The Evidence from the U.S. and Japanese Audit Failures.*

Fumiko Takeda, University of Tokyo; Yoshie Saito, Georgia College & State University

*Investor Protection, Corporate Governance and Valuation: Evidence from Cross-Listed Firms.*

Changjiang Lu, Fudan University; Chao Chen, Fudan University; Xianhua Zhou, Central University of Finance and Economics, Beijing; Kemin Wang, Fudan University

*Cultural Effects on Business Students' Ethical Decisions: Chinese versus American Comparison*

Sherry F. Li, Rider University; Obeua Persons, Rider University

#### 4:00 p.m. – 5:30 p.m.

##### **6.1 Global Corporate Governance Issues**

Moderator: Shirley J. Daniel, U.S. Perspective

Panelists: Christina Ahmadjian, Japan

Masahiko Aoki, Japan

Sid Gray, Australia and the U.K.

Amy Lau, Hong Kong and Taiwan

Klaus Macharzina, Germany

Lee Radebaugh, U.S. and Latin America

Jaeyong Song, Korea

##### **6.17 Effects of Implementing IFRS**

Moderator: Robert Rambo, Providence College

*Why Do Countries Adopt International Financial Reporting Standards?*

Karthik Ramanna, Harvard Business School ; Ewa Sletten, Massachusetts Institute of Technology

Discussant: Tom Lechner, The University of Utah

*A Survey of IFRS Accounting Choices: Learning from European Firms that Used U.S. GAAP prior to IFRS.*

Angela L. J. Hwang, Eastern Michigan University; Steve Lin, Florida International University

Discussant: Steve Crawford, Rice University

*Implementation of International Financial Reporting Standards and the Quality of Financial Statement Information.*

George Iatridis, University of Thessaly, Department of Economics & Public Oversight Board, Ministry of Finance and Economics, Greece

Discussant: Mary L. Fischer, The University of Texas at Tyler

##### **6.26 Cross-Listing 1**

Moderator: Heli Marjut Hookana, Turku School of Economics

*The Impact of Sarbanes-Oxley on the Accounting Quality of Firms Cross-Listed in the U.S. versus the U.K.*

Jaywon Lee, Korea Advanced Institute of Science and Technology (KAIST)

Discussant: Lisa Eiler, University of Oregon

*Why Do Firms Cross-List? The Flip Side of the Issue.*

Andreas Charitou, University of Cyprus; Christodoulos Louca, University of Duham

Discussant: Siqi Li, Santa Clara University

*Accounting Disclosure Quality and Synergy Gains: Evidence from Cross-Border Mergers and Acquisitions.*

Lisa Eiler, California State University, Fullerton

Discussant: Siqi Li, Santa Clara University

*(continued on page 16)*

## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 15)*

#### **6.27 International Auditing Issues 1**

Moderator: Filomena M. Cantoria, University of Guam

*The Effects of Section 404 of Sarbanes-Oxley Act of 2002 on the Audit Fees of Foreign Firms Listed on U.S. Exchanges.*

Kam C. Chan, Pace University; Rudy A. Jacob, Pace University; Picheng Lee, Pace University; Gim S. Seow, University of Connecticut

Discussant: Changjiang Wang, Florida International University

*The Relation of Corporate Executives with Audit Experience and the Value-relevance of Accounting Information.*

Ruey-Dang Chang, National Sun Yat-sen University; Ching-Ping Chang, National Sun Yat-sen University; Yee-Chy Tseng, Tainan University of Technology; Yu-Cheng Chen, National Chung Hsing University

Discussant: Naoyuki Kaneda, Gakushuin University

*Audit Opinions and Legal Environments: An International Investigation.*

Tony Kang, Oklahoma State University; Inder K. Khurana, University of Missouri–Columbia; Yong Keun Yoo, Korea University

Discussant: Gia Chevis, Baylor University

#### **6.28 International Corporate Governance 4**

Moderator: Ramesh Narasimhan, Montclair State University

*Political Influence, Corporate Governance and Financial Reporting Quality: Evidence from Companies in Malaysia.*

Fairuz Salleh, Universiti Kebangsaan Malaysia; Paul V. Dunmore, Massey University

Discussant: Ramesh Narasimhan, Montclair State University

*Corporate Governance, Ownership Structure and Internationalization.*

Yu-Ju Chen, Providence University; Tsun-Jui Hsieh, Providence University

Discussant: Paul V. Dunmore, Massey University

*The Effect of Accounting Standards on Big Bath Behavior in the Context of CFO Replacements in Germany.*

Utz Schaeffer, WHU - Otto Beisheim School of Management; Jan-Philipp Luedtke, WHU - Otto Beisheim School of Management; Diedrich Bremer, WHU - Otto Beisheim School of Management

Discussant: Judy K. Beckman, University of Rhode Island

#### **6.29 International Evidence on Accounting Conservatism**

Moderator: Alireza Daneshfar, University of New Haven

*Accounting Conservatism and Bondholder-Stockholder Conflicts: International Evidence.*

Hyun A. Hong, University of Southern California; Mingyi Hung, University of Southern California; Jieying Zhang, University of Southern California

Discussant: Giorgio Gotti, University of Massachusetts Boston

*The Earnings-Sensitivity Difference as an Indicator of Asymmetric Timeliness: Evidence from U.K. Earnings Components.*

Wen-hsin Hsu, National Taiwan University; John O'Hanlon, Lancaster University; Ken Peasnell, Lancaster University

Discussant: Giorgio Gotti, University of Massachusetts Boston

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 16)*

*Role of Conservative Accounting: Evidence from Connected Transactions in Hong Kong.*  
Yuying Xie, University of Hong Kong; Amy Lau, University of Hong Kong; Liu Zheng,  
University of Hong Kong

Discussant: Sang-Kyu Lee, Western New England College

#### **6.30 International Evidence on Corporate Transparency**

Moderator: Ian P. N. Hague, Accounting Standards Board Canada

*Corporate Governance and Disclosure: An International Study.*

Michael Gruening, European University Viadrina Frankfurt (Oder); Juergen Ernstberger,  
Ruhruniversität Bochum

Discussant: Mostafa M. Maksy, Northeastern Illinois University

*Transparency, Liquidity, and Valuation: International Evidence.*

Mark Lang, The University of North Carolina at Chapel Hill; Karl Lins, The University of Utah;

Mark Maffett, The University of North Carolina at Chapel Hill

Discussant: Carolyn M. Callahan, The University of Memphis

*Transparency, Ownership, and Financing Constraints in Private Firms.*

Ole-Kristian Hope, University of Toronto; Wayne Thomas, The University of Oklahoma;

Dushyant Vyas, University of Toronto

Discussant: Carolyn M. Callahan, The University of Memphis

#### **6.40 African Accounting**

Moderator: Aida Sy, Manhattan College

*Colonial Heritage and the Accounting Profession in Nigeria.*

Chibuiké U. Uche, Humboldt University Berlin

*The Evolution of the Accounting Profession In Egypt.*

Shawki M. Farag, The American University in Cairo

*Insight into the Accounting Regulation and Financial Reporting System in Angola.*

Sara Cabrito, Universidade Nova de Lisboa and Banco Santander; Leonor Ferreira, Universidade

Nova de Lisboa

## **Wednesday, August 5**

**9:45 – 11:00 a.m.**

### **Effective Learning Strategies III**

*Enhancing Student Learning Through a European Study Tour: Feedback From Instructors and Students*

Presenter: Jacqueline L. Birt, Monash University

*The Development and Implementation of an Enlivened "Stand Alone" IFRS Course*

Presenter: Mark Holtzblatt, Roosevelt University

*Using Collaborative Classrooms to Teach Accounting Using International Faculty and Students*

Presenters: Neil Marriott, University of Winchester; Pru Marriott, University of Winchester

*Utilizing the Theme of Fraud in the International Arena in Intermediate Accounting*

Presenter: Patricia Johnson, Canisius College

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## **International Accounting Section, AAA Annual Meeting** **Preliminary Schedule of Activities** *(continued from page 17)*

### **Research Interaction Session V**

*A Comparison of U.S. and European Policies on Limiting Accountant's Liability through Engagement Letters.*

Alan Reinstein, Wayne State University; Patricia Lobinger, University of Michigan–Dearborn; Brian P. Green, University of Michigan–Dearborn

*Analyst Forecast Accuracy and Firm Layers in Affiliated Business Groups: Local and Foreign Analysts.*

Yu Ju Chen, Asia University; Chen Lung Chin, National Chengchi University  
*Consequences of IFRS Adoption: Work in Progress.*

Syed Kashif Raza Zaidi, The University of Texas at El Paso

*Factors Influencing the Transition of Standard-Setters in Mexico.*

Esperanza Huerta, The University of Texas at El Paso; Stephen B. Salter, The University of Texas at El Paso

*Globalization and Multinational Auditing: The Case of the PwC Audits of Gazprom, Russia.*

Anna Alon, University of Central Florida; Peggy Dwyer, University of Central Florida

*Impact of Accounting Reforms, CG Compliance Reporting and Disclosure Intensity on Value Relevance of Accounting Numbers in ISE.*

Mine H. Aksu, Sabanci University; Ayse Tansel Cetin, Gebze Technology Institute; Can Simga Mugan, Middle East Technical University

*Performance Indicators in U.K. Universities.*

Bala Kanagasabai Balachandran, London School of Economics; Indrani Balachandran, Canterbury Christ Church University

*Are Our Students SAPHE? An Analysis of Students' Awareness of Personal Finance in Higher Education—A Welsh, English and Northern Irish Perspective.*

Pru Marriott, University of Winchester; Neil Marriott, University of Winchester; Julia Burgess, University of Winchester; Michael Pogue, University of Ulster

**10:15 – 11:45 a.m.**

### **7.30 International Auditing Issues 2**

Moderator: Jenice J. Prather-Kinsey, University of Missouri

*Auditor Failure and Market Reactions: Evidence from China.*

Sharad Asthana, The University of Texas at San Antonio; Heibatollah Sami, Lehigh University; Zhongxia Shelly Ye, Kennesaw State University

Discussant: Cynthia Chia-hui Chen, Providence University

*The Insurance Effect of Audit Service in a Regulated Market: A Case Analysis of Big 4 Clients in China.*

Feng Liu, Sun Yatsen University; Xijia Su, City University of Hongkon; Minghai Wei, Sun Yatsen University

