

INTERNATIONAL
ACCOUNTING SECTION
of the



American
Accounting
Association

NO. 85

FORUM

INTERNATIONAL ACCOUNTING

Summer 2005

EDITOR: Jeannie J. Harrington
Middle Tennessee State University

President's Message

Greetings to all International Accounting Section members. We have accomplished much this year, and, as my term of office nears its conclusion, I would like to thank everyone for their efforts and support of the International Accounting Section. With Donna Street taking over the Presidency of the International Accounting Section this coming year, we will be in good hands and continue to grow stronger.



Bruce Behn

During my term, I had the opportunity to do research workshops and talk with a number of individuals at Hong Kong University of Science and Technology (thank you, Kevin Chen), Nanyang Technological University (thank you, Asheq Rahman), and Singapore Management University (thank you, Tony Kang) which emphasized, all the more, that our accounting academic world is truly globally integrated. Thus, before I discuss the upcoming activities of the Section and acknowledge the dedication and efforts of a number of individuals, I

would like to reflect a bit on *The World is Flat* (2005), a new book by Thomas L. Friedman.

Regarding the convergence of such factors such as the opening of the Berlin Wall, Netscape, outsourcing, supply chaining, open sourcing, etc., Friedman states, "The net result of this convergence was the creation of a global, Web-enabled playing field that allows for

multiple forms of collaboration—the sharing of knowledge and work—in real time, without regards to geography, distance, or, in the future even language." Because of this convergence there will be "...new players, on a new playing field, developing new processes and habits for horizontal collaboration—that I believe is the most important force shaping global economics and politics in the early twenty-first century. Giving so many people access to all these tools of collaboration, along with the ability of search engines and the Web to access billions of pages of raw information, ensures that the next generation of innovations will come

from over Planet Flat. The scale of the global community that is soon going to be able to participate in all sorts of discovery and innovation is something the world has simply never seen before."

Similar convergence is taking place in the accounting academic community, so our world, too, is becoming flat. Researchers from around the globe are publishing in many high quality journals outside their home territory. The collaboration of talented researchers around the world is increasing at an exponential rate, because of some of the convergence issues discussed in Friedman's book. We have moved from a manual CRSP

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

and Compustat programming process in Fortran to WRDS. We have moved from hearing current research topics at annual meetings and conferences to obtaining working papers immediately on SSRN. We have moved from domestic networking to international networking through more international conferences (e.g., EAA), international organizations (e.g., IAAER), and diverse networking venues (e.g., workshops, visiting professors, sabbaticals). As Friedman points out, more significant changes will occur in the business environment in the coming years. I think the future is very bright for our accounting academy and I can't wait to see what the next twenty-five years will bring.

Next, I would like to provide everyone with a quick update on future IAS activities. At the upcoming AAA annual meeting, the International Accounting Section is sponsoring two CPE sessions. At Session 8 on Sunday, August 7, 8:00 a.m.-4:00 p.m., Frederick D. S. Choi of New York University will present his International Accounting Seminar. At Session 11 on Sunday, August 7, 8:00-11:00 a.m., Tricia O'Malley, IASB, and James Leisenring, IASB, will present their Issues in International Financial Reporting. The IAS has presented both in the past with very positive feedback. Please check them out when registering for the meeting. I would like to thank Mark Myring and his committee for coordinating these efforts

Paquita Davis-Friday and her committee have put together a wonderful program for the annual meeting. This year, we have the largest number of International Accounting Section sessions we have ever had at an AAA annual meeting (17 research sessions and 3 panels). Paquita, congratulations on a job well done. In addition to the excellent research sessions, the International Section will sponsor three panels: 1.) "Corporate Governance and Accounting Research in China and Asia" with panelists Robert Bushman, Joseph Fan, T.J. Wong, and Weiguo Zhang, 2.) "The Internationalization of Accounting: The Australian, Canadian, German and U.K. Experiences" with panelists Stella Fearnley, Martin Glaum, Sid Gray and Ian Hague, and 3.) "Measurement Bases for Financial Accounting - A Conceptual Study by the Canadian Accounting Standards Board" with Ian Hague and Alex Milburn.

The IAS luncheon speaker will be Dr. Andreas Barckow. Dr. Barckow is a trained banker who studied Business Administration in both Germany and Australia (Monash University, Melbourne) and worked as an IFRS and financial instruments expert at one of Germany's top five banks, leading their IAS 39 implementation project. In 2001, he joined DTT to become the head of their German IFRS Centre of Excellence. He is a member of the German Accounting Interpretations Committee,

which is the interpretative arm of the German standard setter, and a member of the working party on financial instruments at the German Institute of CPA's. He is also a member of the AAA, EAA and the Schmalenbach Society. We will also be presenting several awards at the luncheon including the Outstanding IAS Service Award (Gary Braun, Chair), the Outstanding IAS Dissertation Award (Asheq Rahman, Chair), and the Outstanding IAS Educator Award (Sidney Gray, Chair).

The IAS business meeting will be held on Monday, August 8, starting at 2:00 p.m. (location will be in the AAA program guide). Please try to attend, if at all possible. We will be discussing and voting on a number of issues. Finally, please mark your calendars for the 2006 12th Annual IAS Midyear Conference, which is a joint conference with the Auditing Section. The meeting will be held January 12-14, 2006, at the Hilton Los Angeles/Universal City. More information is available on the IAS website.

I believe Ajay Adhikari once said "Volunteerism is at the center of what makes our Section tick." This statement is so true. The International Accounting Section excels because of the countless hours contributed by hundreds of individuals who serve as section officers, committee chairs, committee members, regional program coordinators, country directors and those who contribute to, edit, and review for the *JJAR*, *Forum*, and Midyear and Annual meetings. Again, I thank everyone for their commitment and support of the International Accounting Section.

I would like to give special thanks to the following individuals:

Dave Senteney (Webmaster and Information Technology) and his committee for an outstanding job administering the new website and efficiently responding to all our revision and update requests.

Jeannie Harrington (*Forum* Editor) for all her effort in managing the content and look of the Forum. The Forum, under Jeannie's leadership, continues to provide an extremely valuable service to our Section members by providing news of Section activities.

Lee Radebaugh (*JJAR* Editor) for his leadership and hard work in expanding the reputation of the Section's journal.

Ian Hague (International Relations) and all the country directors for their efforts in promoting the International Accounting Section, world-wide, and for their hard work in reinvigorating the gift membership program.

Wayne Thomas and Joe Godwin for all their help in organizing the 2005 IAS Midyear Conference in San Antonio, Texas. I received many compliments about the

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President's Message (continued from page 2)

conference, so I think special kudos go to Wayne and Joe. In addition, thank you to Wayne for handling the "Have you seen" research summaries published in the *Forum*.

Ajay Adhikari (Nominations Committee Chair) and his committee for putting together an excellent slate of nominees for next year's officers so expeditiously.

Paul Herz (Regional Programs) and all the regional coordinators for their excellent job in coordinating international efforts at the regional meetings.

Holly Ashbaugh (Membership) for all her support and efforts in trying to promote the International Accounting Section.

Pat Poli (Teaching and Curriculum) and her committee for obtaining a number of high quality international accounting syllabi and for selecting two of these to represent IAS on the AAA education website. In addition, Pat took the initiative to write the first "Educators; Insights" articles that were published in the Fall and Spring *Forums*. She provided an excellent summary of new research and perspectives on accounting education.

Mike Kennelly (Publications) and his committee for their support of *JJAR* and laying the groundwork for the first annual *JJAR* Best Manuscript Award.

Hao Zhang (Strategic Planning) and his committee for putting together a thorough SWOT analysis for the Section. The IAS will act on many of the committee's suggestions.

Norlin Rueschhoff for his continued efforts to document the history of the International Accounting Section.

Donna Street (incoming President) for all her advice and continued support. I know the Section is in good hands.

I hope I haven't forgotten anyone. Lastly, I would like to thank the Executive and Advisory Board for all their support. It has been an honor and privilege to work with so many talented Section volunteers and to have the opportunity to serve as the President of the International Accounting Section. I will continue to support the Section and look forward to seeing all of you in San Francisco.

International Accounting Section
***Forum* Deadlines, Suggestions, Comments for 2005/06**
Fall 2005 Issue - September 15, 2005
Spring 2006 Issue - January 31, 2006
Summer 2006 Issue - June 15, 2006

As the exclusive publisher of the *Forum* on the website, this allows us the opportunity and freedom to try some different ideas. 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 11 font format file as an attachment. Submit to Jeannie Harrington at jharrington@mtsu.edu. If sending materials please send to:

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SECTION MEMBERS IN THE NEWS AND ON THE MOVE

- Gary Cunningham** – Gary, formerly with the American University of Beirut, has accepted a position at Bilkent University in Ankara, Turkey.
- William Forbes** – William, formerly with the University of Glasgow in Scotland, began a new position at the Business School at Loughborough University in England last fall.
- Don Herrmann** – Don, formerly with Baylor University, has accepted a position at Oklahoma State University beginning this summer.
- Marinilka Kimbro** – Marinilka, formerly with the Insituto de Empresa in Spain, has accepted a new position at the Milgard School of Business at the University of Washington, Tacoma.
- Ryan LaFond** – Ryan, formerly with the University of Wisconsin-Madison, has accepted a position at Massachusetts Institute of Technology in Boston.
- Cheryl Linthicum** – Cheryl, University of Texas at San Antonio, has been appointed to a one year fellowship with the Securities and Exchange Commission.
- Enrique Fowler Newton**—Enrique, contador publico in Argentina, has been appointed to a special committee of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE) that was asked by the IASB to prepare (jointly with the Consejo Mexicano para la Investigación y Desarrollo de Normas de Contabilidad Financiera) a draft of a new standard on inflation accounting.
- Grace Pownall** – Grace, Emory University, received a grant along with Jan Barton from the International Association for Accounting Education and Research for her research work at informing the IASB’s decision process on Reporting Financial Performance.
- Norlin Rueschhoff** – Norlin, University of Notre Dame, was recently selected as a life member of the American Accounting Association and presented a plaque at the Midwest Meeting in St. Louis on April 7.
- L. Murphy Smith** – Murphy, Texas A&M University, was selected the Outstanding Texas Accounting Educator from the Texas Society of CPAs.

