

**Abstracts:  
Research Papers  
Quantitative & Qualitative**

**Abstract ID:** 464281

**Title:** Transfer Pricing of Intangible Assets, E-Commerce & International Taxation

**Abstract:** This paper investigates the effect of e-commerce and international taxation on transfer pricing of intangible assets. In the 21st century, the fast development of e-commerce era and service companies' paradigms in proportion to the bricks-and mortar business activities pushes most tax authorities to continue the attack of transfer pricing practices of multinational companies (MNCs) by issuing new or modified transfer pricing regulations to meet these challenges. First, general understanding of the nature of intangible assets and the new trends in transfer pricing are discussed. Second, MNCs' strategies of ownership are analyzed. Third, the appropriate transfer pricing methods are investigated. Finally, it is suggested that in designing an effective transfer pricing system, MNCs should consider tax and non-tax strategies to manage global earnings; the driving motivation behind the system; the environmental conditions; incorporate short-run active features within the system; potential income tax consequences; the selection of the best transfer pricing method; and practical solutions to avoid tax audits.

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**Abstract ID:** 490762

**Title:** Stewardship Value of Income: The Role of Income Statement Classification

**Abstract:** This study investigates the stewardship role of components of earnings. Results of an analysis of compensation paid to CEOs of 1017 firms indicate that nonrecurring items receive smaller weight in compensation than recurring items. However, not all nonrecurring items are treated equally. While special items receive positive weight, below the line items, which are largely beyond the control of CEO, are filtered in compensation function. Thus, compensation committees seem to respond to the economic substance of earnings items, namely persistence and controllability rather than their position on the income statement. These findings suggest a sophisticated use of information contained in income statement classification.

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**Abstract ID:** 491542

**Title:** Do Financial Analysts Play a Role in Valuation? Evidence from Asian Stock Markets

**Abstract:** Ohlson (1995) motivates the adoption of the historical price model in value relevance studies, which expresses value as a function of earnings and book values (e.g., Collins et al. 1997; Francis and Schipper 1999). However, Ohlson (2001) argues that 'other information' is ignored in these studies and the valuation model could be improved by incorporating analyst earnings forecasts. This study uses the argumentation provided by Ohlson (2001) and examines whether the empirical version of the residual income model that uses earnings forecasts is a better model than the historical price model in seven Asian countries: Hong Kong, Malaysia, Singapore, Thailand, Indonesia, the Philippines and Korea, as well as in country groups and subgroups by their legal origins: the common-law group and the civil-law group (with subgroups of French origin and German origin). The results show that the adjusted R<sup>2</sup> for the residual income model is higher than for the historical price model in some countries and country groups. The improvements are more significant in countries or country groups where public disclosure is more important to solve the information asymmetry problem between managers and investors.

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**Abstract ID:** 484222

**Title:** Earnings Quality Following Corporate Acquisitions

**Abstract:** We use the corporate acquisition setting to examine earnings quality during the post-acquisition period. We define earnings quality as an earnings stream more closely associated with future cash flows from operations. We use the stock market's reaction at the acquisition announcement to infer merger motives and hypothesize that synergy-motivated acquisitions will produce higher quality earnings than agency-motivated acquisitions. Our findings are consistent with this prediction and support the view that managers who pursue synergy or agency-motivated acquisitions do not face the same economic environment and incentive schemes. Our results are also consistent with the notion that incentives for earnings management are greater following agency-motivated acquisitions when compared to those of synergy-motivated acquisitions. We conjecture that these differences originate from those accounting-based contracts that are likely impacted by reported post-acquisition balance sheet and income statement amounts.