Discussant: Veena Looknanan-Brown, Florida Atlantic University

*Audit Fees, Family Ownership and Board Composition.*

Sandra Ho, The Hong Kong Polytechnic University; Ferdinand Gul, The Hong Kong Polytechnic University

Discussant: Veena Looknanan-Brown, Florida Atlantic University

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## **International Accounting Section, AAA Annual Meeting** **Preliminary Schedule of Activities** *(continued from page 18)*

### **7.31 International Evidence on Analyst Activity**

- Moderator: Siva Nathan, Georgia State University  
*The Impact of China's Adoption of New Accounting Standards on Analysts' Forecast Accuracy—An IFRS Study.*  
Jing Lin, St. Joseph's University; Pervaiz Alam, Kent State University
- Discussant: Siva Nathan, Georgia State University  
*Product Market Power and Analyst Forecasting Activity.*  
Bingbing Hu, Hong Kong Baptist University
- Discussant: Jing Lin, St. Joseph's University  
*IFRS Adoption, Analysts and Institutional Setting.*  
John Preiato; Philip Brown, University of Western Australia; Ann Tarca, University of Western Australia
- Discussant: Siva Nathan, Georgia State University

### **7.32 International Evidence on Earnings Management 2**

- Moderator: Christina Dargenidou, University of Exeter  
*The Impact of Fiscal Support on Earnings Management: Evidence from Equity Offerings in China.*  
Guanming He, Nanyang Technological University, Singapore
- Discussant: Christina Dargenidou, University of Exeter  
*Religion and Discretionary Accounting Choice.*  
Rahayu Abdul Rahman, Massey University; Asheq Razaur Rahman, Massey University; Stephen Courtenay, Massey University
- Discussant: John D. Rossi, Moravian College  
*Privatization of State Owned Enterprises and Earnings Management.*  
Charles J. P. Chen, China Europe International Business School; Jun Du, The Hong Kong Polytechnic University; Xijia Su, City University of Hong Kong
- Discussant: Susan S. C. Muzorewa, Morgan State University

### **7.33 International Evidence on Managerial Compensation 2**

- Moderator: Steve W. J. Lin, Florida International University  
*CEO Quality, Corporate Governance and CEO Compensation.*  
Reza Monem, Griffith University
- Discussant: Steve W. J. Lin, Florida International University  
*Market-Oriented Reform, Firm Performance and Executive Compensation in Chinese State-Owned Enterprises.*  
Fang Hu, City University of Hong Kong; Weiqiang Tan, City University of Hong Kong; Qingquan Xin, Chongqing University, China; Sixian Yang, City University of Hong Kong
- Discussant: Ahmed Ebrahim, SUNY at New Paltz  
*Stock-Based Compensation in a Concentrated Ownership Setting: An Empirical Investigation.*  
Chen-lung Chin, National Chengchi University; Jia-Wen Liang, National Chengchi University
- Discussant: Ahmed Ebrahim, SUNY at New Paltz

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 19)*

#### **7.34 International Evidence on Value Relevance of Accounting Information**

Moderator: Brandon Michael Duck, Southeastern University

*The Impact of Market Crashes on Information Values of Earnings Components: Evidence from the Asian Financial Crisis.*

Jong-Hag Choi, Seoul National University; Jeong-Bon Kim, Concordia University; Jay Junghun Lee, Hong Kong Baptist University

Discussant: Shirley A. Hunter, Tufts University

*Changes in the Value Relevance of Financial Information upon IFRS Adoption.*

Keryn G. Chalmers, Monash University; Greg Clinch, University of Melbourne; Jayne M. Godfrey, Monash University

Discussant: Shirley A. Hunter, Tufts University

*The Cross-Country Comparability of IFRS Earnings and Book Values: Evidence from Accounting-Based Valuation Models.*

Thorsten Sellhorn, WHU - Otto Beisheim School of Management; Hollis A. Skaife, University of Wisconsin–Madison

Discussant: Brandon Michael Duck, Southeastern University

#### **2:00 – 3:30 p.m.**

#### **8.3 Teaching Accounting in Time of Harmonization of Financial Standards**

Moderator: Victoria Krivogorsky, San Diego State University

Presentation: *IFRS and Teaching Financial Statement Analysis.*

Presenter: Paul André, ESSEC

Presentation: *Reform of the Accounting Education and Accounting Profession in Italy: Mixing Up IFRS with National Accounting Rules.*

Presenter: Roberto Di Pietra, School of Economics, University of Siena

Presentation: *Teaching IFRS: Challenge or Opportunity?*

Presenter: Wolfgang Dick, ESSEC

Presentation: *Local GAAP and IFRS: Impact on Teaching.*

Presenter: George Iatridis, University of Thessaly

Presentation: *Teaching IFRS to Business Majors in the New European Higher Education Space.*

Presenter: Jose Luis Uceda, Universidad Autónoma de Madrid

#### **8.28 Accounting Harmonization**

Moderator: Aida Sy, Manhattan College

*Does Convergence of Different Domestic GAAPs Reduce Investors' Limited Attention Bias?*

Sabrina S. Chi, University of California, Irvine

Discussant: Aida Sy, Manhattan College

*Do Harmonized Accounting Standards Lead to Harmonized Accounting? German-Italian Evidence.*

Stefano Cascino, University of Naples Federico II and University of Catanzaro Magna Graecia; Joachim Gassen, Humboldt University of Berlin

Discussant: Kathryn Bewley, York University

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 20)*

*Firm Incentives, Institutional Complexity and the Quality of "Harmonized" Accounting Numbers.*  
Helena Isidro, City University London; Ivana Raonic, City University London

Discussant: Nolan Kido, University of Hawaii at Manoa

#### **8.29 Cross-Listing 2**

Moderator: Keryn G. Chalmers, Monash University

*What Drives the Earnings Quality of Firms that Cross-list in the European Markets?*  
Christina Dargenidou, University of Exeter; Aziz Jaafar, University of Wales; Stuart McLeay, University of Wales

Discussant: Ronald Guidry, Illinois State University

*The Effect of Cross-Listing on Insider Trading Profits.*

Millicent Chang, The University of Western Australia; Ross Corbitt, The University of Western Australia

Discussant: Ronald Guidry, Illinois State University

*Tax-Induced Relations between Excess Volume and Excess Returns on ADR Ex-Dividend Days.*  
Bi-Huei Tsai, National Chiao Tung University; I-Chih Chen, Department of Management Science, College of Management

Discussant: Keryn G. Chalmers, Monash University

#### **8.30 IFRS 4**

Moderator: Heibatollah Sami, Lehigh University

*Economic Consequences of the German Reforms on the Enforcement of IFRS.*

Juergen Ernstberger, Ruhr-University Bochum; Michael Stich, University of Regensburg; Oliver Vogler

Discussant: Steohen R. Goldberg, Grand Valley State University

*The Effects of Auditor Choice, Auditing Standards, Industry, and U.S. Listing on Disclosures of Critical Judgments and Estimation Uncertainty: A Study of IFRS Companies.*

Christopher D. Hodgdon, The University of Vermont; Susan B. Hughes, The University of Vermont

Discussant: Mari Paananen, University of Hertfordshire

*Challenges for Implementation of Fair Value Accounting in Emerging Markets: Evidence from IFRS Adoption in China.*

Xianjie He, Shanghai University of Finance and Economics; TJ Wong, The Chinese University of Hong Kong; Danqing Young, The Chinese University of Hong Kong

Discussant: Mari Paananen, University of Hertfordshire

#### **8.31 International Accounting Education Standards: The Next Steps**

Moderator: Charles H. Calhoun III, University of North Florida & IAESB CAG Chair

Panelists: Mark Allison, Chair, International Accounting Education Standards Board

David W. McPeak, International Federation of Accountants

Karen V. Pincus, University of Arkansas

#### **8.32 International Corporate Governance 1**

Moderator: Mioko Takahashi, Takasaki City University of Economics

*Is Governance Impeded by the National Indebtedness of Emerging Markets?*

Shirley A. Hunter, Tufts University; Charles A. Malgwi, Bentley University

Discussant: Asheq Razaur Rahman, Massey University

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 21)*

- Discussant: *Ownership Concentration and Financial Reporting Quality: International Evidence.*  
Neal Arthur, The University of Sydney; Qinliang Tang, University of Western Sydney
- Discussant: *Asheq Razaur Rahman, Massey University*
- Discussant: *Corporate Pyramid, Capital Investment and Firm Performance in China.*  
Chao Chen, Fudan University; Donglin Xia, Tsinghua University; Song Zhu, Beijing Normal University
- Discussant: *Shifei Chung, Rowan University*
- 8.33 International Evidence on Earnings Informativeness**
- Moderator: *Mark Clatworthy, Cardiff University*
- The Information Content of Quarterly Foreign Earnings of U.S. Multinational Companies under SFAS No. 131.*  
Michael J. Lacina, University of Houston–Clear Lake; Barry Marks, University of Houston–Clear Lake; Haeyoung Shin, University of Houston–Clear Lake
- Discussant: *Mark A. Clatworthy, Cardiff Business School*
- Discussant: *Private Control of Self-Dealing Regulation and Corporate Valuation: International Evidence.*  
Mingzhi Liu, Concordia University; Michel Magnan, Concordia University
- Discussant: *Sephannie A. Larocque, Rotman School of Management*
- Discussant: *The Economic Consequences of Interim Reporting Frequency: International Evidence.*  
Yung-Chiang Yang, Nanyang Technological University
- Discussant: *Sephannie A. Larocque, Rotman School of Management*
- 8.34 International Evidence on Financial Reporting Quality**
- Moderator: *Tom Lechner, The University of Utah*
- International Evidence on the Persistence and Pricing of the Cash Components of Earnings.*  
Phil Shane, University of Auckland Business School and University of Colorado at Boulder; Minna Yu, Ball State University
- Discussant: *Glyn J. Winterbotham, The University of Texas at Arlington*
- Discussant: *Transparency, Disclosure and the Pricing of Future Earnings in the European Market.*  
Christina Dargenidou, University of Exeter; Stuart James McLeay, University of Wales; Ivana Raonic, City University, London
- Discussant: *Glyn J. Winterbotham, The University of Texas at Arlington*
- Discussant: *Determinants of Cross-Country Financial Statement Fraud.*  
Yu Chen, The University of Memphis; Zabihollah Rezaee, The University of Memphis
- Discussant: *Tom Lechner, The University of Utah*
- 8.47 On the Road to Convergence: Robert Bunting on IFRS**
- Presenter: *Robert L. Bunting, President, International Federation of Accountants*