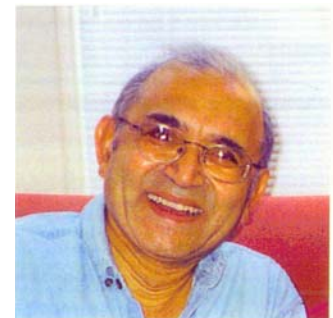
IN MEMORIAM, GYAN CHANDRA, (1940 - 2005)

Gyan Chandra passed away suddenly on Wednesday, May 4.

Gyan was our colleague, our teacher, our mentor and most importantly our friend. He loved his life as a member of the accounting academy. He truly took pride in his students and his former students, his colleagues, his profession, his University, his heritage and most of all his family.

Gyan earned undergraduate and master degrees in commerce from Agra University in India. He subsequently came to the University of Minnesota where he earned a masters degree and then attended The Ohio State University where he earned his doctorate in 1971. By the time Gyan graduated from Ohio State he had already began his teaching career at a number of universities including Rajasthan University, Delhi University, Ohio University as well as the University of Minnesota and Ohio State. Gyan then made a short stop on the faculty of the University of Akron, before coming to Miami University as an assistant professor in the summer of 1972. Gyan was promoted to associate professor in 1975 and to full professor in 1979. He was honored with the C. Rollin Niswonger professorship in 1989 which he held until his passing. During his years at Miami University, Gyan also held a number of visiting professor positions at universities in the United States and India.

During his career, Gyan had many scholarly publications covering a wide-range of managerial and financial accounting topics in some of the best accounting journals. He also made dozens of presentations on a wide variety of subjects to audiences in India, Europe and across North America. Gyan also sat on the editorial boards of five journals.



*Gyan Chandra
1940-2005*

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Gyan Chandra Eulogy May 7, 2005

(continued from page 4)

Although Gyan had an accomplished research career, he focused much of his career on teaching and service.

He taught a wide variety of both graduate and undergraduate courses in financial and managerial accounting. He was often recognized by student groups for his teaching excellence. Some of his achievements include receiving the Distinguished Faculty Award from Beta Gamma Sigma and the Distinguished Professor of the Year from the Miami University Indian Students Association. One of Gyan's most notable professional awards was his being named the Outstanding Ohio Accounting Educator in 1996.

Another aspect of Gyan's professional career in which he excelled was his service to academic and professional organizations as well as the University. One of his most prominent positions was as president of the Ohio Region of the American Accounting Association. Throughout his career, he also served on dozens of University committees at all levels. Gyan enjoyed providing service, particularly if it allowed him the opportunity to interact with students in an important and positive way.

While Gyan settled into a long and distinguished career at Miami University, there was always a part of him that remained in his native India. He kept his ties by giving lectures when he visited India, publishing articles in Indian journals and working as an external examiner for countless doctoral students attending Indian universities. But Gyan was really an "Indian-American Accounting Renaissance Man" transcending two continents. Besides his accounting research, he also wrote Hindi poems. Besides giving presentations on accounting topics, he also gave seminars on the Indian economy, Indira Raj, The mystique of India, and Indian music.

Gyan is survived by his wife Abha, to whom he was a devoted husband of 40 years. He was the loving father of Anita and Rohit, father-in-law of Tipu Puri, father-in-law-to-be of Ranjana. He was the proud grandfather of Shaunak, Rithik, and newly-arrived twins Akshay and Kavan, who were born on May 3, 2005.

The accounting academy, Miami University, the Richard T. Farmer School of Business and most especially the Department of Accountancy will very much miss the stories, the smiles, the jokes, the candy, the insights, the optimism, his enthusiasm for life, the commitment to his students and again, the stories. He was in many ways the conscience and soul of our Department and constantly reminded us of our history and our mission. He has left a great legacy.

(Excerpts of the eulogy given by Marc Rubin, Chair of the Department of Accountancy, Miami University of Ohio, May 7, 2005. For a complete copy of the eulogy, please go to <http://aaahq.org/temp/ChandraEulogy.pdf>.)

**INTERNATIONAL ACCOUNTING SECTION
AMERICAN ACCOUNTING ASSOCIATION**

**PROPOSED BY-LAW AMENDMENTS
(Changes are in bold print.)**

Current By-law:

Section IV: Officers

A. The officers of the Section are the president, two vice-presidents, the secretary, and the treasurer, together they form the Executive Board. The chair of the Advisory Board shall participate in Executive Board activities in a non-voting, advisory role.

Recommended Amendment #1:

Section IV: Officers

A. The officers of the Section are the president, **immediate past president**, two vice-presidents, the secretary, and the treasurer, together they form the Executive Board. The chair of the Advisory Board shall participate in Executive Board activities in a non-voting, advisory role.

Current By-law:

Section V: Advisory Board

A. 4. Advisory Board membership will automatically be canceled should an Advisory Board member be elected to the Executive Board.

Recommended Amendment #2:

Section V: Advisory Board

A. 4. Advisory Board membership will automatically be canceled should an Advisory Board member, **other than the immediate past president**, be elected to the Executive Board.

Preliminary Schedule of Activities
INTERNATIONAL ACCOUNTING SECTION
AAA ANNUAL MEETING
SAN FRANCISCO, CALIFORNIA – AUGUST 7-10, 2005

Sunday, August 7

CPE Session 8: 8:00 a.m. – 4:00 p.m.
International Accounting Seminar
Presenter: Frederick D. S. Choi, New York University

CPE Session 11: 8:00 a.m. – 11:00 a.m.
Current Issues in International Financial Reporting
Presenters: Patricia O'Malley, International Accounting Standards Board
James Leisenring, International Accounting Standards Board

Monday, August 8

12:00 NOON – 1:45 pm.

International Accounting Section Business Luncheon (Ticket required)

Speaker: Andreas Barckow, Head of Deloitte's IFRS Centre of Excellence,
Frankfurt am Main, Germany

2:00 p.m. – 3:30 p.m.

International Accounting Section Business Meeting

4:00 p.m. – 5:30 p.m.

- 3.7 The Internationalization of Accounting: The Australian, Canadian, German and U.K. Experiences**
Moderator: Paquita Davis-Friday, University of Notre Dame
Panelists: Stella Fearnley, University of Portsmouth
Martin Glaum, Justus-Liebig-Universitaet Giessen
Sid Gray, University of Sydney
Ian Hague, Accounting Standards Board - Canada
- 3.8 International Managerial Accounting Issues**
Moderator: C. Chiang, North Carolina Central University
Strategic Management Accounting - A cross-national analysis of what strategic management accounting is and how it is taught
Andreas Hoffjan, Westfaelische Wilhelms Universitaet Muenster
Facing the Truth: How Taiwanese and Americans React to Prior Commitment in the Merit Pay Allocation Process
Richard G. Brody, University of South Florida-St Petersburg; Suming Lin, National Taiwan University; Stephen B. Salter, University of Cincinnati/Universidad Adolfo Ibáñez
Discussant: Jeremy Cripps, American University of Kuwait
- 3.9 Corporate Governance and the Characteristics of International Earnings Forecasts**
Moderator: J. King, Washington and Lee University
Audit Quality, Legal and Disclosure Environments, and Analysts' Forecast Accuracy: Some International Evidence
Jong-Hag Choi, Hong Kong University of Science and Technology; Tony Kang, Singapore Management University; Young K. Kwon, University of Illinois at Urbana-Champaign;
Yoonseok Zang, Singapore Management University
Analysts' and Mechanistic Forecasts of Earnings
Neil Garrod, Thames Valley University; William Rees, Amsterdam Graduate Business School; Aljosa Valentincic,

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International Accounting Section, AAA Annual Meeting
Preliminary Schedule of Activities (continued from page 7)

University of Ljubljana, University of Amsterdam
Ownership, Investor Protection and Earnings Expectations
Christina Dargenidou, University of Wales, Bangor UK; Stuart McLeay, University of Wales,
Bangor UK; Ivana Raonic, Cass Business School, City University UK
Discussant: Stephen Lin, Florida International University

3.10 Determinants and Implications of International Accounting Differences
Moderator: Ramesh Narasimhan, Montclair State University
*Interest Rate Sensitive International Accounting Differences and their Association with Stock
Price Returns*
Paul John-Marcel Klumpes, Imperial College London
Differences from IAS: Measurement, Determinants and Implications
Yuan Ding, HEC Paris; Ole-Kristian Hope, University of Toronto - Rotman School of
Management; Thomas Jeanjean, HEC Paris; Herve Stolowy, HEC Paris
Usefulness of Comprehensive Income Reporting in Canada
Kiridaran Kanagaretnam, McMaster University; Robert Mathieu, Wilfrid Laurier University;
Mohamed Shehata, McMaster University
Discussant: David Sharp, University of Western Ontario

Tuesday, August 9
10:15 a.m. – 11:45 a.m.

