

## 2008 OUTSTANDING IAS INTERNATIONAL ACCOUNTING DISSERTATION AWARD

Devan Mescall was named the recipient of the 2008 Outstanding International Accounting Dissertation Award. Dr. Mescall is an Assistant Professor of Accounting at the University of Hawaii at Manoa. He completed his dissertation while at the University of Waterloo. His dissertation committee, to which he is very grateful, included Ken Klassen (Chair), Patricia O'Brien, Phelim Boyle and Tony Wirjanto. His external examiner was John Robinson from the University of Texas.

Devin's research focuses on investigating issues in tax and financial reporting using archival methods. He currently has working papers looking at topics including transfer pricing, implicit taxes, IFRS, the role of tax authorities in international markets, and corporate tax aggressiveness.

Devin grew up on a family farm near Rosetown, Saskatchewan, Canada. After high school, he attended the University of Saskatchewan where he received his Bachelors of Commerce in 2000 and his Masters of Professional Accounting degree in 2001. He then worked at a mid-sized accounting firm for 3 years and completed his designation as a Chartered Accountant. During this time he got involved with teaching night classes at the University of Saskatchewan and decided to leave his position at the firm to pursue a PhD. This proved to be one of his best decisions, because while working on his PhD at the University of Waterloo in Waterloo, Ontario, Canada, he met and married his wife Krista. In 2007, he completed his PhD and took a position at the University of Hawaii. However, more excitement was in store that year as shortly after beginning his position at the University of Hawaii, he and Krista were blessed with the arrival of their first child, Liam. Although family and work take up the vast majority of his time, he does enjoy the outdoors, staying active and playing most any sport, from hockey to flag football. Currently, he and his wife are loving the new activities available to them since moving to Hawaii and have both taken up kayaking, snorkeling and, of course, surfing. If he ever has free time and can not be outside, he enjoys playing his fiddle and collecting ancient roman coins.



*2008 Outstanding IAS International Accounting Dissertation Award Winner  
Devan Mescall*



*Sid Gray announces the 2008 Outstanding IAS International Accounting Dissertation Award.*

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### Abstract

#### **How Do Tax and Financial Reporting Policies Affect Cross-Border Mergers and Acquisitions?**

Using a large sample of mergers and acquisitions from 27 countries over a 16-year period, I investigate how differences in tax and financial reporting policies affect the premium and structure of cross-border mergers and acquisitions. Specifically, I investigate how differences in transfer pricing rules and the related tax risks and tax planning opportunities affect premium and secondly I investigate how shareholder level capital

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## 2008 Outstanding International Dissertation Award *(continued from page 22)*

gains taxes, information asymmetry and the quality of a country's financial reporting standards affect the use of share-for-share exchanges.

A cross-border merger or acquisition raises potential tax issues relating not only to the transaction at hand but also to the uncertain taxes of future operations. Pricing of inter-company transfers across different tax regimes can provide either tax planning opportunities or risks in the future due to variance in regulation and enforcement of transfer pricing across regimes. I develop a measure of transfer pricing strictness based on 16 criteria collected annually for each of the 27 countries over my sample period. I find that decision makers are asymmetric in their treatment of potential tax benefits and risks relating to transfer pricing. The evidence suggests that firms on average, regardless of industry, will pay a premium for the potential tax planning benefits of operating in a less strict regime while only acquirers in highly scrutinized industries with high levels of intangibles, such as pharmaceuticals, will demand a discount for transactions which *increase* transfer pricing risk. Further analysis segments acquisitions into those expected to have less inter-company transactions and those expected to have more, specifically those that are strictly financial acquisitions versus those that are non-financial. Financial acquisitions are acquisitions where the acquirer is making the purchase for investment purposes rather than strategic reasons. These financial transactions generally lead to less integration between the companies and therefore less inter-company transactions involving transfer pricing. Evidence based on this segmentation suggests that only in non-financial acquisitions are differences in transfer pricing risk priced.

In tests of acquisition structure, I find that the use of share-for-share exchanges is positively correlated with the shareholder level capital gains tax rate of the target's country only when the country allows this structure to defer shareholder's capital gains tax. Although these findings are contrary to earlier studies in the domestic setting such as Erickson (1998), and Auerbach and Reishus (1988), they support the results of Ayers, Lefanowitz and Robinson (2004).