**4:00 – 5:30 p.m.**

- 9.23 Contemporary International Accounting Issues 3**
- Moderator: *Razvan V. Mustata, Babes-Bolyai University*
- Convergence in Smaller Countries: The Case of Jordan.*  
Talal Al-hayale, University of Windsor

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## International Accounting Section, AAA Annual Meeting

### Preliminary Schedule of Activities *(continued from page 22)*

*Does the Sarbanes-Oxley Act Impact on Accrual and Real Earnings Managements in Japanese Firms?*

Masumi Nakashima, Fukushima College

*IFRS 8 Operating Segments—An Analysis of Respondents' Comment Letters.*

Dean Katselas, The Australian National University; Jacqueline Birt, Monash University; Billy Kang

*The Impact of Culture and Country-Level Infrastructure on Corporate Governance Practices: Theory and Empirical Evidence.*

Shirley J. Daniel, University of Hawaii at Manoa; Joshua K. Cieslewicz, University of Hawaii; Hamid Pourjalali, University of Hawaii

*The Influence of National Culture, Likability, Similarity-to-Self and Financial Fixation on BSC Performance Evaluation.*

Salvador Carmona, Instituto de Empresa, Madrid, Spain; Govind S. Iyer, Arizona State University; Philip Reckers, Arizona State University

#### **9.24 Government Influence on Accounting**

Moderator: Norbert Tschakert, San Diego State University

*Public Governance, Political Connectedness, and CEO Turnover: Evidence from Chinese State-Owned Enterprises.*

Qingbo Yuan, The University of Melbourne

Discussant: Barry Marks, University of Houston—Clear Lake

*Government Motivated Earnings Smoothing in China.*

Yu Cong, Towson University; Ying Zheng, Sun Yat-Sen University; Yanxi Li, Dalian University of Tech

Discussant: Igor Goncharov, University of Amsterdam

*Liquidity Premium, Institutional Investors, and Government Control: Evidence from China's Stock Ownership Reform.*

Chao Chen, Fudan University; Kevin Chen, Hong Kong University of Science and Technology;

Qinglu Jin, Shanghai University of Finance & Economics; Hongqi Yuan, Fudan University

Discussant: Qian Hao, Wilkes University

#### **9.25 IFRS 5**

Moderator: Khaled Dahawy, The American University in Cairo

*Mandatory IFRS Adoption and Accounting Quality: Evidence from the European Union.*

Huifa Chen, Shanghai University of Finance and Economics; Qingliang Tang, University of Western Sydney; Yihong Jiang, Shanghai University of Finance and Economics; Zhijun Lin, Hong Kong Baptist University

Discussant: Brandon Michael Duck, Southeastern University

*Globalization, IFRS and Convergence of Accounting Information: The Case of Return-On-Assets.*

June Chan, University of New South Wales; Richard D. Morris, University of New South Wales;

Helen H. Kang, University of New South Wales

Discussant: Steve W. J. Lin, Florida International University

#### **9.26 International Corporate Governance 2**

Moderator: Frederick Lindahl, The George Washington University

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 23)*

*The Impact of the Wedge on Distributions to Shareholders.*

Soon Suk Yoon, Chonnam National University; Hyo Jin Kim, York

University;

Hoje Jo, Santa Clara University

Discussant: Chansog (Francis) Kim, City University of Hong Kong

*Ultimate Ownership Structure and Corporate Disclosure Quality: Chinese Evidence.*

Jerry Sun, University of Windsor; Guoping Liu, Ryerson University

Discussant: Cynthia Chia-Hui Chen, Providence University

*Shareholder Rights and Conservatism in Financial Reporting.*

Inder Khurana, University of Missouri–Columbia; K. K. Raman, University of North Texas;

Dechun Wang, Texas A&M University

Discussant: Frederick Lindahl, The George Washington University

### **9.27 International Evidence on Pricing of Accounting Information**

Moderator: Mostafa M. Maksy, Northeastern Illinois University

*Earnings Management and the Performance of Seasoned Private Equity Placements: Evidence from Japanese Issuers.*

Daoping He, San Jose State University; David Yang, University of Hawaii at Manoa; Liming Guan, University of Hawaii at Manoa

Discussant: Q. Ling, Marquette University

*Pricing an O-Score Financial Distress 4-Factor Model: Japan Versus U.S.A.*

Syou-Ching Lai, National Cheng Kung University; Hung-Chi Li, National Cheng Kung University; James A. Conover, University of North Texas; Frederick Wu, University of North Texas

Discussant: Nolan Kido, University of Hawaii at Manoa

*The Econometrics of the Accruals Anomaly: Evidence from the U.K.*

Nuno Soares, Universidade do Porto; Andrew W. Stark, Manchester Business School

Discussant: Ulf Bruggemann, Lancaster University

### **Agenda – General Business Meeting International Accounting Section Monday, August 3, 2:00—3:30 p.m.**

- I. Call to Order – Cheryl Linthicum
- II. Secretary’s Report/approval of minutes - Paquita Davis Friday
- III. Treasurer’s Report/approval – Ian Hague
- IV. Treasurer’s Presentation of budget/approval – Ian Hague
- V. Strategic Planning Update – Pat Poli
- VI. Officer/Committee Chairs Elections – Robert Larson
- VII. Incoming President’s Remarks
- VIII. New Business

## **INTERNATIONAL ACCOUNTING SECTION**

### **2009 – 2010 Nomination Slate**

President Elect (one-year term)

\_\_\_\_\_ Ian Hague [Accounting Standards Board-Canada]

Vice President – Practice (one-year term)

\_\_\_\_\_ Steve Krohn [KPMG]

Treasurer (two-year term)

\_\_\_\_\_ Tony Kang [Oklahoma State University]

Secretary (two-year term)

\_\_\_\_\_ Jeannie Harrington [Middle Tennessee State University]

Advisory Board (2 new members, three-year terms)

\_\_\_\_\_ Judy Hora [University of San Diego]

\_\_\_\_\_ Teri Conover [University of North Texas]

Chair of the Advisory Board (one-year term)

\_\_\_\_\_ Teri Conover [University of North Texas]

Publications Committee (2 new members, 2 year terms):

\_\_\_\_\_ Paul Herz [Fort Lewis College]

\_\_\_\_\_ Elizabeth Gordon [Temple University]

Nominations (three new members, 1 year terms):

\_\_\_\_\_ Greg Tower [Curtin University of Technology, Australia]

\_\_\_\_\_ Elizabeth Gordon [Temple University]

\_\_\_\_\_ Greg Burton [Brigham Young University]

# INTERNATIONAL PAPERS AND PRESENTATIONS FROM 2008/09 REGIONAL MEETINGS

Gia Chevia, Baylor University, Regional Meetings Coordinator

[Overall: Papers—49; Panels—7]

## Mid-Atlantic Regional, Long Branch, New Jersey (April 23-25, 2009)

Section Coordinator: John Haverty, St. Joseph's University

Papers - 11; Panels - 1

### Panel Session:

**International Financial Reporting Standards in the Classroom: Is it coming, and are we ready?**

Moderator: John Haverty, St. Joseph's University

Panelists: Elizabeth Gordon, Temple University  
Ramesh Narasimhan, Montclair State University  
Brian O'Reilly, PricewaterhouseCoopers LLP  
Obeau Persons, Rider University

### Paper Sessions:

*An Exploratory Comparison of the Propensity to Whistle-Blow: the United States and Taiwan/China*

A. Blair Staley, Bloomsburg University of Pennsylvania; Dennis Hwang, Bloomsburg University of Pennsylvania; Yan Chen, Dongbei University of Finance and Economics; Teng- Shih Wang, Feng Chia University; Yafang Tsai, Chung Shan Medical University

Discussant: Kathleen Sobieralski, University of Maryland

*The Financial Control Practices of Zakat Institutions in State Islamic Religious Council in Malaysia*

Muhammad Akhyar Adnan, International Islamic University, Malaysia

**International: IFRS**

Moderator: Daniel He, Monmouth University

*The Adoption of International Financial Accounting Standards: Its Effect on Global Market Integration*

Hannah C. Wong, William Paterson University; Malay Dey, William Paterson University; Francis Cai, William Paterson University

Discussant: John Haverty, St. Joseph's University

*IFRS Adoption in the United States and Implications for Stock Prices: A Review and Analysis of the Relevant Literature*

Hossein Nouri, The College of New Jersey; Daniel Pannone, The College of New Jersey; Abdus Shahid, The College of New Jersey

Discussant: John Haverty, St. Joseph's University

*IFRS and U.S. GAAP: Differences and Convergence*

Obeua Persons, Rider University

Discussant: Daniel He, Monmouth University

*Earnings management and Culture: An international comparison of the banking industry*

Kurt A. Desender, Autonomous University of Barcelona; Christian Castro, Autonomous University of Barcelona

Discussant: Picheng Lee, Pace University

(continued on page 27)

## 2008/2009 Regional Meeting Presentations

(continued from page 26)

*Using Corporate Code of Ethics to Examine Cultural Effects on the Ethicality of Chinese vs. American Students*

Sherry Fang Li, Rider University; Obeua Persons, Rider University

Discussant: Tim Coville, S.U.N.Y. College at Old Westbury

*The Implications of Shifting from Rules to Principles Based Accounting: The Case of Goodwill Impairment*

Kang Cheng, Morgan State University; Yu Cong, Towson University; Martin Freedman, Towson University

Discussant: Rogelio J. Cardona, University of Puerto Rico

### **International: Multinational Companies**

Moderator: Claudia Tyska, Richard Stockton College of New Jersey

*The Effect of Financial Reporting Management on Knowledge-flow Management in MNC*

Varda Yaari, Morgan State University

Discussant: Claudia Tyska, Richard Stockton College of New Jersey

*Comparison of French GAAP, US GAAP and International Financial Accounting Standards in the Insurance Sector*

Gilda Agacer, Monmouth University; Jahnvi Patel, Monmouth University

Discussant: Joann Pinto, Montclair State University

*The Abuse of International Transfer Pricing by Multinational Companies*

Wagdy Abdallah, Seton Hall University; Athar Murtuza, Seton Hall University; Nadeem Firoz, Montclair State University