4.18 International Earnings Management
Moderator: Shawki Farag, The American University in Cairo
Is "Benchmark Beating" by Australian Firms Evidence of Earnings Management?
Jeff J. Coulton, University of New South Wales; Sarah J. Taylor, University of Melbourne;
Stephen L. Taylor, University of New South Wales
Earnings Management to Avoid Loss to Continue in Chinese Capital Markets
Yihong Jiang, Shanghai University of Financial Economics; Qingliang Tang, University of
Western Sydney; Zhijun Lin, Hong Kong Baptist University; Lu Wu, University of Western
Sydney
Managing underpricing? The case of pre-IPO discretionary accruals in China
Marinilka B. Kimbro, Instituto de Empresa
Discussant: Feng Chen, Columbia University

**4.19 Measurement Bases for Financial Accounting - A Conceptual Study by the Canadian
Accounting Standards Board**
Moderator: Ian Hague, Accounting Standards Board
Panelists: Mary Barth, Stanford University
Alex Milburn, Canadian Institute of Chartered Accountants

4.20 Audit Firm Tenure, Auditor Independence and International Financial Reporting
Moderator: Norlin Rueschhoff, University of Notre Dame
*Does Audit Firm Tenure Affect the Client's Financial Reporting Credibility? Evidence from U.S.
and Italy*
Jeff Boone, University of Texas at San Antonio; Inder Khurana, University of Missouri-
Columbia; KK Raman, University of North Texas
Auditor Independence and the Chinese Disaffiliation Program
Ferdinand A. Gul, The Hong Kong Polytechnic University; Heibatollah Sami, Lehigh University;
Haiyan Zhou, The University of Texas-Pan American
*Auditor Independence and Auditor Specialization: Determinants of Earnings
Managements?*
Rusmin Rusmin, Curtin University of Technology;

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International Accounting Section, AAA Annual Meeting
Preliminary Schedule of Activities (continued from page 8)

Wolfgang Mitchell Van der Zahn, Singapore Management University; Greg Tower, Curtin University of Technology; Alistair Brown, Curtin University of Technology
Discussant: Niranjana Chipalkatti, Seattle University

New Scholar Concurrent Sessions:

- Table No. 8.1 *Aggregate Audit Adjustments and Discretionary Accruals: Further Evidence on the Relation between Audit Quality and Earnings Management*
Yung-Ming Hsieh, Soochow University, Taiwan; Yann-Ching Tsai, National Taiwan University, Taiwan
Senior Faculty Mentor: Hollis Ashbaugh, University of Wisconsin-Madison
- Table No. 8.2 *Earnings Management in Absence of Agency Incentives*
Aljosa Valentincic, University of Ljubljana, University of Amsterdam; Sonja Ratej Pirkovic, University of Ljubljana; Neil Garrod, Thames Valley University
Senior Faculty Mentor: Rashad Abdel-khalik, University of Illinois
- Table No. 9.1 *The Role of Firm-Specific Incentives and Country Factors in Explaining Voluntary IAS Adoptions*
Jere R. Francis, Inder K. Khurana, Raynolde Pereira, Xiumin Xiu, all of University of Missouri-Columbia
Senior Faculty Mentor: Christian Leuz, Wharton School - University of Pennsylvania
- Table No. 9.2 *Corporate Governance and Investor Protection: Earnings Management in the US and UK*
Charlotte J. Wright, Oklahoma State University; J. R. Shaw, The University of Mississippi; Liming Guan, University of Hawaii
Senior Faculty Mentor: Karl Muller, III, The Pennsylvania State University
- Table No. 10.1 *Do Dividend Policies of Chinese Listed Firms Constrain or Facilitate Tunneling?*
Donghua Chen, Shanghai University of Finance and Economics; Ming Jian, Nanyang Technological University
Senior Faculty Mentor: Wayne Thomas, University of Oklahoma
- Table No. 10.2 *Timeliness And Conservatism In Latin America – Is There An Association With Corruption?*
Wanda M. Mattei, University of Puerto Rico
Senior Faculty Mentor: Elizabeth Gordon, Rutgers Business School - Newark & New Brunswick
- Table No. 11.1 *Accounting-based Regulation and Protection of Minority Shareholders*
Jiwei Wang, Singapore Management University
Senior Faculty Mentor: Chao-Shin Liu, University of Notre Dame
- Table No. 11.2 *The Impact of Securities Regulation on the Earnings Properties of European Cross-Listed Firms*
Maria T. Caban-Garcia, University of South Florida-Sarasota
Senior Faculty Mentor: Lynn Rees, Texas A&M University

2:00 p.m. – 3:30 p.m.

5.16 International Accounting Standards and the Relevance and Reliability of Accounting Information

Moderator: Kenneth Ferris, Thunderbird, The Garvin School of International Management
The Valuation Effects of Firm Voluntary Adoption of International Accounting Standards
Irene Karamanou, University of Cyprus; George P. Nishiotis, University of Cyprus
Will Adoption of IFRS by EU Countries Increase Value Relevance of Accounting Information?
Jo Aharony, Tel Aviv University at Singapore Management University; Ran Ron Barniv,

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International Accounting Section, AAA Annual Meeting
Preliminary Schedule of Activities (continued from page 9)

Kent State University; Haim Falk, Technion - Israel Institute of Technology
The Impact of Standard-Setting on Relevance and Reliability of Accounting Information: Lower of Cost or Market Accounting Reforms in China
Ziyun Yang, State Power East Company, China; Kermit Rohrback, University of Macau; Shimin Chen, Hong Kong Polytechnic University
Discussant: Jo Ann Pinto, Montclair State University

5.17 Accounting Quality and Corporate Governance in an International Setting
Moderator: Susan B. Hughes, Butler University
Accounting Quality vs. Auditor Choice in a Weak Regulatory Environment with Strong Tax-to-GAAP Conformity
Carlos A. Mello-e-Souza, Seattle University
Corporate Governance in an International Context: Legal Systems, Financing Patterns, and Cultural Variables
Steven M. Mintz, Claremont McKenna College
Does Governance Quality Mitigate Horizon Effects? Investment Patterns Surrounding CEO Departures
Martin Conyon, The Wharton School; Annita Florou, University of Macedonia
Discussant: Andreas Charitou, University of Cyprus

5.18 Information Used to Set Stock Prices: International Evidence
Moderator: Patricia Poli, Fairfield University
Corporate Ownership Structure and Accuracy and Bias of Mandatory Earnings Forecast: Evidence from Taiwan
Chen-Lung Chin, National Chengchi University; G Kleinman, Kean University; Picheng Lee, Pace University; Mei-Feng Lin, National Taiwan University
The Importance of "Other Information" in Setting Stock Prices: A Cross-Country Comparison
David Guenther, University of Oregon; Kevin Sun, University of Colorado at Boulder
Discussant: Simeon Okpechi, Jackson State University

Research Forum Papers:

- Table No. 7.1 *Accession to the European Union and the Process of Accounting and Auditing Reform*
Judy Day, Open University; Peter Taylor, University of Liverpool
- Table No. 7.2 *Political Ideology and Accounting in China*
Mahmoud Ezzamel, Cardiff University; Aixiang Pan, Beijing Technology and Business University; Jason Xiao, Cardiff University
- Table No. 7.3 *Accounting Regulators' Perceptions of International Accounting Harmonization: A Case Study*
Roger Hussey, University of Windsor; Audra Ong, University of Windsor
- Table No. 7.4 *Lifting the Veil of Accounting Information under Different Accounting Standards – Lessons Learned from the German Experiment*
Carmen V. B. Adamek and Christoph Kaserer, both from the Department for Financial Management and Capital Markets, Technical University, Munich, Germany
- Table No. 8.1 *An Empirical Analysis of Triple Bottom Line Reporting and Its Determinants: Evidence from the U.S. and Japan*
Li-Chin Jennifer Ho and Martin E. Taylor, both from University of Texas at Arlington
- Table No. 8.2 *Determinants of Managers' Choices in the Japanese Banking Industry*
Koji Kojima, Kwansai Gakuin University
- Table No. 8.3 *Corporate Governance Scores, Tobin's Q and Firm Performance: Evidence from Canadian Capital Markets*
Parveen Parkash Gupta, Lehigh University;
Duane B. Kennedy, University of Waterloo;

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International Accounting Section, AAA Annual Meeting
Preliminary Schedule of Activities (continued from page 10)

- Samuel W. Weaver, Lehigh University
- Table No. 8.4 *The Effects of China's Two-Tier Board System on Firm Performance and Earnings Informativeness*
 Stella P.L. Cho, The Hong Kong Polytechnic University; Oliver M. Rui, The Chinese University of Hong Kong; Chee W. Chow, San Diego State University
- Table No. 9.1 *Accounting Conservatism and Cost of Equity Capital: Evidence from the UK*
 Ann Chan, University of Liverpool, UK; Stephen W-J Lin, Florida International University; Norman Strong, University of Manchester, UK
- Table No. 9.2 *Earnings Conservatism and Accounting Accruals: Evidence from the UK*
 Ann Chan, University of Liverpool, UK; Stephen W-J Lin, Florida International University, Norman Strong, University of Manchester, UK
- Table No. 9.3 *Pricing of Accruals Components and the Revisions of Analysts' Forecasts: Evidence from Tokyo Stock Exchange Firms*
 Keiichi Kubota, Musashi University; Kazuyuki Suda; Hitoshi Takehara, University of Tsukuba
- Table No. 9.4 *Is Post-Earnings Announcement Drift Chosen by Managers? Evidence from Greece.*
 William Patrick Forbes, Loughborough Business School; Len Charles Skerratt, Brunel University; Georgios Yiannopoulos, Brunel University
- Table No. 10.1 *Recognized Intangible Assets and Analyst Coverage: The Role of Recognition Criteria*
 Li Li Eng, Oklahoma State University; Ping-Sheng Koh, University of Queensland
- Table No. 10.2 *Earnings Attributes and Investor Protection: International Evidence*
 Kriengkrai Boonlert-U-Thai, Oklahoma State University/Chulalongkorn University (Thailand)
- Table No. 10.3 *Bonding to the Improved Disclosure Environment in the United States: Firms' Listing Choices and their Capital Market Consequences*
 Ole-Kristian Hope, University of Toronto; Tony Kang, Singapore Management University; Yoonseok Zang, Singapore Management University
- Table No. 10.4 *The Association between Litigation Risk and Quality of Financial Statements: Evidence from Taiwan Firms Cross-Border Listed on Overseas Markets*
 Jan-Zan Lee, National Taipei University; Kuang Yu Chang, National Taipei University; Yi Hsing Liao, Chung Yuan Christian University
- Table No. 11.1 *Perceived Usefulness of Annual Reports and Other Information: Evidence from Individual Investors in Hong Kong*
 Shimin Chen, Hong Kong Polytechnic University / Lingnan University, Hong Kong ; Kathy H. Y. Hsu, University of Louisiana at Lafayette
- Table No. 11.2 *The Cost-Market Value Identity Assumption: A Reappraisal*
 Jose Marmol, Universidad Carlos
- Table No. 11.3 *The Implications of the Compatibility between Corporate Social Responsibility & Islamic Antecedents for Accountability and Governance*
 Wagdy Abdallah, Seton Hall University; Athar Murtuza, Seton Hall University
- Table No. 11.4 *Accounting for Insurance Contracts: A Comment on "Deprivation Value" Measurement for Contract Liabilities in Revenue Recognition*
 Richard H. Macve, London School of Economics

4:00 p.m. – 5:30 p.m.