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**Abstract ID:** 488987

**Title:** The Sarbanes-Oxley Characteristics of Independence for Audit Committees in a Financially Stressed Industry: Contrary Evidence

**Abstract:** Is the appearance of independence of an audit committee necessarily related to the external auditor's going-concern opinion or to the timing of the company's bankruptcy filings? This paper investigates the correspondence of effective independence to "appearance" characteristics of audit committee independence as defined by the Sarbanes-Oxley Act of 2002 (SOA) for a financially stressed industry during 2000-2001. Contrary to prior research, we find going-concern audit opinions and bankruptcy filings not related to those SOA characteristics and their extensions, which define audit committee independence. Instead, we find a SOA characteristic of non-independence, non-director compensation, related to the going-concern opinion. In addition, we find another SOA characteristic of non-independence, membership on interlocking boards, related to bankruptcy filings. These specialized industry results suggest that effective independence for audit committees may differ from its appearance under SOA rules. Effective independence may depend upon other variables, and may be limited to certain companies or industries.

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**Abstract ID:** 486242

**Title:** Sourcing, Inventory & Agency Relationship

**Abstract:** Availability of the right types and amounts of inventory can make or break a business, which leads to the need to reexamine the relationship between the suppliers and the manufacturers when contract negotiation involves how inventory should be dealt with. This paper studies such a relationship in an agency setting when inventory itself becomes an issue in contract design. Because of the presence of inventory in this setting, both the manufacturer and the supplier will determine optimally their corresponding ordering and production policies while in the relationship. For the manufacturer, he will try to minimize the sum of transfer payments to the supplier and his own inventory holding costs. The supplier, on the other hand, will maximize the difference between her monetary utility and her own inventory holding costs. This paper develops the optimal contract design in this setting and explores the implications and limitations.

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**Abstract ID:** 482302

**Title:** An Overview of Tax-Favored Higher Education Savings Benefits, Their Relationship to Each Other, and Their Impact on Traditional Federal Financial Aid Eligibility

**Abstract:** With the average cost of a college education at public and private institutions estimated to rise to \$60,000 and \$200,000, respectively, by the year 2007, the need for financial planning for college is more critical than ever. Recent changes and additions to the Internal Revenue Code have fulfilled Congress' intention to maximize tax benefits for education and provide greater choices for taxpayers in determining which tax benefits are most appropriate for them (H.R. Conf Report). The interaction of the various education incentives such as qualified tuition plans, Coverdell education savings accounts, the scholarship exclusion, the qualified tuition deduction, and the Hope and Lifetime Learning credits, among others, makes planning to maximize tax benefits an extremely complex undertaking. Further complicating the overall planning process is the impact of various funding alternatives and tax incentives on eligibility for federal financial aid. This paper will explore each of these areas.

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**Abstract ID:** 489006

**Title:** Assessment of Learning: Test Design and Administration Factors That Affect Student Performance

**Abstract:** New AACSB accreditation standards require schools to show that students have met the schools' learning goals. This paper discusses the use of stand-alone testing to measure student learning in accounting. We address the appropriateness of using percentile ranks based on national norms, instead of using the percentage of correct responses, to interpret student performance. We also examine the design of the questions, the extent to which topics are covered in required accounting courses, and the relative difficulty of recalling a question's content. Regression results show that the average percent correct is significantly negatively related to the complexity of a question's design and the difficulty of recalling a question's content. The average percent correct is marginally positively related to the extent of repetition in coursework. In addition, our analysis suggests that designing a valid assessment program requires faculty to consider how long they want knowledge to be retained.

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**Abstract ID:** 496542

**Title:** Machiavellianism Effect on Accounting Ethics Training Programs

**Abstract:** This study investigates whether the outcome of an accounting ethics training program is affected by the participants' Machiavellian scores. Further, it is investigated whether the Machiavellian effect is moderated by gender and superior pressure. The test results indicated that low Machiavellians choose ethical actions more often than high Machiavellians do. Also, it is found that males with low Machiavellian scores respond more positively to the training than females with low Machiavellian scores do. The interactive effect of superior pressure was found insignificant.

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**Abstract ID:** 490282

**Title:** Integrating Accounting Curricula on Academic and Professional Skills Dimensions

**Abstract:** One of the measures of the success of the educational process is its ability to prepare students for the challenges and opportunities of professional life. Educational institutions must consider and integrate the expectations of its professional as well as academic stakeholders when developing curricula. This paper presents a model that considers academic and professional dimensions in course design. The model incorporates levels of learning (Bloom's Taxonomy), the complexity of the learning environment, and the sophistication of professional skills development. The model can also be used to integrate the courses in the accounting curriculum along the three dimensions noted above.