Discussant: Joann Pinto, Montclair State University

### **Midwest Regional, St. Louis, Missouri (April 16-18, 2009)**

Section Coordinator: Burch Kealey, University of Nebraska at Omaha

Papers—6 ; Panels – 1

#### **Panel Session:**

##### **IFRS – A Financial Revolution**

Panelists: PricewaterhouseCoopers Professionals:

Tammy Burton, Assurance Managing Director, Missouri Assurance Quality Chief Auditor

Brian Sprick, Tax Partner, Missouri Tax IFRS Champion

Jaime Jones, Assurance Senior Manager, Missouri Assurance IFRS Champion

#### **Paper Sessions:**

*Corporate International Diversification and Firm Value: Empirically Testing the Relevance of Segment Reporting*

Kingsley O. Olibe, Kansas State University and Bob Strawser, Texas A&M University

*IFRS vs. US GAAP: Evidence from 20-F Reconciliations*

Cindy Lim, Oakland University

##### **International Accounting**

Moderator: Gail Hoover King, Rockhurst University

*The Effect of Cross-Border Mergers and Acquisitions on Shareholder Wealth: Evidence from China*

Nancy Mangold, California State University – East Bay; Ching-Lih Jan, California State University – East Bay; Robery Lin, California State University – East Bay; and Diane Satin, California State University – East Bay

(continued on page 28)

## 2008/2009 Regional Meeting Presentations

(continued from page 27)

*The impact of regulations on firms' earnings management behavior-Evidence from China*  
Hueiling Chen, National Taiwan Normal University and Yi-Wen Chang, Taishin Financial Holding Co., Ltd.

*The Conflicts between Minority Shareholders and Controlling Shareholders in a Non-diverse Ownership Structure: Evidence from Chinese Market*

Li Xu, Southern Illinois University – Carbondale; Yi Yao, NanKai University; and Zhiyuan Liu, NanKai University

*Risk reporting practices of companies in the non-finance sector: Evidence from Portugal*  
Russell Craig, Rhodes College; Jonas Silva Oliveira, University of Aveiro; and Lucia Lima Rodrigues, University of Minho

### Northeast Regional, Newport, Rhode Island (November 6-8, 2008)

Section Coordinator: H. David Sherman, Northeastern University

Papers - 7; Panels – 1

#### Panel Session:

##### **Deloitte & Touche: IFRS Update**

*Incorporating International Issues into the Introductory Tax Class*

Timothy J. Rupert; Northeastern University

Timothy A. Gagnon; Northeastern University

Paul Oliveira; Northeastern University

Discussant: Paul H. Mihalek, Central Connecticut State University

#### Paper Sessions:

*The Impact of fiscal support on earnings management Evidence from equity offerings in China*  
Guanming He, Nanyang Technological University, Singapore and Phyllis Lai-Lan Mo, Lingnan University, Hong Kong

Discussant: Robert G. Rambo, Providence College

*Optimistic Bias in Management Forecasts by Japanese Firms to Avoid Forecasting Losses*  
Myojung Cho, Fordham University; Young D. Hah, Waseda University and Oliver Kim, University of Maryland

Discussant: Robert G. Rambo, Providence College

##### **International Accounting**

Moderator: Joan VanHise, Fairfield University

*Auditor-Specific and Stock-Exchange-Listing Differences in Clients' Website Disclosures of Codes of Ethics*

Richard A. Bernardi and Catherine C. LaCross; Roger Williams University

Discussant: Joan VanHise, Fairfield University

*Auditor's Reputation, Shareholder Composition and Firm Size: The Japanese Case*  
Fumiko Takeda, University of Alberta and Shingo Numata, University of Tokyo

Discussant: Nancy Feng, Boston University

*Adoption of IFRS in the U.S.: Are Preparers Ready?*

Jacqueline E. O'Neill and Dawn W. Massey; Fairfield University

##### **International Accounting**

Moderator: Michael Melton, Roger Williams University

*Use of Residual Income Valuation Model to Estimate Growth and The Rate of Return for Indian Companies*

Ramesh Gupta and Nirali Parikh; Indian Institute of Management

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## **2008/2009 Regional Meeting Presentations**

*(continued from page 28)*

- Discussant: Rob Rambo, Providence College  
*Equity Valuation using Multiples: Controlling for Differences amongst Peers*  
Stefan Henschke and Carsten Homburg; University of Cologne
- Discussant: Michael Melton, Roger Williams University

### **Ohio Regional, Geneva on the Lake, Ohio (May 7-9, 2009)**

Section Coordinator: Pervaiz Alam, Kent State University

Papers - 3; Panels - 1

#### **Panel Session:**

##### **International Accounting Standards—Two Perspectives**

- Moderator: Tim Monahan, Villanova University
- Panelists: Susan M. Koski-Grafer, Senior Associate Chief Accountant, SEC  
Marybeth Shamrock, KPMG

#### **Paper Sessions:**

*A Comparison of U.S. and European Policies on Limiting Accountant's Liability through Engagement Letters*

Alan Reinstein, Wayne State University; Patricia Lobingier, University of Michigan—Dearborn; and Brian Patrick Green, University of Michigan—Dearborn

##### **International Accounting Education**

- Moderator: Julia Grant, Case Western Reserve University
- The Academic Community's Participation in Global Accounting Standard-Setting*  
Robert K. Larson, University of Dayton
- The Teaching of IFRS: Cyber-Guest Lecturers as a Pedagogical Resource*  
Mark A. Holtzblatt, Roosevelt University

### **Southeast Regional, Oxford, Mississippi (April 30 – May 2, 2009)**

Section Coordinator: Lisa Owens, Clemson University

Papers - 10

#### **Paper Sessions:**

*A FIRO-B International Comparison of Internal Auditor Social Preference Skills*

Philip H. Siegel, Augusta State University; Margaret Devine, University of Wisconsin/Eau Claire; and John O'Shaughnessy, San Francisco State University

*Cultural Significance of Accounting Standard Setting in Hong Kong Before 1997*

Anthony Mung Yin Chan, Ryerson University

*Transition from US GAAP to IFRS: A Managerial Case employing Daimler AG's Conversion to IFRS Disclosures to Ford and GM*

Richard Banham, Tennessee State University and Eva K. Jermakowicz, Tennessee State University

*A Comparison of US and European Policies on Limiting Accountant's Liability Through Engagement Letters*

Alan Reinstein, Wayne State University; Patricia G. Lobingier, University of Michigan-Dearborn; and Brian Patrick Green, University of Michigan-Dearborn

*IFRS and Its Recent Effects on the U.S.*

Jose Marrero, Florida Southern College; Dr. Lynn H. Clements, Florida Southern College

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## 2008/2009 Regional Meeting Presentations

(continued from page 29)

*International Financial Reporting Standards: Current Status and Future Outlook*

Dr. Fred A. Jacobs, Georgia State University and Dr. Kel-Ann S. Eyer, Wesleyan College

*Accounting Educators' Perceptions of the Convergence of International Financial Accounting Standards and U.S. Generally Accepted Accounting Principles*

Elfirma J. Furlow, Southeast Missouri State University; Deborah F. Beard, Southeast Missouri State University; and Roberta L. Humphrey, Southeast Missouri State University

*An International Audit Approach to the Financial Statements of the Insurance Sector*

Gin Chong, Prairie View A&M University

*Corporate International Diversification and Firm Value: Empirically Testing the Relevance of Segment Reporting*

Kingsley O. Olibe, Kansas State University and Bob Strawser, Texas A&M University

*Accounting for Carbon Credits: Convergence of US GAAP and IFRS*

Rob Derivaux, The University of Mississippi and Dave Nichols, The University of Mississippi

### **Southwest Regional, Oklahoma City, Oklahoma (February 26-28, 2009)**

Section Coordinator: Murphy Smith, Texas A&M University

Papers - 5; Panels - 2

#### **Panel Sessions:**

**IFRS – Time to Get Ready!**

Workshop Leaders: Mary Fischer, University of Texas at Tyler

Alice Ketchand, Sam Houston State University

#### **Symposium on International Financial Reporting Standards (IFRS)**

Session Chair: L. Murphy Smith, Texas A&M University

#### **Paper Sessions:**

*Some Accounting Records from the Books of Italian Merchants and Bankers in Northern Italy During the Fifteenth Century*

Alvaro Martinelli, Appalachian State University

*Does International Corporate Diversification Improve Share Capitalization and Operating Performance? An Empirical Perspective*

Kingsley O. Olibe, Kansas State University and William (Billy) Strawser, Texas A&M University

*Will Litigation Risk Increase with the Adoption of the IFRS?*

Charles Becker, Concord University; John T. Sennetti, Nova Southeastern University; and Howard Lawrence, University of Mississippi

*Consolidating Financial Statements in a Multinational Setting: A Case Problem*

Stan Kratchman, Texas A&M University and L. Murphy Smith, Texas A&M University

Discussant: Jane Calvert, University of Central Oklahoma

*Are the Chinese National Audit Office Independent?*

H. Gin Chong, Prairie View A&M University

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## 2008/2009 Regional Meeting Presentations

(continued from page 30)

### Western Regional, San Diego, California (April 23-25, 2009)

Sectional Coordinator: Michele Henney, University of Oregon

Papers—7 ; Panels – 1

#### Panel Session:

##### **International Financial Reporting Standards (IFRS)**

Panelists: Loren Margheim, University of San Diego  
Frank Selto, University of Colorado  
Kevin Stocks, Brigham Young University

#### Paper Sessions:

##### **International Accounting**

Moderator: Michele C. Henney, *University of Oregon*  
*Accounting Standard Setting in the Colonial History of Hong Kong*  
Anthony Mung Yin Chan, Beijing Normal University  
*Chinese Mergers and Aquisitions: The Effect on Target Shareholder Wealth*  
Nancy Mangold, California State University, East Bay and Ching-Lih Jan, California State University, East Bay  
*An investigation of capital market reactions of quoted French banks to pronouncements on IAS 39*  
Nessrine Benhamida, Paris School of Management, France  
*Risk-Relevance of a new Income Measurement: The case of valuation of Financial Instruments according to IAS 39*  
Nessrine Benhamida, Paris School of Management, France  
*Employer Expectations of Accounting Undergraduates' Entry-level Knowledge and Skills in Global Financial Reporting*  
Rishma Vedd, California State University, Northridge; Christopher G. Jones, California State University, Northridge and Sung Wook Yoon, California State University, Northridge  
*Does convergence of different domestic GAAPs reduce investors' limited attention bias?*  
Sabrina S. Chi, University of California, Irvine  
*Ethical Climate, Organizational-Professional Conflict, and Organizational Commitment: A Study of Chinese Auditors*  
William E. Shaffer, California State University, San Bernardino

### AAA Regional Meetings, 2009/2010

▪ Please support your regional meetings. Present a paper or volunteer to serve on a panel. Remember you may present the same paper at two different AAA meetings. Regional meetings are great venues for Doctoral Student papers; please encourage your doctoral students to take advantage of these opportunities.