6.17 International Audit Pricing

- Moderator: Stephen Goldberg, Grand Valley State University
Big 5's Pricing in Oligopoly versus Competitive Markets: Evidence from China's Binary Markets
 Charles J. P. Chen, City University of Hong Kong; Xijia Su, City University of Hong Kong; Xi Wu, CICPA

(continued on page 12)

International Accounting Section, AAA Annual Meeting
Preliminary Schedule of Activities (continued from page 11)

The Economic Determinants of Fees for Non-audit Services Provided by the Incumbent Auditors: Evidence of Korean Listed Firms

Kyung-Tae Kim, College of Business Administration, Seoul National University, Seoul, Korea; Su-Keun Kwak, College of Business Administration, Seoul National University, Seoul, Korea; Lee-Seok Hwang, College of Business Administration, Seoul National University, Seoul, Korea

The Joint Determination of Audit and Nonaudit Fees: The Canadian Experience

Joseph H. Callaghan, Oakland University; Mohinder Parkash, Oakland University; Rajeev Singhal, Oakland University

Discussant: Mike Chatham, Radford University

6.18 Corporate Governance and Accounting Research in China and Asia

Moderator: T. J. Wong, The Chinese University of Hong Kong

Panelists: Robert Bushman, University of North Carolina
Joseph Fan, The Chinese University of Hong Kong
T. J. Wong, The Chinese University of Hong Kong
Weiguo Zhang, Chinese Securities and Regulatory Commission

Wednesday, August 10
10:15 a.m. – 11:45 a.m.

7.18 Listing on International Exchanges

Moderator: Fouad K. AlNajjar, Chair, Department of Accounting, Baker College Center for Graduate Studies

Agency Costs that Cause Companies to be Suspended from the Kuala Lumpur Stock Exchange

Hassan Che Haat Mohammed, University of Technology Mara; Sakthi Mahenthiran, Butler University; Rashidah Abdul Rahman, University of Technology Mara; Nadiah Abdul Hamid, University of Technology Mara

The Operating Performance of American Depository Receipts Offerings

Andreas Charitou, University of Cyprus; Christodoulos Louca, University of Cyprus; Andri Pavlou

Partners' Common and Private Interests as Determinants of Use of Performance Related Compensation in International Joint Ventures

Yasheng Chen, Simon Fraser University; David J. Sharp, University of Western Ontario

Discussant: Tony Kang, Singapore Management University

7.19 Regulation and Corporate Governance in an International Setting

Moderator: Heibatollah Sami, Lehigh University

Do Ownership Structure and Governance Mechanisms have an Effect on Corporate Fraud in China's Listed Firms?

Gongmeng Chen, Hong Kong Polytechnic University; Michael A. Firth, Hong Kong Polytechnic University; Ning Gao, GTA Corporation; Oliver M. Rui, Chinese University of Hong Kong

Top Executive Replacement Decision and Financial Accounting Information: Effect of Delegation of Control Rights

Charles J. P. Chen, City University of Hong Kong; Zengquan Li, Shanghai University of Finance and Economics; Xijia Su, City University of Hong Kong; Judy Tsui, Hong Kong Polytechnic University

Corporate Governance and Innovation: Evidence from Taiwan's Electronics Industry
Chen-Lung Chin, National Chengchi University; Gary B. Kleinman, Kean University;

(continued on page 13)

International Accounting Section, AAA Annual Meeting
Preliminary Schedule of Activities (continued from page 12)

Yu-Ju Chen, National Yunlin University of Science & Technology; Picheng Phil Lee, Pace University
Discussant: Jenice Prather-Kinsey, University of Missouri

7.20 International Disclosure Requirements
Moderator: Shifei Chung, Rowan University
Compliance with IAS Disclosure Requirements and Individual Analysts' Forecast Accuracy
Christopher Hodgdon, University of Vermont; Rasoul Tondkar, Virginia Commonwealth University; David Harless, Virginia Commonwealth University; Ajay Adhikari, American University
Regulatory Change and The Quality of Compliance to Mandatory Disclosure Requirements: Evidence from Bangladesh
Tanweer Hasan, Roosevelt University; Waresul Karim, Victoria University of Wellington
Accuracy of Disclosure Environment and Subsidies for Foreign Investments
P. K. Sen, University of Cincinnati
Discussant: Shirley Hunter, Tufts University

2:00 p.m. – 3:30 p.m.

8.17 International Financial Reporting: Disclosure Practices and Implications
Moderator: Frederic Stiner, Long Island University - Brooklyn
Price Informativeness, Liquidity and Market Risk, and Corporate Announcements via Stock Exchange Websites
Roger S. Debreceny, School of Accountancy, University of Hawaii; Asheq Razaur Rahman, Nanyang Technological University
Corporate Financial Transparency In Russia: An Empirical Study of Russian Company Practices
Tatiana Voronina, University of New South Wales; Richard D. Morris, University of New South Wales; Sidney J. Gray, University of Sydney
The Incremental Value Relevance of Geographic Segment Disclosures: Canadian Evidence
Roger C. Graham, Jr., Oregon State University; Cameron K. J. Morrill, University of Manitoba; Janet B. Morrill, University of Manitoba
Discussant: Jiwei Wang, Singapore Management University

8.18 International Accounting Standards and Financial Reporting
Moderator: Obeua Persons, Rider University
Financial Statement Effects of Adopting International Accounting Standards: The Case of Germany
Mingyi Hung, University of Southern California; K. R. Subramanyam, University of Southern California
A Survey of European Companies Implementing International Financial Reporting Standards
Eva K. Jermakowicz, University of Southern Indiana; Sylwia Gornik-Tomaszewski, St. John's University
Corporate Disclosure Quality in Switzerland: Motivation and Consequences
Pascale Lapointe, Concordia University; Denis Cormier, Universite du Quebec a Montreal; Michel Magnan, Concordia University; Sophie Gay-Angers, Banca dello Stato del Cantone Ticino
Discussant: Michele Henney, University of Oregon

(continued on page 14)

International Accounting Section, AAA Annual Meeting
Preliminary Schedule of Activities (continued from page 13)

4:00 p.m. – 5:30 p.m.

9.21 International Cross Listing and Earnings Management

Moderator: Mitch McGhee, University of Texas at Tyler
Investor Protection, Cross Listings and Opportunistic Earnings Management
Ferdinand A. Gul, The Hong Kong Polytechnic University; Simon Fung, The Hong Kong Polytechnic University
Cross Listing in U.S. Stock Exchanges and the Earnings Management Hypothesis
Andreas Charitou, University of Cyprus; Christodoulos Louca, University of Cyprus;
Earnings Management and the Performance of Seasoned Equity Offerings: Evidence from Japanese Issuers
Liming Guan, University of Hawaii at Manoa; Daoping He, University of Hawaii at Manoa; Ghon Rhee, University of Hawaii at Manoa
Discussant: Gia Chevis, Southern Methodist University

9.22 International Corporate Governance and Earnings Management

Moderator: Sridhar Ramamoorti, Ernst & Young LLP
Ownership Structure, Group Affiliation, Listing Status, and Earnings Management: Evidence from Korea
Cheong H. Yi, The Hong Kong Polytechnic University; Jeong-Bon Kim, School of Accounting and Finance, The Hong Kong Polytechnic University
Accrual Choices and Informativeness of Cash Flows vs. Earnings
Richard Chung, The Hong Kong Polytechnic University; Sandra Ho, Concordia University; Jeong-Bon Kim, The Hong Kong Polytechnic University
Discussant: Raynolde Pereira, University of Missouri-Columbia

9.23 International Corporate Governance, Financial Reporting and Earnings Quality

Moderator: Patricia Williams, Friends University
Corporate Governance And Financial Distress In Thai Financial Institutions: An Examination Of The 1997 Financial Crisis
Aim-Orn Jaikengkit, Chulalongkorn University; Timothy J. Fogarty, Case Western Reserve University
The Effects of the Mexican Corporate Governance Code on the Reliability of Financial Reporting and Quality of Earnings and its Components
Susan M. Machuga, Central Connecticut State University; Karen Teitel, College of the Holy Cross
Accountability and Value Creation Roles of Corporate Governance
Stacie O. Kelley, University of Washington, Seattle; Ping-Sheng Koh, UQ Business School, University of Queensland; Yen H. Tong, University of Washington, Seattle
Discussant: Nabil Elias, UNC Charlotte

INTERNATIONAL PAPERS AND PRESENTATIONS FROM 2005 REGIONAL MEETINGS

We owe a big thanks to the individual regional coordinators as well as Paul Herz, Fort Lewis College, the Chair of the Regional Programs Committee, for such fine international presence at the regional meetings. For copies of papers presented, please contact the individual authors.