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**Abstract ID:** 488923

**Title:** Knowledge Organization, Task Structure, and Expertise In Preliminary Analytical Procedures

**Abstract:** This study examined whether the interference effect found in prior auditing studies is due to the mismatch between the auditor's knowledge organization and the task structure of analytical procedures, and whether experience helps auditors overcome the interference effect. This study found an interaction between subjects' experience and the task structure. Less-experienced subjects suffered from the interference effect in one task structure. On the other hand, more-experienced subjects did not suffer from interference in any task structure. These results suggest that less-experienced auditors have only one type of knowledge organization and thus, cannot perform well when the task structure does not match their knowledge organization. However, experience helps auditors build up multiple types of knowledge organization needed for different types of task structure. As a results, more-experienced auditors could perform equally well in any task structure.

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**Abstract ID:** 487522

**Title:** Trading Places - An Effective Tax-Planning Tool (Like-Kind Exchanges)

**Abstract:** Media coverage of post-Enron, Tyco, HealthSouth (and now on an international basis Parmalat) has heightened public awareness to the red alert stage. Consumers and employees are increasingly aware of the potential for financial improprieties. New corporate governance rules, new and innovative business transactions and revisions in tax regulations have initiated closer scrutiny by the IRS. As a result the IRS has clarified recent developments in the rules for 1031 exchanges. The authors contrast some historical problems with the new regulations. Examples of appropriate transactions are given along with considerations and caveats.

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**Abstract ID:** 488065

**Title:** Are IFRS and U.S. GAAP Converging? Some Evidence from People's Republic of China Companies Listed on the New York Stock Exchange

**Abstract:** This research investigates the comparability and convergence of two sets of accounting standards from 1996-2002: United States' Generally Accepted Accounting Principles (U.S. GAAP) and International Financial Reporting Standards (IFRS). The investigation involves a sample of companies from the People's Republic of China that are listed on the New York Stock Exchange. These companies generally prepare IFRS financial statements and provide a limited reconciliation to U.S. GAAP. This situation provides a unique opportunity to examine two different sets of accounting standards while holding the company constant. Comparability is measured by using an index of comparability, and a set of measures are introduced to capture several dimensions of convergence over time in reported net income, net assets, and return on net assets. The evidence shows lack of comparability, but there is substantial evidence of convergence over time.

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**Abstract ID:** 488783

**Title:** Sarbanes-Oxley and the Culmination of Internal Control Development: A Study of Reactive Evolution

**Abstract:** In an effort to mute criticisms over the lack of oversight by the government, the Congress passed a sweeping regulatory reform act that became known as Sarbanes-Oxley Act of 2002. It was hoped that such an act would also calm the fears of investors in a run-away bear-market and bring confidence back to corporate financial reporting. The results of the act will be studied for many years, but it is fairly clear that it may well be the culmination of a century of development of internal control definitions, applications and procedures by both private and public governmental entities. For example, the American Institute of CPAs, between 1947 and 2001, issued no less than a dozen audit standards on the issues related to internal controls, fraud recognition and prevention. Sarbanes-Oxley caps this process of internal control development through its requirement that internal controls must be reviewed and reported on in the annual report. Finally, as Sarbanes-Oxley itself shows, this evolution of the internal control process has been reactive in nature and did not develop in a proactive way to stem corporate reporting problems

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**Abstract ID:** 487583

**Title:** Auditor Litigation Risk and Corporate Disclosure of Quarterly Review Report

**Abstract:** In 1999, the Securities and Exchange Commission (SEC) made timely reviews of quarterly financial statements mandatory for all registrants but did not require the review reports to be included in 10-Q filings. This paper studies the association between the voluntary disclosure of an auditor's review report in 10-Q filings and the auditor's litigation risk. After controlling for factors such as auditor type, agency costs, capital market transactions, and firm size, we find a significant negative association between auditor's litigation risk, measured by a summary measure, and disclosure of a review report. In addition, we find that the disclosure of a review report is positively associated with auditor type, firm size, and with agency costs, although the latter association is only marginally significant. The results are robust to several sensitivity exercises. The findings suggest that the decision to publicly disclose the review report is more strongly associated with auditor-related factors (auditor litigation risk and auditor type) than client-related factors (agency costs and capital market transactions).