▪ **Mid-Atlantic** – To Be Determined.

▪ **Midwest** – To Be Determined.

▪ **Northeast** – Cambridge, Massachusetts (November 5-7, 2009); Submission deadline has closed.

▪ **Ohio** – Columbus, Ohio (May 6-8, 2010); Submission Deadline: January 31, 2010

▪ **Southeast** – To Be Determined.

▪ **Southwest** – Dallas, Texas (March 2-6, 2010); Submission Deadline: October 9, 2009

▪ **Western** – To Be Determined.

**HAVE YOU SEEN? .....**

**Christopher D. Hodgdon**

**University of Vermont**



Editorial Note: If you have an abstract or know of an abstract that would be of interest to the members of the AAA International Accounting Section, please email the reference information and abstract to Chris Hodgdon at [chodgdon@bsad.uvm.edu](mailto:chodgdon@bsad.uvm.edu).

**Al-Akra, Mahmoud, Muhammad Jahangir Ali, and Omar Marashdeh, “Development of accounting regulation in Jordan,” *The International Journal of Accounting* (Volume 44, Issue 2, 2009): 163-186.**

This study examines the development of accounting regulation in Jordan with emphasis on the dominant environmental factors that influence it. In order to have a better understanding of Jordan's present accounting practices, and its future development tendencies, we examine the path of accounting in Jordan since the early days of the nineteenth century, and analyze how Jordan's accounting environment — political, economic, legal and cultural — influenced the development of accounting in Jordan. We also examine Jordan's recent move towards full adoption of International Financial Reporting Standards (IFRS) and find that Jordan's colonial past has exerted a strong influence. In addition, we conclude that political and economic factors, through privatization and the resulting accounting reforms, contributed more to the development of accounting practices than other environmental factors. Privatization led to reforming Jordan's disclosure regulation and laying down of the corporate-governance policy framework. Our conclusions could be of interest to other countries, particularly developing countries, who want to improve the quality of their accounting disclosures and practices.

**Bonsón, E., V. Cortijo, and T. Escobar, “Towards the global adoption of XBRL using International Financial Reporting Standards (IFRS),” *International Journal of Accounting Information Systems* (Volume 10, Issue 1, 2009): 46-60.**

XBRL is a language based on XML for the electronic communication of business information. It is designed to improve the exchange, aggregation and analysis of corporate data requiring disclosure, through a unique tagging structure that provides interoperability. But, the proliferation of a multitude of XBRL taxonomies, based on different accounting principles, can risk the objectives of standardization, comparability and re-usability of the information that is sought with XBRL. It is therefore essential to develop global accounting standards as a unique foundation on which the XBRL taxonomies can be established, so that it becomes possible to compare the financial information originating from various countries. Along these lines, the International Financial Reporting Standards (IFRS-GP) taxonomy was created to establish a common ground for international firms and create a platform that would enhance the benefits of XBRL. This paper examines whether the IFRS-GP taxonomy, at its current state, adequately covers European companies' dissemination practices and strengthens the benefits of XBRL. Our results provide implications for the evaluation of the effectiveness of the IFRS-GP taxonomy and shed light on directions that may lead to the improvement of this taxonomy.

**Carson, Elizabeth, “Industry Specialization by Global Audit Firm Networks,” *The Accounting Review* (Volume 84, Issue 2, 2009): 355-382.**

This study investigates the role of global audit firm networks in the market for audit services. Underlying theory suggests that there are benefits from the use of network *((continued on page 33))*

## **Have You Seen...?** *(continued from page 32)*

structures, which enable these firms to expand efficiently into the global audit market and to develop global industry specializations. I identify global and national industry specialist auditors via market share metrics based on client assets audited, and use a large sample of 15,583 clients from 62 countries in 2000 and 14,628 clients from 60 countries in 2004. I find in both periods that audit fee premiums are consistently associated with global specialist auditors, irrespective of whether those audit firms are or are not national specialists.

**Cassia, Lucio, and Silvio Vismara, “Valuation Accuracy and Infinity Horizon Forecast: Empirical Evidence from Europe,” *Journal of International Financial Management & Accounting* (Volume 20, Issue 2, 2009): 135-165.**

This paper focuses on the assumptions of infinite-horizon forecasting in the field of firm valuation. The estimate of long-run continuing values is based on the hypothesis that companies should have reached the steady state at the end of the period of explicit forecasts. It is argued that the equivalence between cash accounting and accrual accounting is the way of verifying the steady-state assumption, defined as the state when a firm earns exactly its cost of capital, i.e., what we would expect in pure-competition settings. From this definition, we derive that the "ideal" growth rate to use in steady state is equal to the reinvestment rate times Weighted Average Cost of Capital. To validate our approach, we collect a sample of 784 analyst valuations and compare how the implied target prices deviate from what the target prices would have been using the "ideal" steady-state growth rates. Using Logit and Cox regression models, we find that this deviation has predictive value over the probability that actual market price reaches the target price over the following 12-month period—the smaller the deviation the greater is the likelihood that the market price reaches the target price.

**Chang, Jui Chin, and Huey-Lian Sun, “Crossed-listed foreign firms' earnings informativeness, earnings management and disclosures of corporate governance information under SOX,” *The International Journal of Accounting* (Volume 44, Issue 1, 2009): 1-32.**

The passage of the Sarbanes–Oxley Act (SOX) marks the beginning of the mandatory disclosure of audit-committee composition and other corporate governance information for cross-listed foreign firms. We posit that the provisions of SOX improve the effectiveness of an independent audit committee and other corporate-governance functions in monitoring the earnings quality of cross-listed foreign firms, and we use cross-listed firms' earnings informativeness and earnings management to measure earnings quality. Our findings show earnings informativeness is significantly associated with audit-committee independence as well as with board independence in the post-SOX period. In contrast, we do not find a significant association between earnings informativeness and audit-committee independence in the pre-SOX period. Our findings also show a consistently negative association between earnings management and audit-committee independence after SOX, an association that is not found in the pre-SOX period. Similarly, a negative association between earnings informativeness and the CEO duality as the chair of the board is only found in the post-SOX period. Furthermore, our results show a positive (negative) association between earnings informativeness (earnings management) and an aggregate corporate-governance score as a measure of overall corporate-governance functions in both the pre- and post-SOX periods. Our findings on the change of magnitude in the relationship between earnings informativeness (earnings management) and corporate governance suggest that the SOX provisions improve the effectiveness of cross-listed foreign firms' corporate-governance functions in monitoring the quality of accounting earnings.

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## **Have You Seen...?** (continued from page 33)

**Chiapello, Eve, and Karim Medjad, “An unprecedented privatisation of mandatory standard-setting: The case of European accounting policy,” *Critical Perspectives on Accounting* (Volume 20, Issue 4, 2009): 448-468.**

The EU-member States have long intended to harmonise their respective accounting rules in order to facilitate the comparison between European companies. This process was brutally accelerated by a 2002 regulation announcing that as of 2005, listed companies would be required to comply with the accounting standards enacted by the IASB (International Accounting Standards Board), a private body which, until then, had no public mandate. After having tried to harmonise internally the respective standards of its members, the EU has thus decided to resort to private subcontracting, an even more puzzling decision when one realizes that at the time, the EU had simply no statutory control means on the IASB. Building on this striking episode of privatisation of the regulatory process, we first examine the structure and governance of the IASB, and the process leading to the transplantation of its norms into EU law. In a second part, we argue that while diverse, the reasons behind such relinquishment of public authority lie primarily within the EU itself. In a third part, we show that in the area of accounting, such transfer of competences went well beyond known forms of delegation to private sector. In a final part, we discuss the subsequent—and so far successful attempt of the EU to reassert its authority as well as its agenda in this area.

**Duh, Rong-Ruey, Jason Zezhong Xiao, and Chee W. Chow, “Chinese Firms' Use of Management Accounting and Controls: Facilitators, Impediments, and Performance Effects,” *Journal of International Accounting Research* (Volume 8, Issue 1, 2009): 1-30.**

This study explores the current use and performance effects of management accounting and controls (MACs) by Chinese firms, as well as some potential facilitators and impediments. Data on 219 listed Chinese firms are obtained from a survey, supplemented by the firms' publicly available financial reports. On average, the sample firms have at least moderate use of 12 specific MAC techniques, including ones that are of relatively recent vintage (e.g., economic value-based performance measures). However, there is substantial variation across firms in the use of each technique. The extent of MAC usage is positively associated with firm attributes (e.g., activism of corporate governance participants, management support), as well as characteristics of the environment (e.g., competition). There also is a positive association between usage of some MACs and firm performance.

**Duh, Rong-Ruey, Wen-Chih Lee, and Ching-Chieh Lin, “Reversing an impairment loss and earnings management: The role of corporate governance,” *The International Journal of Accounting* (Volume 44, Issue 2, 2009): 113-137.**

This paper examines whether the reversal of a previously recognized impairment loss provides an opportunity for earnings management, and whether such behavior is associated with managers' incentives. It also examines whether a corporate-governance mechanism can mitigate this behavior. Since 2005, listed companies in Taiwan have been required to comply with accounting standards, equivalent to International Accounting Standards (IAS) No. 36 “Impairment of Assets,” which allow reversals of asset-impairment losses. Data on a sample of 55 firms that reversed impairment losses between 2005 and the first quarter of 2007 were matched by industry and size with 55 control firms. Empirical results show that firms recognizing more impairment losses are more likely to reverse impairment losses when doing so would avoid an earnings decline in a subsequent period, which is consistent with the “cookie jar” reserve hypothesis. We also show that such behavior is more pronounced for firms with higher debt ratios, consistent with earnings management being associated with the incentive to avoid violation of debt covenants. However, an effective corporate governance mechanism could mitigate such behavior. Our study may contribute to the debate on global convergence with IFRS, especially convergence between IFRS and U.S. GAAP with respect to the

(continued on page 35)

## **Have You Seen...?** (continued from page 34)

“Impairment of Assets,” by providing a rationale for the latter's prohibition of reversals. It may also contribute to the corporate-governance literature by showing the effect of governance mechanisms on deterring earnings management.