Mid-Atlantic Regional, Philadelphia, Pennsylvania (March 24-26, 2005)

Section Coordinator: Gopal Krishnan, George Mason University

Papers Presented:

Moderator: Alex Yen, University of Connecticut

Determinants of Multinational Managerial Performance Evaluations

Lili-Anne Kihn, University of Vaasa

Discussant: Alex Yen, University of Connecticut

Management Control Systems in the Corporate Sector in Bahrain: An Empirical Study

PL Joshi and Jawgher Al-Mudahki, University of Bahrain

Moderator: Thomas Oliver, Clarion University

Comparative Value-Relevance Among Chinese GAAP and International Accounting Standards: An Emerging Capital Market Perspective

Shwu Hsing Wu, Argosy University

Discussant: Huajing (Lucy) Chen, Temple University

Value-Relevance of Accounting Information in Asian Stock Markets: What Are The Driving Factors?

Yan Bao, Frostburg State University

Initial Listing and Maintenance Requirements of the NYSE and NASDAQ Stock Exchanges

Eddie Burks and Tanya J. Head, Athens State

Discussant: Thomas Oliver, Clarion University

Midwest Regional, St. Louis, Missouri (April 7-9, 2005)

Section Coordinator: Kathleen E. Sinning, Western Michigan University

Papers Presented:

Moderator: John Rush, Illinois College

Team Learning and Communication: Ethics Discussions Across the Global Information Highway

Lucia Peek, Western Illinois University; Maria Roxas, Central Connecticut State University; George Peek, Western Illinois University; Huguette Blanco, Université Laurentienne; Yves Robichaud, Université Laurentienne; Egbert McGraw, Université de Moncton; Blanca E. Covarrubias, Salazar Universidad Autonoma de Nuevo Leon; and Jose Nicolas Barragan, Codina Universidad Autonoma de Nuevo Leon

Northeast Regional, Tarrytown, New York (April 14-16, 2005)

Section Coordinator: Joan Hollister, Marist College

Papers Presented:

The 2005 Transition to IFRS: Implications for the Users of Financial Statements

Sylwia Gornik-Tomaszewski, St. John's University

The Transition from US GAAP to IFRS: One Company's Experience

Barbara Charkey and Linda Hadden, Keene State College

Corporate Governance and Innovation: Evidence from Taiwan's Electronics Industry

Chen-Lung Chin, National Chengchi University, Taiwan; Yu-Ju Chen, National Yunlin University of Science & Technology, Taiwan; Gary Kleinman, Kean University; and Picheng Phil Lee, Pace University

The Effects of the Mexican Corporate Governance Code on the Reliability of Financial Reporting and Quality of Earnings and Components

Susan Machuga, Central Connecticut State University and Karen Teitel, College of the Holy Cross

(continued on page 16)

International Papers and Presentations from 2005 Regional Meetings

(continued from page 15)

Comparison of U.S. and Japanese 401(k) Pension Regulations

Alireza Daneshfar, Robert Wnek, Michael Rolleri, Mami Akaiski, all of the University of New Haven

Auditor Perspectives on Confidentiality: A Qualitative Investigation Examining the Differences in European Auditors' Opinions

Don Arnold, The Graduate College of Union University; Richard Bernardi, Roger Williams University; and Presha Neidermeyer, The Graduate College of Union University

European Corporate Fraudulent Financial Reporting

Ibrahim Badawi, St. John's University

Does Innovation Matter to Conference Calls?

Chen-Lung Chin, National Chengchi University, Taiwan; Phil Picheng Lee, Pace University; Gary Kleinman, Kean University; and Hsin-Yi Chi, National Central University, Taiwan

Dividend Imputation Systems in Industrialized Countries

Mahendra Gujarathi and Dorothy Feldmann, both of Bentley College

Ohio Regional, Columbus, Ohio (April 28-30, 2005)

Section Coordinator: Michael D. Chatham, Radford University

Papers Presented:

Moderator: Clayton Hock, Miami University

The Lobbying of International Accounting Standards for Special-Purpose Entities

Robert Larson, University of Dayton

Southeast Regional, Charlotte, North Carolina (April 21-23, 2005)

Section Coordinator: Jessica Frazier, Eastern Kentucky University

Panels Presented:

International Accounting Opportunities

Moderator and Panelist: Ed Fenton, Eastern Kentucky University

Panelists: Terry Baker, Wake Forrest University, Hughlene Burton, University of North Carolina at Charlotte, and Jeannie Harrington, Middle Tennessee State University

Papers Presented:

Participative Budgeting, Performance and Job Satisfaction: A Cultural Study of Managers Working for Multinational Firms in the United States and U.S. – Mexico Border

Maria A. Lopez-Leach, Auburn University Montgomery and John Rigsby, Mississippi State University

Moderator: Alan Blankley, The University of North Carolina at Charlotte

The Relevance of Target Accounting Quality to the Long-term Success of Cross-border Mergers

Ervin L. Black, Brigham Young University; Thomas A. Carnes, Western Carolina University; Tomas Jandik, University of Arkansas; and B. Charlene Henderson, University of Texas

The Effects of the Cost of Foreign Internal Funds on Firms' Financing Choice of Debt versus Internal Funding

Susan Albring, University of South Florida

Southwest Regional, Dallas, Texas (March 1-5, 2005)

Section Coordinator: L. Murphy Smith, Texas A&M University

Papers Presented:

Customer Satisfaction, Service Quality, and Financial Performance: An Empirical Analysis of Retail Banking in Taiwan

Li-Chin Jennifer Ho, University of Texas at Arlington and Chun-Ju Liu, National Chengchi University

The Effect of Multinationality on Management Earnings Forecasts

Bruce W. Runyan, Berry College and L. Murphy Smith, Texas A&M University

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International Papers and Presentations from 2005 Regional Meetings

(continued from page 16)

Contributions of Accounting Education Research to International Accounting
John Nix (Doctoral Student) and L. Murphy Smith, both Texas A&M University

Western Regional, Sacramento, California (April 28-30, 2005)

Section Coordinator: Meihua Koo, University of Nevada-Las Vegas

Panels Presented:

International Issues and Accounting: War and Fraud
Amin Elmallah, California State University, Sacramento

Papers Presented:

Accountants in Japan: The Role of Nutrient Information and Information Consciousness
Jeanne H. Yamamura and Yvonne E. Stedham, both of University of Nevada, Reno, and Michimasa Satoh, Nagoya University

Earnings Management and the Performance of Seasoned Equity Offerings: Evidence from Japanese Issuers
Liming Guan, Daoping He, and Ghon Rhee, all of University of Hawaii at Manoa
Moderator: Mark Bezik, Idaho State University

The Status of International Business and Financial Reporting Harmonization
Haroldene Wunder, California State University, Sacramento

Globalization and Culture: An Exploratory Study
Jeanne H. Yamamura and Yvonne E. Stedham, both of University of Nevada, Reno

Accounting in New Iraq Past and Future
Fouad K. Alnajjar, Baker College

AAA Regional Meetings, 2006

Mid-Atlantic – Pittsburgh, Pennsylvania (April 20-22, 2006)

Midwest – Not Available

Northeast – Portsmouth, New Hampshire (April 20-22, 2006)

Ohio – Not Available

Southeast – Knoxville, Tennessee (March 30 – April 1, 2006)

Southwest – New Orleans, Louisiana (February 28 – March 4, 2006),

Deadline – September 9, 2005

Western – Portland, Oregon (April 27-29, 2006)

CALL FOR PAPERS

12th Annual Midyear Conference and 2nd Annual Doctoral/New Faculty Consortium of the International Accounting Section of the American Accounting Association (Hosted jointly with the Auditing Section)

January 12-14, 2006

Los Angeles, California

Funding Provided by the KPMG Foundation

The conference facilitates teachers, researchers, & practitioners interested in international accounting to exchange information, network, and discuss emerging issues. In addition, this will be the first ever joint conference held by the International Section and the Auditing Section of the American Accounting Association. Those registering for the conference will be allowed to attend concurrent sessions of either section. However, certain meals and receptions will only be open to those registering for the International Accounting Section conference.

Conference Schedule

The conference will begin with an evening reception on Thursday, January 12. Paper and panel sessions will continue through early afternoon on Saturday, January 14, and the conference will conclude with a reception on Saturday evening.

Hotel and Registration Information

This year's meeting will be held at the Hilton Los Angeles/Universal City. The hotel is situated at the very entrance to Universal Studios Hollywood and Citywalk. The hotel sits on six and a half acres high on a hill above the Los Angeles entertainment district. Every room features a view of the Hollywood Hills - San Fernando Valley and Universal Studios Hollywood. Along with resort amenities such as heated outdoor pool - whirlpool - weight and fitness room, the hotel offers complete business center services. As hotel space is limited, it is important to book your room well in advance. You may contact the hotel for reservations at 1-818-506-2500 or 1-800-HILTONS. Information for conference registration should be available by August 15, 2005. Conference updates will be posted on the AAA International Section web site (access through AAA website).

Paper, Case, and Panel Submissions

Papers, cases, or panel discussions on any area of international accounting are welcome. **All paper, case, and panel submissions are due by September 30, 2005.** All submissions must be in English. Author(s) will be notified of conference acceptance/rejection by November 15, 2005. As in past years, special consideration will be given to papers and cases that will be presented by doctoral students.

To submit a research paper or case, please contact: Professor Wayne Thomas (E-mail: wthomas@ou.edu)

All papers should be submitted via e-mail in Word format with a separate cover letter, title page, and full text that does not identify the author(s). Papers should not be sent by fax or regular mail.