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**Abstract ID:** 487542

**Title:** Why do Some Firms Solicit Shareholders' Voting on Auditor Selection?

**Abstract:** This paper investigates what causes some companies to ask shareholders to ratify management's decision regarding auditor selection. We find that firms that pay higher total fee to auditors, firms with the CEO also serving as Chairman of the board, firms whose audit committee members have more accounting/finance expertise, firms that plan to change auditors, and firms with higher institutional ownership are more likely to ask shareholders to vote on auditor selection. The results also show that firms whose shareholders are more dissatisfied with the board are less likely to seek shareholders ratification on auditor selection. This study contributes to auditor ratification literature by providing insights on management's behavior regarding auditor selection.

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**Abstract ID:** 488866

**Title:** Factors Influencing the Level of Environmental Liability Disclosure in 10k Reports

**Abstract:** This study examines factors influencing the level of environmental disclosure in 10K reports. Sample firms consist of Fortune 500 companies identified by the Environmental Protection Agency as Potentially Responsible Parties. The study utilizes a comprehensive environmental disclosure index to measure the extent to which sample firms disclosed environmental liability information required by Generally Accepted Accounting Principles (GAAP). Empirical tests demonstrate that the extent of required environmental disclosure is associated with size, profitability, and industry classification; however, the results regarding regulatory influence are mixed. The study uses data from COMPUSTAT, EDGAR, and the Superfund Public Information System for years 1991-1997. The environmental disclosure index is compiled based on relevant authoritative guidance contained in Regulation S-K, SAB 92, and SFAS 5. Policy implications indicate that the Securities and Exchange Commission must improve monitoring and enforcement efforts designed to promote adequate recognition and disclosure related to environmental liabilities.

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**Abstract ID:** 479301

**Title:** Peepers and Goodeyes – A Merger Case

**Abstract:** Accountants in public practice will often be asked by their clients how to assign value for a merger. It is not always an easy task to assign value and ownership interests in the merger of a small service business. The customer base and methods of operation are often very different and rely upon the owner of the business to establish the business practice. This is a case involving the merger of two optometrists.

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**Abstract ID:** 489044

**Title:** Relationship of the Managerial Compensation Package with Managerial Equity Holdings and Firm Characteristics

**Abstract:** We study the relationship of the portions of salary, bonus, option and restricted stock grants, as a percentage of the total value of the CEO pay package, with total compensation, managerial equity holdings, firm equity risk, and several other variables. Using proportions captures important interactions among the components; a change in one affects the portions of the other three. We test hypotheses to determine if compensation contracts are designed primarily to control risk faced by the manager. We find that the portions of salary and bonuses are positively related to the value of managers' equity positions and their proportional holdings of firm shares, and negatively correlated with the size of the compensation package and firm equity risk. The results for option and restricted grants are generally the opposite. With respect to these major finds there is little difference in the structure of compensation between firms with positive and negative earnings.

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**Abstract ID:** 490182

**Title:** The Analysis of Valuation Model for NASDAQ and Intangible Intensive firms: Implication of Uncertainty

**Abstract:** I examine whether the informativeness-to-noise ratio can predict the impact of two sources of uncertainty, limited prior information about firms and investments in intangible assets, on the valuation coefficients of earnings and BVE. I find that if researchers do not control for limited prior information there is a downward bias in the estimated coefficients for intangible intensive firms. After imposing the proper control, I find the informativeness effect dominates the noise effect for these firms meaning that the coefficients are higher. Using operating cash flow (OCF) as a control, I also find a substitution effect between earnings and BVE as the amount of noise in earnings increases. The magnitude of the valuation coefficient on earnings (BVE) is higher (lower) for firms with higher OCF and is lower (higher) for firms with lower OCF. Finally, I find that abnormal trading volume for NASDAQ firms is higher than for non-NASDAQ firms.