The cross-border setting allows further investigation into not only *do* shareholder level taxes affect acquisition structure but *when* do shareholder level taxes matter. Brown and Ryngaert (1991) provide a model which suggests that information asymmetry may mitigate the affect of shareholder levels taxes on acquisition structure. Using multiple measures of information asymmetry, I find the use of share-for-share exchanges, to reduce shareholder level taxes, is decreased by the presence of information asymmetry concerning the acquirer's stock value. However, the presence of higher quality financial reporting standards in the acquirer's country reduces information asymmetry and improves the tax efficiency of acquisition structure providing tangible economic benefit to shareholders.



***Sid Gray awards Devan Mescall with the 2008 Outstanding IAS International Dissertation Award***

## 2008 OUTSTANDING IAS INTERNATIONAL ACCOUNTING EDUCATOR AWARD



***2008 Outstanding IAS International Accounting Educator Award Winner Mary Barth***



***2008 Outstanding IAS International Accounting Educator Award Winner Tim Doupnik***



***Steven Zeff announces both Mary Barth and Tim Doupnik as the award winners.***

Mary E. Barth is the Joan E. Horngren Professor of Accounting and Senior Associate Dean for Academic Affairs at the Stanford University, Graduate School of Business (GSB). She also is a member of the International Accounting Standards Board (IASB). Professor Barth's research focuses on financial accounting and reporting issues, particularly topics of interest to accounting standard setters. Her research is published in a variety of journals and has won several awards, including the Wildman Medal Award, the Competitive Manuscript Award and, on two occasions, the Best Paper Award of the Financial Accounting and Reporting Section of the American Accounting Association (AAA). She has been an Associate Editor of *The Accounting Review* and is on the Editorial Boards of several other academic journals. Professor Barth is a recipient of the GSB's MBA Distinguished Teaching Award and PhD Faculty Distinguished Service Award. Professor Barth is active in the AAA, having served

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## **International Accounting Educator Award** *(continued from page 24)*

as Vice President and as Chair of several committees. Prior to joining the IASB, Professor Barth's accounting standard setting activities included serving as a member of the Accounting Standards Executive Committee of the American Institute of CPAs and the Financial Accounting Standards Advisory Council of the Financial Accounting Standards Board. Prior to joining the faculty at Stanford in 1995, she was an Associate Professor at Harvard Business School and an audit partner in Arthur Andersen & Co. Professor Barth holds an AB from Cornell University, an MBA from Boston University, and a PhD from Stanford University.

In Mary's "spare" time, she likes to spend time with her husband, their son, and close friends. Their son is now 27 and just completed his PhD in Computer Science from Stanford. Suffice it to say that mom is beyond incredibly proud. She revels more in her son's accomplishments than in her own!! Mary also likes to ride bicycles and enjoys cooking and traveling. Her family recently traveled to Beijing, China, to observe the Olympics. Mary stated, "You would think I would get enough of travel, but I truly enjoy experiencing new places and cultures and getting to know new people."

Tim Douppnik earned his Bachelor's degree at California State University, Fullerton and received a Master of Accounting Science and Ph.D. in Accounting from the University of Illinois. Tim is a Professor and the Cramer Fellow in International Accounting at the University of South Carolina, where he has been a member of the faculty since 1982. He has served as department chair since 2003.

Dr. Douppnik's teaching interests are in the areas of financial accounting and international accounting. He has taught international accounting courses at the University of South Carolina and as a guest professor at the Helsinki School of Economics, Finland; at Marburg University and Potsdam University, Germany; and for the IBM Corporation. In Fall 1989, he participated in the National Science Foundation's Chinese University Development Project at Xiamen University, China by teaching a course in International Accounting and providing consultation to accounting professors from across China. Each summer since 1989, Tim has taught in the University of South Carolina's Faculty Development in Business program, in which he has taught a week-long seminar on international accounting to professors from other universities. In 2007, he taught a similar seminar in Mexico City for the accounting faculty within the "Tec de Monterrey" (ITESM) system. Dr. Douppnik has received a number of teaching awards at the University of South Carolina.