To submit a panel proposal, please contact: Professor Donna Street (Email: Donna.Street@notes.udayton.edu)

2nd Annual Doctoral/New Faculty Consortium (January 12, 2006)

Thanks to the generous sponsorship of KPMG, the International Section of the AAA will be holding its second annual Doctoral/New Faculty Consortium on January 12. Any doctoral students and new faculty that are interested in pursuing international accounting research are invited to attend. **Hotel costs for one night (January 11) and consortium registration will be paid by the International Accounting Section for all attending.** The Section will waive registration fees for the entire midyear conference for doctoral students (which includes all the meals and social events). The consortium will include top international researchers and educators from around the world. We are planning on limiting this to 30 participants on a first come first serve basis. Preference will be given to those that did not attend last year. Doctoral students should be beyond their second year of study and new faculty must be in their first or second year in their first position after Ph.D. graduation. To participate in the Doctoral/New Faculty Consortium, please contact: Professor Hollis Ashbaugh (Email: hashbaugh@bus.wisc.edu)

**12th Annual Mid-Year Conference
Volunteer Form
January 12-14, 2006
Hilton Universal City at Universal Studios
Los Angeles, California**

The help of volunteers is vital to the success of the midyear conference. If you can help in one or more of the following areas, please complete this form and contact Wayne Thomas by e-mail (wthomas@ou.edu) or fax (405-325-7348). Thanks!

Name _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____ E-mail _____

Reviewer: If you are willing to assist by reviewing one or two manuscripts, please indicate your areas of interest.

Research Areas _____

Research Methods _____

Session Chair or Discussant: Please indicate if you are willing to assist in either of these capacities.

Session chair _____ Discussant _____

Special Sessions: Please provide your ideas for special CPE topics, panels, workshops, etc. If you know particular individual(s) who may be interested in the area(s) you recommend, please list their names.

American Accounting Association
The International Accounting Section
Call for Papers
for
The Journal of International Accounting Research

Editor:

Lee H. Radebaugh, Brigham Young 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 can be employed. To preserve anonymity, place the cover page and the remainder of the document 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. Email the cover page, manuscript, and, if applicable, the instrument as attached files to Lee H. Radebaugh, Editor, at: Lee_Radebaugh@byu.edu. The submission fee is \$25.00 in U.S. funds for members of the AAA International Section, or \$50.00 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>. Please indicate in the email that you have charged the fee. Alternatively, the submission fee may be paid by check to the American Accounting Association, and mailed to Lee H. Radebaugh, Editor, *Journal of International Accounting Research*, KPMG Professor, School of Accountancy and Information Systems, Marriott School, Brigham Young University, 516 TNRB, Provo, UT 84602-3068, USA.
3. If electing to submit hard copies, four copies of manuscript should be mailed to Lee Radebaugh at the address above. In the case of manuscripts reporting on field surveys or experiments, four copies 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.

Books for review should be sent to the Book Reviews Editor: Dr. Wayne Thomas, School of Accounting, Price College of Business, University of Oklahoma, 307 W. Brooks # 200, Norman, OK 73019-4004, USA. Scholars interested in reviewing books are requested to forward their names and particular interests to the Book Reviews Editor.

Manuscript Preparation Style

These practices are based on *The Accounting Review*. The primary difference is the acceptability of international standard size A4 paper and a 150 word abstract. For initial submission, any widely used style is acceptable.

HAVE YOU SEEN...?

Wayne B. Thomas, University of Oklahoma



After ten years of service, Wayne Thomas will no longer be preparing this section of the *Forum*. He has done a fabulous job and we will surely miss his work. If you have an interest in preparing this section, please contact Donna Street, upcoming president of the International Accounting Section, or Jeannie Harrington, editor of the *Forum*.

Ball, Ray, and Lakshmanan Shivakumar, “Earnings Quality in UK Private Firms: Comparative Loss Recognition Timeliness,” *Journal of Accounting and Economics* (No. 1 Vol. 39, 2005): 83-128.

UK private and public companies face substantially equivalent regulation on auditing, accounting standards and taxes. We hypothesize that private company financial reporting nevertheless is of lower quality due to different market demand, regulation notwithstanding. A large UK sample supports this hypothesis. Quality is operationalized using Basu's (1997) time-series measure of timely loss recognition and a new accruals-based method. The result is not affected by controls for size, leverage, industry membership and auditor size, or by allowing endogenous listing choice. The result enhances understanding of private companies, which are predominant in the economy. It also provides insight into the economics of accounting standards.

Beattie, Vivien, “Moving the Financial Accounting Research Front Forward: The UK Contribution,” *The British Accounting Review* (No. 1 Vol. 37, 2005): 85-114.

The recent UK contribution to the field of financial accounting research, set against the backdrop of the global (mainly US) research effort, is examined. A systematic overview of recent research in the field is presented, based upon an analysis of 261 articles published between 1998 and 2002 in seven general, non-US journals. These are the journals that UK academics publish in most frequently and 115 of the articles are UK-authored. It is found that the research areas of MBAR and disclosure currently dominate conventional financial accounting research. The comparison of findings across institutional settings offers fruitful lines of inquiry for research within these main areas. While most research is seen to follow the highly quantitative, economics-based US tradition, a significant amount of UK research adopts a more qualitative approach, and distinctive UK contributions are evident in a number of

areas (in particular, the disclosure process and corporate social reporting). There are signs that UK researchers are helping researchers in other countries contribute to the global body of scholarly knowledge.

Chan, Howard, Robert Faff, and Alan Ramsay, “Firm Size and the Information Content of Annual Earnings Announcements: Australian Evidence,” *Journal of Business Finance and Accounting* (No. 1/2 Vol. 32, 2005): 211-253.

We investigate the effect of firm size on the market's short-window response to annual earnings announcements for a large sample of Australian listed companies. Our research design involves regressions of unexpected earnings against unexpected returns. Non-linearity in the returns-earnings relationship is incorporated and other factors known to affect the response to earnings announcements are controlled for. Contrary to prior US research, our results show that firm size has either no effect on the response to earnings announcements (3 day window) or the response is significantly stronger for larger firms (twenty-one day window). The information content of earnings announcements is present across firm size categories but the nature of the response differs with firm size and context.

Chand, Parmod, “Impetus to the Success of Harmonization: The Case of South Pacific Island Nations,” *Critical Perspectives on Accounting* (No. 3 Vol. 16, 2005): 209-226.

Several influential actors and regulators in the standard-setting arena have argued in support of international accounting standards as a basis for bringing consistency to financial statements across nations. The need for harmonization is apparent and the forces pushing for harmonization are irresistible, but it can only become a reality as a result of commitment and concerted effort by the regulators, standard setters, financiers, business community, and most importantly, the accountancy

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Have you Seen...? (continued from page 21)

profession. Based on a critical perspective, an alternative rationale has been advanced in this paper, which is premised on identifying the impetus to the success of the process of harmonization, identifying the factors which a country should consider before an attempt is made to adopt/adapt the international accounting standard (IASs). In doing so, the study critically evaluates whether the developing countries do have the necessary resources, skills and appropriate reference points in the capital and other markets to harmonize accounting practices. This paper, therefore, seeks to explain what is needed to adopt/adapt the IASs, rather than considering the relevance/irrelevance of these standards, which other studies have done. To achieve success in the harmonization process this paper has provided five strategic factors (professional expertise, education and training, legal backing, the proportion of MNCs and local companies, and adoption of IASs with amendments) a country can use.

Chiung-Ju, Liang, and Yao Ming-Li, "The Value-Relevance of Financial and Nonfinancial Information-Evidence from Taiwan's Information Electronics Industry," *Review of Quantitative Finance and Accounting* (No. 2 Vol. 24, 2005): 135-158.

This study integrates general measurements of the information electronics industry based on the concepts of the balanced scorecard, intellectual capital, and intangible assets. The reasons for the difference between the corporate market value and book value are also analyzed, and the impacts of both financial and nonfinancial perspectives on the corporate value are explored. The component items of net income are found to be more effective in explaining the value of a company than merely looking at the bottom line. It is concluded that RI and EVA have significant and similar explanatory power in terms of evaluating the performance of the information electronics industry. Moreover, a review of the nonfinancial performance of information electronics companies on the basis of segmented samples reveals significant results in terms of explaining the value of the upstream, midstream, and downstream companies.

Davis-Friday, Paquita Y., Thomas J. Frecka, and Juan M. Rivera, "The Financial Performance, Capital Constraints and Information Environment of Cross-listed Firms: Evidence from Mexico," *The International Journal of Accounting* (No. 1 Vol. 40, 2005): 1-30.

This study provides evidence that Mexican firms that choose to trade in the United States as exchange-listed American Depositary Receipts (ADRs) have significantly weaker ex-post (subsequent to cross-listing)

financial performances than Mexican firms that are eligible to list in the United States but choose not to do so. Our study is related to the generalizability of two streams of international research: global equity offerings studies (e.g., (Errunza & Miller, 2003 and Foerster & Karolyi, 2000), based on large, multi-country samples, which show that ADR firms substantially underperform local-market benchmark company returns in years following issuance and accounting characteristics of ADR firms research (e.g., (Lang, Raedy, & Yetman, 2003)), which employ a multi-country sample and conclude that ADR firms are less aggressive in terms of earnings management and that they report accounting data that are more strongly associated with share prices. The cited studies above use relatively large samples, which are usually considered to be advantageous, but such studies tend to mask individual country differences in market efficiency, legal protections for shareholders, disclosure environment, and shareholder-class features that make generalizations tenuous.

We show that cross-listed (ADR) Mexican firms, on average, are smaller, more highly levered, and less profitable than non-cross-listed (NCL) firms. Further, logistic regression models for classifying various ADR and NCL groupings of firms, using financial variables and other firm characteristics, are highly significant. While supplemental tests of earnings quality suggest that NCL firms exhibit nominally smoother earnings, that evidence is not sufficient to explain the stronger financial performance reported for those firms relative to ADR firms. Finally, our tests of value relevance, using book value and earnings to explain price, show significantly higher explanatory power for the ADR firms and generally non-significant explanatory power for the NCL firms. The value-relevance results may indicate that investors in Mexican ADR firms benefit from U.S. regulation and that reported market inefficiency in Mexico may result in low demand for financial statements of NCL firms.

