

INTERNATIONAL  
ACCOUNTING SECTION  
of the



American  
Accounting  
Association

# FORUM

INTERNATIONAL ACCOUNTING

NO. 93

Spring 2008

EDITOR: Jeannie J. Harrington  
Middle Tennessee State University

## PRESIDENT'S MESSAGE

Greetings AAA International Accounting Section (IAS) members!

These are exciting times in the international accounting world as the SEC (2007) agreed to accept financial reports of foreign private issuers prepared in compliance with International Financial Reporting Standards as issued by the IASB without reconciliation to U.S. GAAP, for years ended after November 15, 2007. As a result, many accounting academicians are concerned about how to teach international accounting standards and guide Ph.D. candidates wanting to conduct informative international accounting research. For schools wanting to maximize their returns, scholars are seeking funding opportunities for research on international accounting issues. These issues were addressed at the 4<sup>th</sup> Annual Doctoral/New Faculty Consortium and 14<sup>th</sup> Annual Midyear Conference. Attendance at both these events was record-breaking. Moreover, from August 27, 2007, to January 7, 2008, IAS Section membership increased by greater than 6% when the AAA overall membership increased by only about 5.6%. We believe that our growth is attributable to our ability to address the needs of the IAS membership and collaborate with others.

We addressed membership needs at our Doctoral/New Faculty Consortium on February 7, and Midyear Meeting held jointly with the International Association for Accounting Education and Research (IAAER) February 7-9, both in San Diego at the Horton Grand Hotel. These events were sponsored by KPMG Foundation and KPMG LLP, which allowed us to have an IAS Doctoral/New Faculty Consortium, a two and one-half day IAS Midyear Conference packed with faculty development and learning opportunities and nightly receptions. These events were held in collaboration with San Diego State University whose generous support is most appreciated. I hope that you were able to attend these informative value-packed and entertaining events.

Our midyear activities began with the 4<sup>th</sup> Annual Doctoral/New Faculty Consortium February 6-7, chaired by Carolyn Callahan. Carolyn recruited a record breaking attendance/interest this year. There were 32 registrants from around the world with a wait-list of 14. This level of interest is exciting as it's the first in our consortium history. This year's consortium speakers included Mary Tokar, Lee Radebaugh, R. Abdel-Khalik, Karl A. Muller, Inder K. Khurana,



*Jenice Prather-Kinsey*

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## **President's Message** *(continued from page 1)*

Ole-Kristian Hope and Gary Sundem. WOW! We are asking you to encourage your students to register early next year, as Carolyn will again be chairperson and we expect that the interest in our consortium will continue to grow.

For the first time in the history of the AAA IAS Midyear we had a CPE session, arranged by Mary Tokar. She filled the room's capacity with 80 participants and there were still others that wanted to attend. The CPE session was entitled "How to Incorporate IFRSs into Your Accounting Course," with speakers Cheryl Linthicum, University of Texas at San Antonio and SEC Academic Fellow and Mary Tokar of the International Financial Reporting Group of KPMG. We ended the evening with a reception sponsored by KPMG LLP.

Our second record-breaker occurred February 7-9 at the 14th Annual Midyear Conference held jointly with IAAER. Co-chairs Elizabeth Gordon and Tony Kang had a record-breaking number of registrants, over 160 from around the world. You could hear the buzz of excitement about the papers presented and panel sessions during the break-outs and receptions. They also produced the first midyear book of abstracts. This booklet included an outline of the program, list of reviewers and list of registrants with contact information. In many of the panel presentations arranged by Donna Street, there was standing room only. The panel session "IFRS Regulatory Developments—The Acceptance of IFRS in U.S. Capital Markets," included a presentation on the new ruling for foreign deregistration and direction on which foreign private issuers are likely to file IFRS financial reports with the SEC in 2008. The "International Financial Reporting Standards" plenary session, moderated by Mary Tokar with Mary Barth as the speaker, was a quality update on IASB activities. Finally, the second plenary session "IAESB Technical Agenda Project," focused on setting accounting standards for education and announced the ACCA/IAAER call for proposals for consideration for funding. What an opportunity for those interested in international accounting education.