Dr. Douppnik's research has focused primarily on international issues. His dissertation research involved a study of the Brazilian system of monetary correction, for which he taught himself Portuguese and spent nine months at the University of São Paulo as a visiting



***Steven Zeff awards Mary Barth with the 2008 Outstanding IAS International Accounting Educator Award.***



***Mary Barth accepts her award.***

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## International Accounting Educator Award *(continued from page 25)*

researcher. Since then he has published more than 30 papers on international accounting topics such as foreign currency translation, geographic segment reporting, classification of accounting systems, international taxation, impact of culture on financial reporting, and inflation accounting in Brazil. His articles have appeared in journals including *Abacus; Accounting, Organizations, and Society; Advances in Accounting; Advances in International Accounting; Die Betriebswirtschaft; International Journal of Accounting; International*

*Tax Journal; Journal of Accounting Literature; Journal of International Accounting, Auditing, and Taxation; Journal of International Accounting Research; Journal of International Business Studies; Management International Review; and Multinational Business Review.* In an article published in the *International Journal of Accounting* in 1999, he ranked first in authorship of international accounting research in U.S journals over the period 1980-1996. Tim is the co-author of two FASB Research Reports on FASB Statement 52 *Foreign Currency Translation*. He is the lead author on an international accounting textbook and the co-author of an advanced financial accounting textbook published by McGraw-Hill, and he recently wrote a chapter on “Multinational Operations” for the CFA Institute’s *International Financial Statement Analysis*.

Tim has served as an ad hoc reviewer for a number of journals in accounting and international business. He is a past editor of *Advances in International Accounting* and associate editor of *Journal of International Accounting Research*, and he currently serves on the editorial boards of *International Journal of Accounting, Journal of International Accounting, Auditing, and Taxation*, and *Journal of International Accounting Research*. Tim also has been active in the International Accounting Section of the AAA serving on numerous committees and holding a variety of executive positions. He served as the Section’s president in 1999-2000.

Tim has taught extensively and has been very involved in the development of the international MBA programs at the University of South Carolina. He has taught in the Master of International Business Studies (MIBS) and its successor International MBA (IMBA) programs since 1984. He developed and was the initial academic director of the Moore School’s IMBA program in Vienna, Austria, and he served on the development task force and faculty executive committee for the Executive IMBA program in Guadalajara, Mexico.

Tim’s is married with two children. His wife Birgit was born and raised in Berlin, Germany. She manages the international operations for a privately-held manufacturing firm in South Carolina. Their daughter Stephanie is a second year medical student and their son Alexander is completing his undergraduate degree in mechanical engineering. Tim enjoys playing golf, but does so poorly, and he and his wife enjoy traveling and hiking.



***Steven Zeff awards Tim Doupnik with the 2008 Outstanding IAS International Accounting Educator Award.***



***Tim Doupnik accepts his award.***

## 2008 OUTSTANDING IAS INTERNATIONAL ACCOUNTING SERVICE AWARD

Bruce K. Behn, Ph.D., CPA is the Ergen Professor of Business and CBER faculty fellow at The University of Tennessee (UT). He joined the faculty in 1994 after completing his doctorate at Arizona State University. Dr. Behn has an MBA from Arizona State University and a bachelor's degree from the University of Wisconsin-Madison. Prior to obtaining his Ph.D., he worked for Rockwell International in Uithoorn, The Netherlands as the international financial coordinator for Allen-Bradley Europa B.V., Allen-Bradley Company as controller and financial analyst, and KPMG Peat Marwick as senior auditor. He has published articles in *The Accounting Review*, *Journal of Accounting Research*, *Contemporary Accounting Research*, *Accounting Horizons*, *Journal of Accounting, Auditing, and Finance* and a number of other journals and has served as the co-editor for the *Journal of International Accounting Research* and the associate editor of *Issues in Accounting Education*. He is past President of the International Accounting



**2008 Outstanding IAS International Accounting Service Award Winner  
Bruce Behn**



**Paul Herz announces Bruce Behn as the award winner.**

Section of the American Accounting Association and the Federation of Schools of Accountancy. Dr. Behn has also been the recipient of a number of teaching awards including the American Accounting Association's Innovation in Accounting Education award, UT's Alumni Outstanding Teaching award, and the Tennessee Society of CPAs Outstanding Educator of the Year.