This study has the advantage of focusing on a single, emerging-market economy (Mexico, the United State's second-largest trade partner) in contrast to most previous ADR research that uses multi-country samples dominated by developed-market countries. It is also one of the first ADR studies to deal with selection-bias issues by comparing ADR and NCL firms. To gain these advantages, however, we must conduct tests on and draw conclusions from a relatively small sample.

Durand, Robert B., Jessica Tan, and Ann Tarca, "Foreign Firms in the Less-Regulated US Market," *Asia Pacific Journal of Accounting and Economics* (Forthcoming).

The effects of trading
Level I ADRs in the US OTC

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market were investigated for 119 firms from Hong Kong, the United Kingdom (UK), Australia, Japan, South Africa, Germany and Brazil during the period February 1992 to April 2001. Since firms that undertake Level I ADR programs do not reconcile domestic accounting information with US GAAP and receive less scrutiny from analysts and regulators, it may be expected that the benefits of a Level I ADR program are limited. Surprisingly, we found that after commencement of a Level I ADR program 30% of sample firms showed at least one favorable change in accounting variables and market measures. Statistically significant increases in assets and equity capital and reserves were recorded by firms from five countries, and significant increases in debt by firms from four countries. When we account for changing leverage, the cost of equity capital (as measured by world market beta) was unaffected for 76% of firms, fell for 17% and increased for 7%. The results show that, even though US GAAP accounting and disclosure requirements are not met, trading Level I ADRs in the less-regulated OTC market has benefits for some firms.

Gongmeng, Chen, Louis T. W. Cheng, and Ning Gao, "Information Content and Timing of Earnings Announcements," *Journal of Business Finance and Accounting* (No. 1/2 Vol. 32, 2005): 65-95.

The abnormal volume and price effects of the timings of earnings announcements in China are investigated. China has become one of the top 10 trading nations, and the second largest recipient of foreign direct investment in the world. A Chinese data set is chosen that enables the examination of information asymmetry from a new perspective through the timing of announcements. Results indicate that earlier announcements possess more information content, as measured by trading volume and returns, than do the later announcements. Thus, information asymmetry exists between earlier and later earnings announcements. Regression results also show that earlier announcements receive greater abnormal trading volume and price reactions. These results support the argument that the timing of earnings announcements serves as an important strategy for firms to reduce information asymmetry.

Haw, In-Mu, Da Qi, Donghui, and Woody Wu, "Market Consequences of Earnings Management in Response to Security Regulations in China," *Contemporary Accounting Research* (No. 1 Vol. 22, 2005): 95-140.

Under the 1996-98 security regulations in China, the accounting rate of return on equity (ROE) has to be greater than 10 percent for three "consecutive" years for a

firm to qualify for stock rights offers. Despite declining economic conditions during this period, the percentage of firms reporting ROE between 10 and 11 percent is about "three" times that for 1994-95. This unique regulatory environment provides a natural experimental setting for the empirical assessment of earnings-management behavior and its consequences. This study examines whether listed Chinese firms manage earnings to meet regulatory benchmarks and whether regulators and investors consider the quality of earnings in their respective regulatory and investment decisions. On the basis of a sample of listed Chinese firms from 1996 to 1998, we observe that managers execute transactions involving below-the-line items and use income-increasing accounting accruals to meet regulatory ROE targets for stock rights offerings. The firms that apply for, but fail to receive, regulatory approval manage earnings more significantly than do firms that receive approval and pair-matched control firms. Our market study also suggests that investors differentiate the quality of earnings and put less value on earnings suspected of a greater degree of management. Overall, our results imply that the regulatory bodies and investors to some extent make rational adjustments for the quality of earnings.

Prather-Kinsey, Jenice and Sandra Waller Shelton, "Assessing the Quality of International Accounting Standards Disclosures Across South Africa, the U.K. and the U.S.," *Advances in International Accounting*, (Volume 19, 2005): 155-170.

In this study, we investigate whether financial reporting, using International Accounting Standards (IAS) results in quality disclosures, given differences in institutional and market forces across legal jurisdictions. This study contributes to the global accounting debate by utilizing U.S.-based companies complying with U.S. Generally Accepted Accounting Principles (U.S. GAAP) as a benchmark for measuring the quality of IAS as applied by South Africa (S.A.) and United Kingdom (U.K.) companies. Although South Africa, United Kingdom, and the United States are common law countries with strong investor protection, South Africa's institutional factors and market forces vary from that of the U.K. and the U.S. South Africa's financial market is less developed than that of the U.K. and the U.S. We compare the discretionary accruals of firms complying with U.S. GAAP to the discretionary accruals of U.K. and S.A. firms complying with IAS. This allows a comparison between companies (S.A. and U.K.) operating under different institutional factors and market forces that have adopted IAS versus U.S. companies that report under U.S. GAAP. Our sample, consisting of U.S., S.A., and U.K. listed firms, contains 3,166 firm-year observations relating to the period 1999-2001. The results of

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our study indicate that S.A firms utilizing IAS report absolute values of discretionary accruals that are significantly greater than absolute values of discretionary accruals of U.S. firms utilizing U.S. GAAP. In contrast, U.K. firms utilizing IAS report discretionary accruals that are significantly less than the discretionary accruals of companies in the United States reporting under U.S. GAAP. This study contributes to the literature by providing evidence of the quality of financial information prepared under IAS and its dependency on the institutional factors and market forces of a country.

Pourjalali, Hamid, and Gary Meek, "Accounting and Culture: The Case of Iran," *Research in Accounting in Emerging Economies* (Vol. 3, 2005): 3-17.

It is proposed that the Iranian revolution in 1979 caused considerable cultural changes (shifts) within the Iranian value system and as a consequence, some of the culturally-related accounting variables also changed. This situation provides an opportunity to empirically assess Gray's (1988) theory with respect to changes in cultural values. Gray suggests that differences in the accounting practices of various nations stem not only from differences in variables such as the legal system, corporate ownership, and capital markets, but from a more general variable: cultural values. The study is able to draw conclusions consistent with Gray's theory about culture and accounting by analyzing the Iranian environment before and after the 1979 revolution. Since the revolution, the cultural values rank higher in collectivism, power distance, conservatism, and secrecy.

Salter, Stephen B., Clare B. Roberts, and Jeffrey Kantor, "Financial Reporting Practices in the Caribbean: A Comparison and Analysis in Light of the Import Model of Financial Reporting," *Research in Accounting in Emerging Economies* (Vol. 3, 2005): 99-122.

A study attempted to describe the financial reporting practices (FRP) in the Commonwealth Caribbean and to assess whether the FRPs used conform more closely to US or UK practices. Using data collected from practicing auditors in 5 Commonwealth Caribbean nations, it was found that a high level of consensus existed among the islands. Thus, when considering 100 important FRPs, it was found that for only 13 of these did significant differences exist across the 5 countries. In addition, it was found that when differences did exist, they more commonly related to disclosure rather than to measurement items. When the FRPs in the

Commonwealth Caribbean were compared with those in the US and UK, it was found that there was a far greater concomitance between the 5 groups of islands and the UK than there was between the islands and the US.

Schipper, Katherine, "The Introduction of International Accounting Standards in Europe: Implications for International Convergence," *European Accounting Review* (No. 1 Vol. 14, 2005).

At a joint meeting in September 2002, the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) agreed to work together to develop high quality, fully compatible financial reporting standards that could be used for domestic and cross-border reporting; this co-operative effort is sometimes described as international convergence of US GAAP and IFRS financial reporting standards. The IASB-FASB convergence effort involves two kinds of projects. The first type includes short-term projects that are intended to remove many of the numerous individual differences between International Financial Reporting Standards (IFRS, which include International Accounting Standards (IAS) issued by the predecessor body to the IASB) and US GAAP. Examples of current and proposed short-term convergence efforts involve the accounting treatments of nonmonetary exchanges, discontinued operations, income taxes and interim reporting. The second type of convergence project involves longer term joint IASB-FASB projects and co-ordinated projects that are intended to provide major pieces of improved accounting guidance. Examples of the latter include the joint projects on revenue recognition and purchase method procedures and the co-ordinated project on share-based payments. The goal of the IASB-FASB convergence efforts is to make US GAAP and IFRS financial reporting standards as nearly as possible the same across jurisdictions while also improving the overall quality of those standards.

The convergence activities of the IASB and the FASB will of necessity be directly and indirectly affected by regulatory changes and shifts in economic conditions throughout the world. The purpose of this paper is to identify some possible implications for international convergence of a particularly significant regulatory change, namely, the mandated adoption of IFRS by listed enterprises in the European Union beginning in 2005. This change will increase the number of enterprises that apply IFRS to prepare their consolidated reports from several hundred to several thousand, and will require the use of IFRS by enterprises that vary considerably in size, ownership structure, capital structure, political jurisdiction and financial reporting sophistication. The purpose of this discussion paper is to explore several implications of this major shift in financial reporting requirements for the overall international convergence of financial reporting standards and practices. *(continued on page 25)*

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van der Laan Smith, Joyce, Ajay Adhikari, and Rasoul H. Tondkar, “Exploring Differences in Social Disclosures Internationally: A Stakeholder Perspective,” *Journal of Accounting and Public Policy* (No. 2 Vol. 24, 2005): 123-

Country of origin is considered to be an important determinant of the level and type of corporate social disclosure. In this paper, we use stakeholder theory to explain differences in social disclosure among countries. We argue that the manner in which the role of a corporation and its stakeholders is defined in a society will affect the extent and quality of corporate social disclosure (CSD) in annual reports. Our findings based on a content analysis of 1998 and 1999 annual reports for 32 Norwegian/Danish companies and 26 US companies in the electric power generation industry, lend support to the stakeholder explanation for observed international differences in CSD.