The quality of papers presented and published by the section was recognized at the Friday luncheon. The Best Midyear Conference Paper was awarded to Yigit Atilgan, Paquita Y. Friday and Alope Ghosh for their study, "U. S. Cross-Listing, Credit Ratings, and the Cost of Debt." The Best *Journal of International Accounting Research (JIAR)* Paper was awarded to Susan Machuga and Karen Teitel for their manuscript, "The Effects of the Mexican Corporate Governance Code on Quality of Earnings and its Components." Congratulations all! Consider submitting your papers to *JIAR* and the 2009 IAS Midyear Conference and maybe you will be our next year's awardee.

The midyear meeting is made possible through our friends. I thank the KPMG Foundation for funding the AAA IAS Doctoral/New Faculty Consortium and Midyear Conference. Without the generous support of the KPMG Foundation and its president Bernie Milano, we could not have our consortium. Please take every opportunity possible to say "thanks" to the KPMG Foundation for not only sponsoring the consortium but the midyear meeting too. In fact, KPMG LLP funded the midyear welcoming reception. Thank you Bea Sanders for your support in securing these funds. I thank Sharon Lightner, Victoria Krivogorsky and San Diego State University's School of Accountancy and Center for International Business Education and Research for providing AV equipment and the Friday night dessert reception with entertainment. Carolyn Callahan, thank you for directing and managing the doctoral and new faculty consortium. Thanks Mary Tokar for arranging the CPE session. Thank you Donna Street for organizing the midyear panels; and as President of IAAER for joining with the IAS in coordinating the midyear meeting. Thank you Elizabeth (Betsy) Gordon and Tony Kang for managing 66 accepted papers, 22 concurrent sessions and 2 poster sessions. I appreciate all who participated in the doctoral/new faculty consortium and midyear conference as speakers, presenters, discussants, panelists and moderators. Thank you for the significant time commitment and resources that you provided to make this a record-breaking meeting. Thanks to all who attended our 2008 midyear meeting activities. Cheryl Linthicum, President-Elect, is already planning for the 2009 IAS Doctoral/New Faculty Consortium and Midyear Meeting. Stay tuned.

Greg Burton is gearing up for the upcoming AAA meeting in Anaheim, California, August 3-6, 2008. He is planning an array of amazing opportunities for you including a "mini" plenary session. I am happy to organize this "mini" plenary session and welcome your input. Eva Jermakowicz is planning for at least two CPE sessions. I would strongly urge you to make your hotel

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## President's Message *(continued from page 2)*

reservations early so that you can stay in the hotel of your choice. You may want to bring the family, as Anaheim is the location of the original Disney amusement park.

Our webpage is in need of your assistance so that we can provide useful information to you efficiently and effectively. Andy Lymer is busy working with his assistants in revamping our webpage. Andy specifically wants answers to the following three questions.

1. What other websites (accounting and otherwise) do you think would be good models for Andy's team to consider and possibly incorporate into our webpage?
2. What should be the essential contents of the website—be as general or as specific as you like?
3. What would your "wish list" be of other things that our webpage should contain?

Andy, email address [A.Lymer@bham.ac.uk](mailto:A.Lymer@bham.ac.uk), needs your responses as soon as possible so that he can keep the project on schedule. Following is his proposal for the IAS webpage.

<u>Section</u>	<u>Sub sections</u>
Home page	No subs
News	1. Section news 2. AAA news 3. Global news
Who are we?	1. Objectives 2. Officers/ Committee details 3. Section History 4. Awards
Events	1. Midyear 2. Annual Meeting 3. Regionals 4. Other related
Publications	1. <i>JJAR</i> 2. <i>Forum</i>
Education materials	1. Section created materials 2. Links to member/other materials/sites
Research materials	1. Section created materials 2. Links to member/other materials/sites
Service materials	1. Section created materials 2. Links to member/other materials/sites
Members section	1. Syllabi database 2. 'Legal' 3. Discussion forum 4. Member profile pages(?)
Search	
AAA Home	

George Gamble is updating our IAS webpage with international accounting syllabi. Please send your international accounting course syllabi to George at [ggamble@uh.edu](mailto:ggamble@uh.edu).