As for hobbies, he and his wife (Julianne) love travelling. Bruce loves hunting and fishing. Their daughter is a freshman at the University of Texas-Austin and their son Landyn plays football, wrestles, and is involved in Boy Scouts.

**Paul Herz awards Bruce Behn with the 2008 Outstanding IAS International Accounting Service Award**



# CALL FOR NOMINATIONS

## Outstanding International Accounting Dissertation Award

The International Accounting Section of the American Accounting Association invites submissions for its Outstanding International Accounting Dissertation Award, to be presented at the Annual Meeting of the American Accounting Association in New York City, during August 2009.

All doctoral dissertations successfully defended during the 2008 calendar year in *all areas of international accounting* – including topics in financial, managerial, auditing, taxation, and information systems – are eligible for this award. Eligible individuals should submit via e-mail the following materials no later than (and preferably earlier than) **February 28, 2009**:

1. Summary of their dissertation not exceeding 20 pages including tables, or a working paper based on their dissertation, and
2. A letter of support from his/her dissertation committee chairperson.

Upon reviewing these initial submission materials, the Outstanding Dissertation Award Committee will select finalists for the award. Finalists will be requested to submit copies of the complete dissertation to the committee.

Please note that the committee will be grateful to receive suggestions from section members for suitable candidates for this award. Thus we would be very happy if you could ensure that all faculty and PhD students at your school are aware of the award.

Please send submissions via email to:

Ole-Kristian Hope  
Rotman School of Management  
University of Toronto  
[okhope@rotman.utoronto.ca](mailto:okhope@rotman.utoronto.ca)

**The DEADLINE for nominations is February 28, 2009.**

### Winners of the Outstanding International Accounting Dissertation Award to date are:

1984 Trevor J. Harris, University of Washington  
1985 (none awarded)  
1986 Betty C. Brown, University of Louisville  
1987 Shahrokh M. Saudagaran, University of Washington  
1988 David Sharp, Massachusetts Institute of Technology  
1989 Teresa L. Conover, University of North Texas  
1990 F. Norman Shiue, George Washington University  
1991 Ajay Adhikari, Virginia Commonwealth University  
1992 Stephen B. Salter, University of South Carolina  
1993 Patricia McQueen, New York University  
1994 Keith R. Duncan, Bond University  
1995 Mary A. Flanigan, Virginia Commonwealth University  
1996 Wayne Thomas, Oklahoma State University  
1997 Paquita Y. Davis-Friday, University of Michigan  
1998 Karl Albert Muller III, University of Illinois Urbana-Champaign  
1999 Jan Marton, Göteborg University  
2000 Tracy Manly, University of Arkansas  
2001 Takashi Yaekura, University of Illinois Urbana-Champaign  
2002 Ole-Kristian Hope, Northwestern University  
2003 Thomas A. Matthews, University of Waterloo  
2004 Steven Francis Orpurt, University of Chicago  
2005 Christopher Hodgdon, Virginia Commonwealth University  
2006 Ety Retno Wulandari, Nanyang Business School  
2007 Annelies Renders, Katholieke Universiteit  
2008 Devan Mescall, University of Waterloo

# **CALL FOR NOMINATIONS**

## **Outstanding International Accounting Educator Award**

The International Accounting Section of the American Accounting Association invites nominations for its Outstanding International Accounting Educator Award. The general selection criteria are as follows.

The award is presented to an individual who has made a substantial contribution to international accounting education through scholarly endeavors in research and teaching over a sustained period of time—through publications, educational innovation, research guidance to students, active involvement in the activities of international professional and academic organizations, and serving as an example to others in promoting international accounting education.

The awardee will be honored with a plaque at the Section's annual meeting luncheon. A sketch of his or her accomplishments will also be included in the Section's newsletter, *Forum*.