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**Abstract ID:** 487664

**Title:** An Investigation of the Non-Traditional Student: Success in an Upper- Division Undergraduate Accounting Course-Predictors and Outcomes Assessment

**Abstract:** Many assessment activities are conducted within the context of AACSB International reaffirmation of business and accounting programs. Central to the AACSB evaluation process is assurance of learning standards. In evaluating a program, AACSB considers both general and management-specific goals related to each discipline in the business school. These learning goals will vary among institutions because of differences in mission, faculty expectations, student body composition, and other factors (AACSB, 2003, p.56). The objective of this research is to determine the factors that influence the academic performance of students in an upper-division accounting course and assess student performance against the learning goals of the course. Results indicate that the academic factor, GPA, is significant in predicting performance outcomes. The findings of the study also show that student course loads and employment status do not equally impact learning outcomes and that a self-assessment of course learning objectives is significantly and directly related to grade performance. This research extends existing research by investigating factors which influence the success of non-traditional students in their first upper-division accounting course.

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**Abstract ID:**

**Title:** Concept Mapping – Exploring Its Value As A Meaningful Learning Tool In Accounting Education

**Abstract:** This paper provides a framework for using concept mapping as an enabling technique for meaningful learning in accounting education. It includes a developed inventory of ready-to-use concept maps for introductory financial accounting courses, facilitating the use and experimentation with concept maps to enhance students' learning experiences. A comprehensive review of the extant literature reveals concept mapping as an effective educational tool and technique that promotes meaningful learning by students in many other disciplines. From this, one can conclude that it may be a valuable and versatile tool in accounting education as well. It is also an innovative classroom pedagogy that promotes the development of self-learning and life-long learning skills sought by the early change agents in our profession, validated more recently in the joint AAA, AICPA, IMA report (Albrecht & Sack 2000).

Concept mapping is a profoundly enriching learning tool that involves a process of externalizing, through drawing and diagrams, the mental connections and association patterns that a student makes on knowledge learned (Angelo & Cross 1993). It has been widely used in other disciplines to develop more complete and organized knowledge structures from which meaningful learning develops and higher-order thinking skills build. Originally designed by Joseph Novak in connection with concept learning in science courses, concept mapping is based on Ausubel's (1963, 1968) learning assimilation theory of how cognitive knowledge is developed structurally by a learner (Novak & Gowin 1984). This underlying learning theory includes elements essential to the development of meaningful learning: hierarchical structure (inclusive framework), progressive differentiation (enlarged set of ideas and concepts), and integrative reconciliation (perceived interrelationships).

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**Abstract ID:** 488904

**Title:** Ethical Accounting to Measure, Manage & Enhance Performance: An Attempt to Relate Underlying Philosophies/Motivations & Models/Operating Systems and Evidence from the Field

**Abstract:** This exploratory paper examines motivators underlying research studies of additional disclosure of non-traditional (social and environmental) materials in corporate reports, and a number of proposals or models that have been made to organise such information. Seeking evidence from the field literature and reporting are examined to determine what is happening in practice. It was found that motivators to range from critical theory, through social contract of business and society and organisational legitimacy to the 'business case' at the other end of a spectrum. Models or operating systems loosely associated with these motivators included idealistic exhortation, mega-accounting theory, Triple Bottom Line reports based on GRI 2002, AA1000, and SA8000, and environmental management accounting influenced by EMAS and ISO14000. Although a direct relationship cannot be proven there appears to be an association between the researchers underlying philosophies and solutions they propose to given problems. In the case of social and environmental accounting this association may be stronger than in the more familiar financial and management accounting. Writers claim an increasing interest in this area and an examination of the literature and company voluntary reporting appears to support the claim.