Stella Fearnley, chair of the International Relations Committee, continues to seek donations for gift memberships to universities in developing countries. Please consider giving to this program and help disseminate AAA information to our international community that would not otherwise be able to afford or know of the publications and opportunities of AAA.

On the publications front, Ken Ferris is seriously guiding the *Journal of International Accounting Research (JJAR)*. If you will be attending international

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## President's Message *(continued from page 3)*

conferences, please notify Ken so that he can provide you with the *JJAR* call to distribute at the meeting. The next edition should be mailed from the AAA shortly. Ken is always looking for quality manuscripts for *JJAR* and I hope that everyone will make *JJAR* a top choice as an outlet for their international accounting research. Additionally, Jeannie Harrington, our *Forum* editor, continues to put together a wonderfully informative product. Jeannie, thank you for providing an informative newsletter to our membership. I also thank everyone who contributes to the *Forum*.

Donna Street, chair of the nominating committee, is assembling a talented slate of nominees that will be voted on at the IAS Business meeting at the AAA annual meeting in Anaheim. Rob Larson, chair of the advisory committee, will be presenting four proposed changes to the by-laws at the IAS Business meeting in Anaheim.

I appreciate Patricia Poli diligently working to develop a set of executive committee members to rewrite our mission statement and congruent strategies. I thank Myungsun Kim, regional coordinator chair, for putting together a platform to make international accounting a more significant part of regional meetings. I think this is a phenomenal avenue for us to disseminate information about international accounting curriculum and research. I appreciate Norlin Rueschhoff for finding and sharing the Historian Webpage address that he maintained for years for IAS. We should see that history on our webpage soon. Finally and most importantly, I thank Ian Hague for maintaining our treasury and Paquita Davis-Friday for recording our minutes.

I look forward to seeing all of you in Anaheim, California in August 2008.

Jenice Prather-Kinsey, President  
AAA IAS

### **International Accounting Section *Forum* Deadlines, Suggestions, Comments for 2008/09 Summer 2008 Issue - June 15, 2008 Fall 2008 Issue - September 30, 2008 Spring 2009 Issue – February 28, 2009**

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 Jeannie Harrington at [jharrington@mtsu.edu](mailto:jharrington@mtsu.edu). If sending materials please send to:

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***Forum* Editor Jeannie Harrington with  
her two labs, Abbey and Jack**

## Texas A&M International Accounting Professor Honored with Distinguished Educational Leadership Teaching Award

Murphy Smith, accounting professor at Texas A&M University's Mays Business School, was presented the Distinguished Teaching Award by the Academy of Educational Leadership at its international conference in Reno, Nevada in October 2007. The award recognizes Smith's innovative and creative teaching, especially concerning ethics and international accounting.

During his academic career Smith has taught classes at the bachelors, masters, and doctoral level. He has also attained a notable research record and is ranked in the top one percent of U.S. accounting faculty according to number of articles published in leading accounting journals, ranked 2nd among 1983 doctoral graduates. His work has been cited in various news media, including *Fortune*, *USA Today* and *The Wall Street Journal*. Regarding international business, Smith says, "The key business issues in America are the same issues confronting business around the globe, such as corporate ethics and reliable financial reporting."



*Dr. Murphy Smith (left) receives the Distinguished Teaching Award from the Academy of Educational Leadership Conference Chair Dr. Jim Carland*

Regarding ethics, Smith's research examines topics such as the impact of federal legislation, the future direction of the accounting profession and assessment of ethics education in the U.S. and other countries. In 2002, Smith testified at a congressional hearing in Washington, D.C. regarding business and accounting ethics.