Please submit nomination materials and documents, along with the *curriculum vitae* of your nominee to:

F. Greg Burton  
School of Accountancy  
Brigham Young University  
540 TNRB  
Provo, UT 84602  
Phone: 202 551-3741  
Fax: 801 422-0621  
Email: fgb@byu.edu

**The DEADLINE for nomination is February 28, 2009.**

### **Winners of the Outstanding International Accounting Educator Award to date are:**

1990 Paul Garner  
1991 Gerhard Mueller  
1992 Vernon Zimmerman  
1993 Fred Choi  
1994 Sidney Gray  
1995 Murray Wells  
1996 Belverd Needles  
1997 Gary Meek  
1998 Lee Radebaugh  
1999 Steve Zeff  
2000 Ahmed Riahi-Belkaoui  
2001 Helen Gernon  
2002 Christopher Nobes  
2003 Robert Parker  
2004 Shahrokh Saudagaran  
2005 Kazuo-Hiramatsu  
2006 Chee Chow  
2007 Donna Street  
2008 Mary Barth and Timothy S. Doupnik

## **CALL FOR NOMINATIONS**

### **International Accounting Section Outstanding Service Award**

The International Accounting Section of the American Accounting Association invites nominations for its Outstanding Service Award. The purpose of this award is to recognize an International Accounting Section member who has provided outstanding service to the section. Active and retired (or deceased) academics are eligible. The former must be a current section member and the latter must have been an active section member during his/her academic career.

The written nomination should contain supporting documentation including, but not necessarily limited to:  
Letters of recommendation from current or former section members.  
Record of service on committees, as an officer, as editor of a section publication, etc.  
Evaluations from committee chairs and/or members regarding the nominees's committee service.

Please mail, fax or email nominations to:

Lee Radebaugh  
360 Tanner Building  
Brigham Young University  
Provo, Utah 84602-3068  
Office: (801) 422-4368  
Fax: (801) 422-0503  
E-mail: radebaugh@byu.edu

**The DEADLINE for nomination is February 28, 2009.**

Winners of the Outstanding International Accounting Service Award to date are:

2004 Donna Street  
2005 Norlin Rueschhoff  
2006 Hanns-Martin Schoenfeld  
2007 Lee Radebaugh  
2008 Bruce Behn

### ***J* I A R S U B M I S S I O N F E E R E D U C T I O N F O R I A S M E M B E R S**

The executive committee unanimously supported the following journal submission fee structure:

- Members of the International Accounting Section have their submission fees **WAIVED**.
- Nonmembers pay a *J* I A R manuscript submission fee of \$35 (equal to the Section membership fee).

# CALL FOR NOMINATIONS

## Section Officers and Other Positions

The 2008-2009 Nominations Committee of the American Accounting Association's International Accounting Section solicits nominations for the following positions for 2009-2010:

1. President-Elect

Minimum qualifications: Must have served as secretary, treasurer, or chair of at least two Section committees in the past five years.

2. Secretary

Minimum qualifications: Must have served the Section in a significant capacity during at least two of the last five years. The two years of service may be obtained while performing the following roles within the section: secretary, treasurer, journal editor, *Forum* editor, a committee chair, a regional coordinator, or an advisory board member.

3. Treasurer

Minimum qualifications: Must have served the Section in a significant capacity during at least two of the last five years. The two years of service may be obtained while performing the following roles within the section: secretary, treasurer, journal editor, *Forum* editor, a committee chair, a regional coordinator, or an advisory board member.

4. Advisory Board members (two openings)

Minimum qualifications: Must be qualified to serve in an oversight and advisory capacity, based on prior, senior level appropriate experience. At a minimum, this shall include Section leadership experience, such as a past officer, committee chair, or head of an ad hoc project.

5. Publication Committee members (two openings)

6. Nominations Committee members (three openings)

Minimum qualifications: Must have served the Section in a significant capacity during at least two of the last five years. The two years of service may be obtained while performing the following roles within the Section: secretary, treasurer, journal editor, *Forum* editor, a committee chair, a regional coordinator, an advisory board member, a member of the nominating committee, a member of the publications committee, or a country director.

Full details about the duties and required qualifications for these positions are available in the By-Laws available on the Section's website: <http://aaahq.org/international/index.html>. Please specify the position for which you are nominating the individual(s). Self-nominations are acceptable.

Nominations must be received by the Nominations Committee Chair no later than **January 1, 2009**.

**Please send nominations to:**

Don Herrmann  
Spears School of Business  
412 Business Building  
Oklahoma State University  
Stillwater, OK 74078-4011  
Phone: 405-744-8602  
Fax: 405-744-1680  
Email: [don@okstate.edu](mailto:don@okstate.edu)