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**Abstract ID:** 489145

**Title:** A System Documentation & Internal Control Assessment Case Study Using Instructor Role-Playing

**Abstract:** Ambiguity and confusion can frequently occur in practice when documenting a system and assessing internal controls. However, these complexities are sometimes difficult to convey to students when using passive learning methods. This paper introduces a distinct variation of the active learning methodology of role-playing to increase student understanding of documentation and internal control topics. In this variation, the instructor plays multiple roles of different employees involved in an accounting system, and the students, en masse, play the role of auditor. This role-playing can expose students to situations where employees lie, obfuscate, lack understanding, or perform incorrect procedures. Compared with traditional role-playing exercises, preparation time is minimal. It requires only a completed flowchart, list of internal control threats, and list of employee characteristics and motivations (e.g., the controller is distrustful of the auditors). Other problems that commonly arise with traditional role-playing techniques (e.g., the need for special environments) can be mitigated.

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**Abstract ID:** 488283

**Title:** The Impact of Managerial Incentive Compatible Compensation on the Value Relevance of Fair Value Disclosure Policies: Evidence from the Adoption of SFAS 107 by Banks

**Abstract:** This paper examines the value relevance of fair value financial disclosures and managerial incentive compatible compensation for a sample of banks. Using a carefully controlled experiment where fair value financial disclosures were first mandated, we find their impact on firm value to be higher when the manager has higher managerial incentive compatible compensation. An increase from the first to third quartile in managerial incentive compatible compensation results in: a 15%-25% increase in the firm's medium change in market value (pre-to-post SFAS 107 regulation), and a 69%-82% increase in the firm's median difference between market and book equity (post SFAS 107 regulation). These results suggest that fair value disclosures and managerial incentive compatible compensation are complements. Further, we find that no evidence that our results are driven by changes in stock return volatility.

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**Abstract ID:** 489144

**Title:** Technology Self-Efficacy in the AIS Course: an Outcomes Assessment

**Abstract:** This paper describes the development and implementation of an outcomes assessment plan used to gauge how successfully professional technologies have been integrated into an undergraduate AIS course. The plan attempted to determine the impact that the increased use of accounting-related software and databases had on students' attitudes. To measure how successfully the technologies had been integrated into the AIS curriculum, the authors measured changes in students' self-efficacy. Pretest and posttest questionnaires were based on the Self-Efficacy for Computer Technologies instrument (SCT) developed by Kinsie, Delcourt, and Powers (1994). The SCT measures confidence in using a number of applications. This project was intended to demonstrate that one way to improve students' self-efficacy with respect to computer applications was to treat computer and professional software as routine. Direct evidence of improvements in appropriate skills may be attributed to the AIS course and provides a measure of outcomes assessment.

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**Abstract ID:** 488882

**Title:** Muhtasib's Role: Safeguarding the Public Interest During the Islamic Middle Ages

**Abstract:** The paper traces the institutional history of Hisba, one of whose functions was to regulate commercial activity and guard public interest from 7th to the 17th centuries in Islamic countries. This is followed by a description of the functions performed by the Muhtasib - the title of the person who carried out the functions associated with Hisba. It is noteworthy that most Muslim jurists have argued against the appointment of women to serve as Muhtasib, but this exclusion seems to be in contrast to the practice of the Prophet Muhammad himself. The paper shows that search for accountability and the need for guarding the public interest from fraud and exploitation has a long history.

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**Abstract ID:** 473282

**Title:** Company Owned Life Insurance in Business Combinations & Goodwill Impairment Testing

**Abstract:** This paper examines the alternative methods of accounting for investments in company-owned life insurance (COLI) in business combinations and the valuation of COLI for goodwill impairment testing. There are at least two methods to account for COLI policies acquired in business combinations under existing GAAP. One alternative is to recognize an acquired COLI asset at fair value, followed by immediate write down to CSV. The other alternative is to recognize an acquired COLI asset at CSV and an additional intangible asset for the difference between fair value and CSV at acquisition. The FASB staff unofficially favors the first method. However, the second method is more consistent with purchase accounting. Both methods are acceptable in applying the purchase price allocation method for goodwill impairment testing.