**Ferris, Stephen P., Nilanjan Sen, and Emre Unlu, “An International Analysis of Dividend Payment Behavior,” *Journal of Business Finance & Accounting* (Volume 36, Issue 3-4, 2009): 496-522.**

This study investigates patterns in dividend payment across nine common law and sixteen civil law countries over 1994-2007. We begin by examining whether the recent decline in the number of dividend payers is solely a US phenomenon or part of a more global trend. We find that at the beginning of our sample period, 72% of our sample firms pay dividends, but by 2007, this percentage decreases to 55%, with the decline more acute in common law countries. Our analysis further shows that the growing incidence of non-dividend paying firms can be explained by an increase in the percentage of firms that have never paid dividends. We find that common law firms are less likely to initiate new dividend programs than those in civil law nations, although they tend to have more abundant growth opportunities. We further establish that this global decline in the propensity to pay dividends is more pronounced in firms incorporated in common law jurisdictions. Finally, we find that both the percentage increase in aggregate dividends and the dividend payout ratio is higher in civil law countries.

**Goodwin, John, Kamran Ahmed, and Richard Heaney, “Corporate Governance and the Prediction of the Impact of AIFRS Adoption,” *Abacus* (Volume 45, Issue 1, 2009): 124-145.**

This study examines whether a firm's corporate governance system, particularly with respect to the characteristics of the board of directors and senior management, affects how accurately the impact of accounting changes is reported to shareholders. We concentrate on the relation between corporate governance measures and accounting forecast errors that arise with adoption of the International Financial Reporting Standards by listed Australian firms. Evidence reveals that corporate governance mechanisms are associated with the likelihood and magnitude of managerial forecast errors.

**Hassan, Omaila A.G., Peter Romilly, Gianluigi Giorgioni, and David Power, “The value relevance of disclosure: Evidence from the emerging capital market of Egypt,” *The International Journal of Accounting* (Volume 44, Issue 1, 2009): 79-102.**

This study examines the value of voluntary and mandatory disclosure in a market that applies International Accounting Standards (IAS) with limited penalties for non compliance. The lack of enforcement creates an element of choice in the level of mandatory disclosure by companies. Using panel-data analysis, our empirical results show that, after controlling for factors such as asset size and profitability, mandatory disclosure has a highly significant but negative relationship with firm value. This result, although puzzling from a traditional perspective, is consistent with the predictions of analytical accounting models, which emphasize the complex interplay of factors determining disclosure effects. Our results also show that voluntary disclosure has a positive but insignificant association with firm value. This lack of statistical significance supports the view that there is a complex interplay of different factors determining the relationship between disclosure and firm value.

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**Henry, Elaine, Stephen Lin, and Ya-wen Yang, “The European-U.S. “GAAP Gap”: IFRS to U.S. GAAP Form 20-F Reconciliations,” *Accounting Horizons* (Volume 23, Issue 2, 2009): 121-150.**

This study evaluates the extent to which the FASB and IASB convergence projects and the EU-wide adoption of IFRS have impacted the differences between firms' financial results under U.S. GAAP and IFRS. Using 2004 to 2006 reconciliation disclosures of 75 EU cross-listed firms, we find that the average gap between U.S. GAAP and IFRS income and between U.S. GAAP and IFRS shareholders' equity declined from 2004 to 2006, consistent with convergence, though the net income gap remains significant. Although both pensions and goodwill are included in the convergence projects, these adjustments appear to be the dominant reconciliation items. Across the EU, net income and shareholders' equity reconciliation amounts differ significantly by industry and by legal origin of the firm's home country, raising questions about the homogeneity of IFRS as implemented. Furthermore, most firms report IFRS net income (shareholders' equity) higher (lower) than U.S. GAAP net income (shareholders' equity), with the result that 28 percent of the sample firms' 2006 ROE under IFRS is more than 5 percentage points higher than under U.S. GAAP, whereas fewer than 10 percent of the sample report ROE more than 5 percentage points lower. Finally, shareholders' equity reconciliations and income reconciliations appear value-relevant, although results are somewhat sensitive to model specification. Overall, our findings indicate that significant numerical differences still exist between results under IFRS and U.S. GAAP, despite convergence. In light of the SEC's elimination of the requirement for reconciliations between the two sets of standards and the potential adoption of provisions allowing U.S. firms to choose between the standards, investors and other financial statement users should be aware of the significant numerical differences.

**Hodgdon, Christopher, Rasoul H. Tondkar, Ajay Adhikari, and David W. Harless, “Compliance with International Financial Reporting Standards and auditor choice: New evidence on the importance of the statutory audit,” *The International Journal of Accounting* (Volume 44, Issue 1, 2009): 33-55.**

We examine the impact of auditor choice on IFRS compliance under the assumption of strict exogeneity of auditor choice. Our results reveal that compliance is positively related to auditor choice after controlling for firm size, profitability, leverage, degree of international diversification, and whether a firm has a U.S. listing or was audited according to International Standards of Auditing. We also find that auditor choice is positively related to firm compliance when controlling for unmeasured, firm-specific effects. The results of our study reinforce the importance of developing institutional mechanisms (e.g., enforcement, auditing, or corporate governance structures) to encourage compliance with IFRS.

**Holmén, Martin, and Bengt Pramborg, “Capital Budgeting and Political Risk: Empirical Evidence,” *Journal of International Financial Management & Accounting* (Volume 20, Issue 2, 2009): 105-134.**

This paper surveys and investigates Swedish firms' use of capital budgeting techniques for foreign direct investments. We document that the use of the theoretically correct net present value method decreases with the political risk in the host country, and that the use of the Payback method increases with the political risk. We conclude that in the presence of capital market imperfections, unsystematic and country-specific political risks are important. Because these risks are difficult to estimate (rendering high deliberation costs) managers are inclined to use simple rules of thumb for their capital budgeting decisions. Our results can partly explain why surveys find that alternative methods such as the Payback method are frequently used despite their theoretical drawbacks.

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**Hope, Ole-Kristian, Wayne B. Thomas, and Glyn Winterbotham, “Geographic earnings disclosure and trading volume,” *Journal of Accounting and Public Policy* (Volume 28, Issue 3, 2009): 167-188.**

Beginning with Statement of Financial Accounting Standards No. 131 (SFAS 131), Disclosures about Segments of an Enterprise and Related Information, most US multinational firms no longer disclose geographic earnings in their annual reports. Given the recent growth in foreign operations of US firms and the varying operating environments around the world, information (or lack thereof) related to geographical performance can affect investors' information set. Using empirical tests that closely follow the [Kim, O., Verrecchia, R., 1997. Pre-announcement and event-period private information. *Journal of Accounting and Economics* 24, 395–419] model, we find results consistent with their predictions. Specifically, using a sample of firms with substantial foreign operations, we find evidence of a decrease in event period private information following adoption of SFAS 131 for firms that no longer disclose geographic earnings. These results suggest that decreased public information (i.e., non-disclosure of geographic earnings) reduces the ability of investors to utilize or generate private information in conjunction with the public announcement of quarterly earnings, which dampens trading. We also find evidence of a decrease in pre-announcement private information following adoption of SFAS 131. This is consistent with an overall improvement in public disclosures that has the effect of reducing differences in the precision of private information across investors in the period prior to the earnings announcement. However, such an effect is observed for both firms which no longer disclose geographic earnings and for firms that continue to disclose geographic earnings.

**Huang, Cheng-Li, and Mien-Ling Chen, “Relationships among budgetary leadership behavior, managerial budgeting games, and budgetary attitudes: Evidence from Taiwanese corporations,” *Journal of International Accounting, Auditing and Taxation* (Volume 18, Issue 1, 2009): 73-84.**

In this paper, we examine the relationship among leadership behavior (contingent reward vs. contingent punishment), managerial budgeting games (devious games vs. economic games), and attitudes towards the budgetary process. Relationships were tested using a structural equation model that was estimated on the basis of questionnaire data from 216 Taiwanese managers. The majority of respondents were accounting/finance managers employed by manufacturing firms. Results reveal that contingent-reward leadership behavior has a direct and positive effect on attitudes toward the budgetary process, and an indirect effect through economic games. On the other hand, we find evidence that contingent-punishment leadership behavior has only an indirect and negative effect on attitudes toward the budgetary process through devious games, especially for non-accounting/finance managers. Managers who play economic games tend to have positive attitudes towards the budgetary process, while those who play devious games do not. The findings should be useful to management in understanding what effective leadership behavior is in the budget-preparation process in Taiwan, and assessing how budgeting games are likely to be adopted by Taiwanese managers.

**Hughes, Susan B., James F. Sander, Scott D. Higgs, and Charles P. Cullinan, “The impact of cultural environment on entry-level auditors' abilities to perform analytical procedures,” *Journal of International Accounting, Auditing and Taxation Volume* (Volume 18, Issue 1, 2009): 29-43.**

We focus on the impact of three of Hofstede's cultural dimensions, power distance, uncertainty avoidance, and individualism, on the results of analytical procedures conducted by entry-level auditors in Mexico and the U.S. Analytical procedures are ideal for this research as they require auditors to use professional judgment and appropriate levels of professional skepticism, abilities related to all three cultural characteristics. We find no other study investigating the impact of culture on the application of auditing procedures similar across the studied cultures. We find cultural characteristics do not affect the participants' abilities to predict income statement balances, but they may influence the ability to

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### **Have You Seen...?** *(continued from page 37)*

predict changes in balance sheet accounts. We also find culture is associated with differences in risk assessments. Our results indicate that participants rarely differentiate accounts that change according to expectation from those that change contrary to expectation, but rather alter their risk assessments to match the direction of balances that increase or decrease.