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# WHAT DOES THE INTERNATIONAL ACCOUNTING SECTION DO? WHICH COMMITTEES AND POSITIONS ARE INVOLVED?

The International Accounting Section-

## **Organizes international accounting sessions/panels at AAA Annual and Regional meetings:**

- Annual Program Committee
- Regional Programs Committee and Regional Coordinators (one for each AAA region)

## **Organizes international accounting continuing education seminars at AAA annual and regional meetings:**

- Continuing Education Committee

## **Sponsors and organizes a Midyear Meeting:**

- Midyear Meeting Committee

## **Publishes the newsletter *Forum* and the *Journal of International Accounting Research*:**

- *Forum* Editor
- *Journal* Editor
- Publications Committee (oversight role)

## **Maintains a web site:**

- Information Technology Committee (Webmaster)

## **Makes information available on the web site including:**

- Teaching materials (Teaching Resources Committee)
- Data sources (Research Committee)

## **Recruits new members:**

- Membership Committee

## **Presents awards:**

- Outstanding International Accounting Dissertation Award Committee
- Outstanding International Accounting Educator Award Committee
- Outstanding International Accounting Service Award Committee

## **Cooperates with other organizations (including co-sponsoring conferences outside the U.S.) and solicits AAA gift memberships for developing countries:**

- International Relations Committee

## **Is administered and maintained through:**

- Executive Board (President, Vice President-Academic, Vice President- Practice, Secretary, Treasurer, Advisory Board Chair)
- Advisory Board (responsible for proposing changes to bylaws)
- Nominations Committee (responsible for nominating executive board members)
- Section Historian (responsible for preserving the history of the Section)
- Strategic Planning Committee (responsible for obtaining input from Section membership to develop long-range plan)

# CALL FOR MEMBERS TO SERVE ON IAS COMMITTEES FOR 2008-2009

Below is a list of IAS committees for the period August 2008 to August 2009. Section members interested in serving on a committee should complete the form and send it to the address below:

Cheryl Linthicum  
 Division of Accounting and Information Systems  
 University of Texas – San Antonio  
 San Antonio, TX 78249-0632  
 Phone: 202-551-3531  
 Fax: (210) 458-4322  
 Email: [cheryl.linthicum@utsa.edu](mailto:cheryl.linthicum@utsa.edu)

To increase your chances of serving on a committee or in a given position, please mark three choices and indicate your preference (1 = first choice; 2 = second choice; 3 = third choice).

Annual Program			<b>Regional Programs</b>	
Midyear Meeting			Mid-Atlantic Region	
Continuing Education			Midwest Region	
Research			Northeast Region	
Teaching Resources			Ohio Region	
International Relations			Southeast Region	
Information Technology			Southwest Region	
Outstanding Dissertation Award			Western Region	
Outstanding Educator Award				
Outstanding Service Award				
Publications				
Strategic Planning				
Website Development/Maintenance				

Name \_\_\_\_\_

Affiliation \_\_\_\_\_

Address \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

# **INTERNATIONAL ACCOUNTING SECTION**

## **2008-09 Nomination Slate**

### **VICE CHAIR - ACADEMIC (PRESIDENT-ELECT)**

\_\_\_\_\_ Ery Black

### **VICE CHAIR—PRACTICE (ONE-YEAR TERM)**

\_\_\_\_\_ Steven D. Krohn

### **SECRETARY**

\_\_\_\_\_ Paquita Davis-Friday

### **ADVISORY BOARD**

\_\_\_\_\_ Sarah York Kenny

\_\_\_\_\_ Sid Gray

### **PUBLICATIONS COMMITTEE**

\_\_\_\_\_ Gary Entwistle

\_\_\_\_\_ Ann Tarca

### **NOMINATIONS COMMITTEE**

\_\_\_\_\_ Jeannie Harrington

\_\_\_\_\_ Gary Meek

\_\_\_\_\_ Greg Burton