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**Abstract ID:** 489046

**Title:** Sarbanes-Oxley Act of 2002: Corporate Governance & Public Accounting Firms Oversight in NAFTA Countries

**Abstract:** The Sarbanes-Oxley Act of 2002 was the U.S. government's response to massive corporate frauds in the United States. The purpose of the SOX Act was to renew the public's confidence in corporate financial reporting by focusing on the improvement of corporate governance practices. Many governments reacted to the possibility of similar cases of massive corporate fraud in their countries by reexamining their corporate governance rules and oversight of their auditing profession. This paper presents an overview of the Sarbanes-Oxley Act of 2002 and the related SEC and U.S. Stock Exchanges rules that have been issued in response to the Act. It also examines the responses of the NAFTA countries, Canada and Mexico, to the SOX Act provisions. In order to achieve the free flow of capital across borders, investors and creditors must have confidence in the transparency of the companies' financial reporting process, their corporate governance practices, and the oversight of the nation's auditing and accounting professions. On the 10th anniversary of NAFTA, it is an appropriate time to compare the corporate governance laws and related practices in the three NAFTA countries.

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**Abstract ID:** 488395

**Title:** NAFTA Professional Mutual Recognition Agreements:  
Comparative Analysis of Accountancy Certification & Licensure

**Abstract:** The North American Free Trade Agreement (NAFTA) countries have worked toward the signing of Professional Mutual Recognition Agreements (PMRA) allowing for accounting professionals to practice across borders. On September 27, 2002, the representatives of the United States NASBA/AICPA International Qualifications Appraisal Board, the Canadian Institute of Chartered Accountants' International Qualifications Appraisal Board, Mexico's Instituto Mexicano de Contadores Publicos, and Comite Mexicano para la Practica Internacional de la Contaduria signed the PMRA for the accountancy profession agreeing on the principal elements for granting accounting certification and licenses: education, examination, and experience. NAFTA's Free Trade Commission affirmed the PMRA on October 7, 2003. This paper reports on the certification and licensing requirements that currently exist for Canada, Mexico, and the United States. Since it is NAFTA's 10th Anniversary it is important to discuss the implementation of the PMRA for foreign accounting professionals to gain permits to practice in the other NAFTA countries. The authors are working under the NAFTA Challenges of Accounting and Business Systems grant from the United States Department of Education Fund for the Improvement of Post-Secondary Education (FIPSE), Human Resources Development Canada (HRDC), and Mexico's Secretaria de Educacion Publica (SEP).

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**Abstract ID:** 489022

**Title:** The Socio-Economic Impact of XBRL Usage

**Abstract:** Due to ever-increasing demands on the corporate reporting supply chain (i.e., regulators, lender, investors, etc.), there is an urgent need to eliminate the labor-intensive processes currently used to produce business reports. Monumental sums of money, time, and other resources are being wasted on mundane data entry tasks, rather than on critical data analysis tasks. Thus, regulators lack the time to properly analyze public company reports. As a result, accounting scandals like Enron and WorldCom have rocked the accounting profession and have severely harmed various accounting information stakeholders. EXtensible Business Reporting Language (XBRL) represents a data standard for reporting capable of significantly narrowing the reporting gap between public companies, regulators, and interested members of society (i.e., banks, investors, etc.). Through the use of tags, XBRL provides a standard language for reporting both financial and nonfinancial information not previously seen in the reporting environment. As a result, interested stakeholders can gain access to public information much more quickly and transparently than ever before. The current paper examines corporate and regulatory usage of XBRL-enabled software and its effects on various stakeholders. Evidence is provided indicating international XBRL usage would result in significant efficiency and data access gains to capital market participants, as well as taxpayers, labor unions, and regulators. Potential significant cost savings resulting from XBRL usage are also discussed.

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**Abstract ID:** 482182

**Title:** Marginal Spending & Efficiency in Charities

**Abstract:** We investigate whether charities become more productive when they have an opportunity to do so by examining how marginal program spending changes when available resources change. Charity managers have a unique opportunity to increase spending on perquisites but continue to appear efficient at spending charity dollars, because users fixate on an average measure of performance - the program ratio. The evidence indicates many charities do not increase marginal spending on programs when resources increase. However, when resources decrease, charities cut program spending. We propose a marginal program ratio to better evaluate a charity's performance and monitor manager's spending decisions. Furthermore, we find evidence that spending decisions are associated with organizational characteristics such as the program ratio, executive compensation, and size.

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