**Lapointe-Antunes, Pascale, Denis Cormier, and Michel Magnan, “Value relevance and timeliness of transitional goodwill-impairment losses: Evidence from Canada,” *The International Journal of Accounting* (Volume 44, Issue 1, 2009): 56-78.**

Focusing on transitional goodwill-impairment losses (losses) recorded by Canadian firms following the adoption of revised standards on purchased goodwill, we investigate the value relevance and timeliness of mandatory changes in accounting principles accounted for using the retroactive method. We find a negative relationship between reported losses and share price. Such a finding is consistent with investors perceiving losses as being sufficiently reliable measurements of a reduction in the value of goodwill to incorporate them in their valuation assessments. We find also that investors put a higher valuation weight on losses reported by firms that are expected to record a loss. In addition, we show that investors perceive that there are reduced opportunities for managerial discretion when there is a more effective audit committee. Finally, our results show that returns lead losses, i.e., that losses represent a catch-up adjustment to reflect the cumulative effect of using the impairment approach for the first time. Overall, our evidence supports U.S. standard setters' decision, through SFAS 154, to favour enhanced comparability and consistency over the potential costs of frequent restatements. Our results also show that fair-value measurements can be relevant even when the financial statement elements of interest are inherently bound to measurement error and subject to significant managerial discretion. They support the notion that reliability is about faithful representation, not precision.

**Lee, Janet, “Executive performance-based remuneration, performance change and board structures,” *The International Journal of Accounting* (Volume 44, Issue 2, 2009): 138-162.**

This paper examines CEO performance-based remuneration in companies that experience improvement in financial performance but have different board structures. It analyzes how such payment relates to change in financial performance and board structures by comparing the cases between Australian and Singaporean companies. The results highlight that performance pay in both countries is likely to be linked to change in performance. However, the proportion of CEO performance-based payment in both countries does not seem to be related to board structure. Larger firms in both countries appear to make great use of performance-based remuneration. Sales revenue is likely to be used by companies in both countries as a yardstick for determining CEO performance pay.

**Lin, Z. Jun, and Ming Liu, “The impact of corporate governance on auditor choice: Evidence from China,” *Journal of International Accounting, Auditing and Taxation* (Volume 18, Issue 1, 2009): 44-59.**

As the largest and fastest growing emerging market, China is becoming more and more important to investors throughout the world. The purpose of this paper is to investigate the determinants of firms' auditor choice in China in respect of their corporate governance mechanism. Normally firms have to take a trade-off in their auditor choice decisions, i.e., to hire high-quality auditors to signal effective audit monitoring and good corporate governance to lower their capital raising costs, or to select low-quality auditors with less effective audit monitoring in order to reap private benefits derived from weak corporate governance and less-transparent disclosure (the opaqueness gains). We develop a logit regression model to test the impact of firms' internal corporate governance mechanism on auditor choice decisions made by IPO firms getting listed during a bear market period of 2001–2004 in China. Three variables are used to proxy for firms' internal corporate governance mechanism, i.e., the ownership concentration, the size of the supervisory board (SB), and the duality of CEO and chairman of board of directors (BoDs). We

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## **Have You Seen...?** *(continued from page 38)*

classify all auditors in China into large auditors (Top 10) and others (non-Top 10), assuming the large auditors can provide higher quality audit services. The empirical results show that firms with larger controlling shareholders, with smaller size of SB, or in which CEO and BoDs chairman are the same person, are less likely to hire a Top 10 (high-quality) auditor. This suggests that when benefits from lowering capital raising costs are trivial, firms with weaker internal corporate governance mechanism are inclined to choose a low-quality auditor so as to capture and sustain their opaqueness gains. On the other hand, with improvement of corporate governance, firms should be more likely to appoint high-quality auditors.

**Machuga, Susan, and Karen Teitel, “Board of director characteristics and earnings quality surrounding implementation of a corporate governance code in Mexico,” *Journal of International Accounting, Auditing and Taxation* (Volume 18, Issue 1, 2009): 1-13.**

Mexico recently enacted a corporate governance code. One objective of the code is to improve board of director oversight and to reveal more transparent information to shareholders by including detailed information regarding the structure of the board and its functions. Research in the U.S. has documented improvement in earnings quality associated with board characteristics. Whether or not board characteristics are associated with improved earnings quality in Mexico is questionable given the business environment in which firms operate, characterized by controlling family ownership and weak legal protection of property rights. The purpose of this study is to investigate whether or not board characteristics other than compliance with board independence (board composition disclosure, family concentrated ownership and shared-directors) are associated with the improvement in earnings quality found in previous research. Earnings quality is measured using income smoothing, timely loss recognition and conditional accruals. We find firms that do not have concentrated family ownership or share directors have greater increases in earnings quality than firms that have concentrated family ownership or share directors. We conclude that applying board-level corporate governance reforms, without considering cultural and legal environments, may limit the desired effects of the change.

**Nobes, Christopher W., “Observations on measuring the differences between domestic accounting standards and IAS,” *Journal of Accounting and Public Policy* (Volume 28, Issue 2, 2009): 148-153.**

In an earlier edition of this journal, Ding et al. use data in GAAP 2001 to assess determinants and effects of differences between domestic and international standards. This paper examines whether those data are suitable for the purposes of academic research by outlining the biases and particular features of GAAP 2001. The main problem with the data for research is that the differences from IAS that it records, which focus on rules, are of varying importance for accounting practice. This raises questions about the equal weighting applied by Ding et al. This paper also questions their distinction between absence of IAS requirements and divergence from those requirements. Some doubts are also raised about the independent variables.

**Paananen, Mari, and Henghsiu Lin, “The Development of Accounting Quality of IAS and IFRS over Time: The Case of Germany,” *Journal of International Accounting Research* (Volume 8, Issue 1, 2009): 31-55.**

We examine the characteristics of accounting amounts using a sample of German companies reporting under International Accounting Standards (IAS) during 2000–2002 (IAS period), and International Financial Reporting Standards (IFRS) during 2003–2004 (IFRSvoluntary period) and 2005–2006 (IFRSmandatory period). We find a decrease in accounting quality after the mandatory EU adoption in 2005. Our findings on earnings smoothing and timely loss recognition corroborates largely our findings related to value relevance of accounting information. Our results indicate that accounting quality has not improved but worsened over time. Further analysis shows that this development is less likely to be driven by new adopters of IFRS but is driven by the changes of the standards. Contrary to the intention with the *(continued on page 40)*

## **Have You Seen...?** *(continued from page 39)*

adoption of the European adoption of IFRS, this makes it harder for investors to base their decisions on the IFRS financial reporting.

**Schulz, Axel K.-D., Stephen B. Salter, Juan Claudio Lopez, and Philip A. Lewis, “Revaluating Face: A Note on Differences in Private Information Sharing Between Two Communitarian Societies,” *Journal of International Accounting Research* (Volume 8, Issue 1, 2009): 57-65.**

This study closes the circle on a series of studies which have examined cross-cultural differences in the likelihood of sharing information in a situation where an error has been made. Building on the work of Chow et al. (1999), Chow et al. (2000), Salter and Schulz (2005), and Salter et al. (2008) it seeks to control for collectivism and test the effect of face by using nations that are quite similar in terms of collectivism, but at opposite ends of the face dimension. It finds that Chinese managers are less willing to share negative information when the supervisor is present than Chilean managers. Once the supervisor is removed there is no significant difference in the information sharing pattern of these two cultures. We attribute the results to the effect of “face” in the Chinese culture, which suppresses information sharing willingness in Chinese managers when the supervisor is present and is not a facet of the Chilean culture.

**Shah, Syed Zulfiqar Ali, Andrew W. Stark, and Saeed Akbar, “The value relevance of major media advertising expenditures: Some U.K. evidence,” *The International Journal of Accounting* (Volume 44, Issue 2, 2009): 187-206.**

This study examines whether ACNielsen MEAL major media advertising expenditure measures, that are publicly available at a cost, have value relevance. Our results suggest that these advertising-expenditure measures are positively associated with market value. We also find little difference in the value relevance of these expenditures among different sizes of firms. Value relevance is found to be present only for nonmanufacturing firms. This suggests that the costly information provided by ACNielsen MEAL surveys may be potentially useful to market participants in valuing firms, at least for nonmanufacturing firms.

**Simnett, Roger, Ann Vanstraelen, and Wai Fong Chua, “Assurance on Sustainability Reports: An International Comparison,” *The Accounting Review* (Volume 84, Issue 3, 2009): 937-967.**

Globally, companies increasingly publish separate general purpose, nonfinancial (sustainability) reports. Some of these are independently assured and assurers may or may not be from the auditing profession. We seek to understand this emerging voluntary assurance market. Using a sample of 2,113 companies (from 31 countries) that produced sustainability reports between 2002–2004, we use sequential logit analysis to identify the factors associated with the decision to voluntarily purchase assurance and the choice of assurance provider. We hypothesize that a company's need to enhance credibility through assurance and choice of assurance provider will be a function of company-, industry-, and country-related factors. Our results support the argument that companies seeking to enhance the credibility of their reports and build their corporate reputation are more likely to have their sustainability reports assured, although it does not matter whether the assurance provider comes from the auditing profession. We also find that companies operating in stakeholder-orientated countries are more likely to choose the auditing profession as an assurer.

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## **Have You Seen...?** (continued from page 40)

**So, Stella, and Malcolm Smith, “Value Relevance of IAS 27 (2003) Revision on Presentation of Non-Controlling Interest: Evidence From Hong Kong,” *Journal of International Financial Management & Accounting* (Volume 20, Issue 2, 2009): 166-198.**

This study investigates the value relevance of the IAS 27 Consolidated and Separate Financial Statements (2003) revision, which requires the presentation of non-controlling interest as components of equity and earnings. The investigation is carried out in the context of companies publicly listed in Hong Kong during 2004–2006 where IAS 27 (2003) is replaced by the local but word-for-word equivalent standard of HKAS 27 (2004). The results of this study provide strong evidence that the revision has significant value relevance in changing investors' perception about non-controlling interest, which is no longer perceived as liabilities. Investors have apparently not been confused by the revised presentation of non-controlling interest within equity and continue to associate company values only with the equity amount actually owned by the parent company's shareholders. The results of this study give support for the accounting regulator's first move towards the economic unit theory of consolidated financial statements.

**Sunder, Shyam, “IFRS and the Accounting Consensus,” *Accounting Horizons* (Volume 23, Issue 1, 2009): 101-111.**

A broad consensus in accounting favors principles over rules to guide creation of a uniform high-quality set of standards for use everywhere, and granting monopoly power to a single body for this purpose. If implemented into policy, this consensus will discourage discovery of and evolution toward better methods of financial reporting, make it difficult to conduct comparative studies of the consequences of using alternative methods of accounting, promote substitution of analysis and thinking by rote learning in accounting classes, help discourage talented youth from collegiate programs in accounting, and probably endanger the place of accounting discipline in university curricula. Because the presumed benefits in the form of increased comparability of financial reports internationally or stateside are unlikely to be realized, the wisdom of undertaking these burdens remains questionable. The paper calls for a re-examination of the accounting consensus.

**Wang, Kun, Sewon O, and Zahid Iqbal, “Audit pricing and auditor industry specialization in an emerging market: Evidence from China,” *Journal of International Accounting, Auditing and Taxation* (Volume 18, Issue 1, 2009): 60-72.**

In this paper we examine the determinants of audit fees by focusing on auditor industry specialization and second tier auditors in the Chinese market. We find evidence of Big 4 premiums for brand name as well as industry specialization in both the statutory and supplementary market. Big 4 industry specialists earn additional premiums in the statutory market as compared to non-industry specialists. We also find that market expansion did not provide the second tier auditors any price advantage. These auditors increased their market share mainly in the mid- and small-sized clienteles. Moreover, industry experience developed by the second tier firms may have helped them gain economy of scale and reduce service fees. This may be their strategy to win future clients that seek low-priced audits.

**Wunder, Haroldene F., “Tax risk management and the multinational enterprise,” *Journal of International Accounting, Auditing and Taxation* (Volume 18, Issue 1, 2009): 14-28.**

The financial scandals in the United States and other countries ushered in financial reporting and corporate governance reforms that extend beyond the U.S. Sarbanes-Oxley Act of 2002 (SOX). These initiatives have increased the international financial community's awareness of the importance of risk management and internal controls. Tax risk management and related (continued on page 42)

## Have You Seen...? (continued from page 41)

internal controls have been accorded less focus than risk management generally. The purpose of this research is to describe the current state of tax risk management of multinational enterprises (MNEs) by reporting survey responses from chief financial officers (CFOs) of U.S. and non-U.S. MNEs. The research shows that significant progress has been made by large MNEs in developing and implementing both general and tax risk management policies. The results provide guidance in identifying the loci and impact of organizational tax risk and indicate that respondents do not perceive alarming degrees of tax risk in their organizations. The study reveals a remarkable degree of similarity in U.S. and foreign firm responses and demonstrates, unexpectedly, that existing reporting structures enable CFOs to shift a significant degree of tax risk management to heads of tax.

### SCENES FROM THE TEMPLE UNIVERSITY FOX SCHOOL IFRS/FAIR VALUE CONFERENCE, JUNE 3-5, (CO-SPONSORED BY THE INTERNATIONAL ACCOUNTING SECTION)



*Jenice Prather-Kinsey, University of Missouri*



*John Hepp, Grant Thornton*

***“Is the U.S. Ready for IFRS?”***  
***Panelists: (from left)***  
***Donal Byard, SEC***  
***David Cairns, London School of Economics***  
***Trevor Harris, Columbia University***  
***Scott Hartman, Ernst & Young***  
***Mark Lang, University of North Carolina***  
***Paul Munter, KPMG***



# American Accounting Association International Accounting Section

## Call for Papers for

### *The Journal of International Accounting Research*

#### **Editor:**

Kenneth Ferris, Arizona State University

#### **Editorial Policy**

The *Journal of International Accounting Research* publishes articles that increase our understanding of the development and use of international accounting and reporting practices or attempt to improve extant practices. International accounting is broadly interpreted to include the reporting of international economic transactions; the study of differences among practices across countries; the study of interesting institutional and cultural factors that shape practices in a single country but have international implications; and the effect of international accounting practices on users. The *Journal* has a diverse readership and is interested in articles in auditing, financial accounting, managerial accounting, systems, tax, and other specialties within the field of accounting. The *Journal* is open to research using a wide variety of research methods, including empirical-archival, experimental, field studies, and theoretical. The *Journal* may include sections for Notes (shorter articles) and Commentaries. Education articles should be sent to a journal such as *Issues in Accounting Education*.

All manuscripts are sent to two reviewers, although one or more additional reviewers may be consulted in some instances. Reviews will be double-blind (i.e., to both the author and reviewer). A strong effort will be made to complete the initial review within two to three months. The review process is intended to provide constructive comments that improve the quality of manuscripts by focusing on critical issues. The editorial team recognizes that the nuances of a paper are better left to the authors.

#### **Submission Of Manuscripts**

1. Manuscripts currently under consideration by another journal or other publisher should not be submitted. At the time of submission, the author must state that the work is not submitted or published elsewhere.
2. To expedite the process, an electronic submission and review process is preferred. To preserve anonymity, it is advised that the cover page and the remainder of the document be placed in separate Microsoft® Word or PDF files. In the case of manuscripts reporting on field surveys or experiments, the instrument (e.g., questionnaire, case, interview plan) should also be submitted in a separate file, with the identity of the author(s) deleted. The cover page, manuscript, and, if applicable, the instrument should be emailed as attached files to Kenneth Ferris, Editor, at: [kenneth.ferris@asu.edu](mailto:kenneth.ferris@asu.edu). There is no submission fee for members of the AAA International Section, but \$35.00 for others, made payable to the American Accounting Association. The submission fee is nonrefundable. To charge the fee, access the AAA web site at: <https://aaahq.org/AAAforms/journals/jiarsubmit.cfm>. Alternatively, (although this is not encouraged) the submission fee also may be paid by check to the American Accounting Association, and mailed to Kenneth Ferris, Editor, *Journal of International Accounting Research*, School of Global Management and Leadership, Arizona State University, P.O. Box 37100, Phoenix, AZ 85069-7100.
3. If electing to submit hard copies, one copy of the manuscript should be mailed to Kenneth Ferris at the address above. In the case of manuscripts reporting on field surveys or experiments, one copy of the instrument (e.g., questionnaire, case, interview plan) should be submitted. Information that might identify the author(s) must be deleted from the instrument. The submission fee should be enclosed or charged at the AAA web site (per above).
4. Revised manuscripts must be submitted within 12 months from request; otherwise they will be considered new submissions.
5. Manuscript preparation and style can be found on the section website at [http://aaahq.org/pubs/EdPolicies/JIAR\\_EdPolicy.pdf](http://aaahq.org/pubs/EdPolicies/JIAR_EdPolicy.pdf).

# CALL FOR PAPERS

**16th Annual Midyear Conference  
6th Annual Doctoral/New Faculty Consortium of the  
International Accounting Section of the  
American Accounting Association**

**in collaboration with the  
International Association for Accounting Education and Research**

**January 28-30, 2010, Palm Springs, California**

**\*Funding Provided by the KPMG Foundation**

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The International Accounting Section of the American Accounting Association and the International Association for Accounting Education and Research are pleased to invite you to the 2010 Midyear Conference. The meeting will be held at the Hilton Palm Springs, 400 East Tahquitz Canyon Way, Palm Springs, California; Phone: (760) 320-6868 or (800) HILTONS. The conference rate is \$179 per night.

The Section encourages submissions of papers in all areas of research, including topics in international accounting. A special effort will be made to provide opportunities for doctoral students and assistant professors. As a result, the Section strongly encourages submissions that have been authored (or co-authored) and will be presented by assistant professors or doctoral students.

The Section is pleased to offer again a Fast Track Review option at the *Journal of International Accounting Research (JIAR)* and the *Journal of International Financial Management & Accounting (JIFMA)*. The Fast Track review is a quick but incomplete review of a paper by the editorial staff as to a paper's suitability and potential for publication. All *JIAR* and *JIFMA* submissions must go through the full editorial review process.

**The deadline for submission is Saturday, October 17, 2009.** Author(s) will be notified of conference acceptance/rejection by Monday, November 23, 2009.

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## **2010 IAS Midyear Meeting Call for Papers** *(continued from page 44)*

### **Conference Schedule**

The conference will begin Thursday afternoon, January 28, at 4:00 pm with an IFRS CPE workshop featuring Mary Barth and Katherine Schipper. An early bird reception will follow the workshop. The conference will continue with plenary sessions, panels, concurrent sessions, poster sessions and other events through Saturday afternoon. Papers, cases, or panel discussion on any area of international accounting are welcome. All paper, case, and panel submissions are due by Saturday, October 17, 2009. All submissions must be in English. Author(s) will be notified of conference acceptance/rejection by November 23, 2009. As in past years, special consideration will be given to papers and cases that will be presented by doctoral students.

The 6th Annual Doctoral Student/New Faculty Consortium will be held on Thursday, January 28, with an opening reception/dinner on Wednesday evening, February 27. Eligible doctoral students will have all meeting fees waived and hotel costs, for two nights, paid (double accommodation). New Faculty will have similar benefits but must pay the midyear registration fee. Single accommodations will be available. For further details, contact: Professor Carolyn M. Callahan (**E-mail: [cmcllhan@memphis.edu](mailto:cmcllhan@memphis.edu)**)

### **Registration Information**

Participants will be able to register for the Conference through the American Accounting Associations website. The registration fee is \$200, for members of AAA IAS and/or IAAER, \$235 for nonmembers; the CPE fee is \$25.

### **Additional Information**

More details and information on registration and hotel accommodations will be available soon on the AAA Commons and the International Accounting Section page of American Accounting Associations website: <http://aaahq.org/international/index.html>.

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Almost half of the American Accounting Association's International Accounting Section's (IAS) members live outside the United States, representing 60 countries. The IAS administers the Gift Membership Program to provide sponsored gift AAA memberships to department chairs in universities outside the United States to be selected by the IAS's International Relations Committee or by individual contributors. The gift membership provides accounting departments at these universities with AAA and IAS Section membership, including much-needed access to *The Accounting Review*, *Accounting Horizons*, *Issues in Accounting Education*, *Accounting Education News*, and *Journal of International Accounting Research*.

The Gift Membership Program is funded entirely by contributions from AAA members. We urge all AAA members to contribute, including those who are not [yet] IAS members. Individuals contributing US\$200 or more may designate a specific non-US university, with which they are not affiliated, as the beneficiary of their contribution.

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