Van Tendeloo, Brenda, and Ann Vanstraelen, “Earnings Management under German GAAP versus IFRS,” *European Accounting Review* (No. 1 Vol. 14, 2005).

This paper addresses the question whether adoption of IFRS-standards is associated with lower earnings management. Ball et al. (2003) argue that adopting high-quality standards might be a necessary condition for high quality information, but not necessarily a sufficient one. In Germany, a code-law country with low investor protection rights, a relatively large number of companies have chosen to adopt IFRS. We investigate whether German companies that have adopted IFRS engage significantly less in earnings management compared to German companies reporting under German GAAP, while controlling for other differences in earnings management incentives. Our sample, consisting of German listed companies, contains 636 firm-year observations relating to the period 1999-2001. Our results suggest that adopting IFRS does not constitute a significant constraint on earnings management, as measured by the level of discretionary accruals. On the contrary, adopting IFRS seems to increase the magnitude of discretionary accruals. Moreover, it appears that companies that have adopted IFRS engage more in earnings smoothing, although this effect is significantly reduced when the company has a Big 4 auditor. However, when hidden reserves are taken into consideration, IFRS-adopters do not present different earnings management behavior compared to companies reporting under German GAAP. These findings contribute to the current debate on whether high quality standards are sufficient and effective in countries with weak investor protection rights. They indicate that adopters of IFRS cannot be associated with lower earnings management.

EDUCATORS' INSIGHTS

Patricia M. Poli, Fairfield University



From the Education Committee of the IAS.....

The summer is a good time to reflect upon our accomplishments during the past academic year and to make plans for changes/improvements in our courses. This installment starts with two articles that discuss the challenges of international accounting education. A variety of pedagogical methods and classroom activities to improve our performance as educators are then presented.

Patricia M. Poli, CPA, Chair

Allen, Warren, "10 years with the IFAC Education Committee," *Chartered Accountants Journal of New Zealand* (No. 1 Vol. 84, 2005): 13-14.

In early November 2004, the Institute's 10-year involvement on the International Federation of Accountants (IFAC) Education Committee came to an end. This was a substantial commitment to international accounting education through a period of significant change. It is timely to reflect on these changes to the global education environment, together with some of the achievements of this important committee. The Education Committee in 1995 had on issue several worthwhile pronouncements as international education guidelines. These were well-researched documents, which many IFAC member bodies, academic institutions and accounting education regulators found most useful. Unfortunately, they were only guidance and there was no universal commitment to fully follow their recommendations, which were considered internationally good practice. It was with this realisation that in August 2000 the committee undertook the major decision to become a standard setter. The work of the committee over the years has been most responsive to current trends and stakeholder expectations

Needles, Belverd, "Implementing international education standards: The global challenges," *Accounting Education* (No. 1 Vol. 14, 2005): 123-129.

In June 2004, the International Association for Accounting Education and Research (IAAER) in cooperation with the Southern African Accounting Association (SAAA) and the International Federation of Accountants (IFAC) hosted a Globalization Roundtable in Durban, South Africa, on the theme of Implementing International Education Standards: The Global Challenges. This was supported by the KPMG Foundation. The Roundtable was held to familiarize

members of the international academic community with the International Education Standards (IES) developed and released by IFAC to provide quality and consistency in global accounting education. Attendees at the Roundtable were asked to discuss the IES, identify implementation challenges, particularly in emerging countries, and resources to meet those challenges, including any additional implementation guidance or assistance. This report summarizes the deliberations.

Beets, S. Douglas and Patricia G Lobingier, "Pedagogical techniques: Student performance and preferences" *Journal of Education for Business* (No. 4 Vol.76, 2001): 231-35.

The comparative effectiveness of three pedagogical techniques (use of a chalkboard, use of an overhead projector, and use of computer-projected software) was examined. The study involved students in three financial accounting principles classes at one university.

Brown, Reva Berman, "Bridging knowing and learning: a suggestion for accounting education," *Accounting Education* (No. 4 Vol. 12, 2003): 393.

This teaching note describes an exercise which appears to prompt students to reflect on their learning. The exercise is based on five pairs of words concerned with knowing and learning: (1) learn/study, (2) educate/train, (3) know/understand, (4) teach/tutor, and (5) student/pupil. The exercise may appear trivial, even frivolous, but when successful, it can compel students to reflect, often for the first time, on the meaning and purpose of their educational experience. Frequently, students make explicit previously unarticulated views and feelings about the process and content of their educational programmes.

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Liebler, Robert J., "The five-minute quiz" *Journal of Accounting Education* (No. 3 Vol. 21, 2003): 261-265.

Despite its well-known benefits, frequent testing is not widely used in accounting education, possibly because it is perceived as being too time consuming. This paper describes an efficient method of frequent testing that uses only a small fraction of class time and does not demand a large amount of the instructor's time.

McEacham, Michelle, "Game play in the learning environment: who wants to be an accountant? lawyer? economist?" *Accounting Education* (No. 1 Vol. 14, 2005): 95-101.

The Who Wants To Be (WWTB) game is a computer-based game that can be used in a variety of classroom settings. WWTB requires students to sit in a "hot seat" and answer a series of questions. Assistance is provided to the students in the form of "lifelines." The lifelines include: (1) the 50/50 lifeline where two wrong answers disappear; (2) the Ask the Audience lifeline where class members vote on a correct answer; and (3) the Ask Your Team lifeline where students can verbally interact with teammates. The WWTB game is functional on most computer systems. The manner in which the game can be played, the difficulty of the game, and the rules of the game are all easily modified at the instructor's discretion. An analysis of examination scores reveals that the game has been an effective learning tool in the auditing course in which it has been incorporated. The game program and database structure are available to educators on a complimentary basis through the author's website.

McGuigan, Glenn S., "Online research as competitive intelligence: Notes on the use of electronic library resources in business education," *Information Technology Newsletter* (No. 2 Vol. 14, 2003): 15-17.

Competitive intelligence (CI) is a business practice used by companies in order to attain a competitive advantage within the marketplace. Considering the importance of this undertaking in the business world, it may be valuable for business students to understand what this activity entails and how it is being transformed by technology. The librarian may play a useful role in this process within the academic setting. CI consists of two main operations: the use of publicly available data on the competitive environment and the metamorphosis of that data, through analysis, into information that supports decision making in business.

Norman, Carolyn Strand, Anna M. Rose, and Constance M. Lehmann, "Cooperative learning resources from the business disciplines," *Journal of Accounting Education* (No. 1 Vol 22, 2004): 1-28.

This article identifies, classifies, and summarizes cooperative learning papers from the business disciplines to provide a resource for accounting educators who wish to promote collaboration in the classroom. This cross-disciplinary approach offers accounting educators a substantive resource on cooperative learning that guides implementation of this pedagogy. The article also offers suggestions for implementing cooperative learning.

Paisey, Catriona and Nicholas J. Paisey, "Improving accounting education through the use of action research," *Journal of Accounting Education* (No. 1 Vol. 23, 2005): 1-19.

Action research is a systematic investigative research method that educators can use to improve aspects of their educational practice. Originally adopted in school situations, action research is becoming increasingly used within higher education. First, the paper explains the action research process. Second, the action research process is applied to a small-scale project undertaken by the authors in order to assist in the development of students' research skills by encouraging them to read primary documents for themselves. Finally, the paper discusses the use and appropriateness of action research within accounting education. Some possible implications for accounting academe are also identified. It is argued that action research, with its emphasis on continuous improvement and the promotion of scholarly activity, is consistent with the accreditation standards issued by The Association to Advance Collegiate Schools of Business (AACSB).

Pollard, William B., "Using the internet to teach international accounting to students of principles of accounting," *Journal of Education for Business* (No. 4 Vol. 78, 2003): 221.

The Internet, a major influence on today's students, has become a useful method of bringing the real world into the classroom. Internet links can be invaluable in bridging the gap between the textbook and the workplace. In this article, the author demonstrates how the instructor can present the field of international accounting to students by using the Internet to (a) access the operations of well-known international companies through sites familiar to students (e.g., Yahoo!) and (b) incorporate Internet sites for the calculation of currency translations.

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Priluck, Randi, "Web-Assisted Courses for Business Education: An Examination of Two Sections of Principles of Marketing," *Journal of Marketing Education* (No. 2 .Vol.26, 2004): 161.

This research investigates student responses to two technologically different teaching methods for two sections of a Principles of Marketing course. A traditional method of teaching using lectures, in-class discussions, assignments, and exams is compared to a "Web-assisted" method in which 7 of the 14 class sessions met asynchronously online. Overall, students were more satisfied with the traditional course, preferred the traditional format, and felt the course was more effective in developing their skills and course knowledge. In addition, students in the traditional class felt that the course helped them develop their skills, including team building, critical thinking, oral and written communications, global perspective, and social interaction. Student performance on a comprehensive final exam was not, however, significantly different between the two sections. Implications for those considering such hybrid courses are provided for both faculty and administration.

Riordan, Diane A., M. Cathy Sullivan, and Danny Fink, "Promoting Creativity in International Business Education: A Protocol for Student-Constructed Cases," *Journal of Teaching in International Business* (No. 1 Vol.15, 2003): 21.

Case studies are popular teaching methods in the international business curriculum. In this paper we present a protocol for student-constructed cases, an extension of the learner-generated case, and provide an example using foreign currency exchange risk. Creating a case study promotes creativity, facilitates learning, and reinforces traditional research, writing and presentation skills. Enhanced creativity is an important outcome for students in today's business programs because organizations operating in the dynamic international marketplace must respond in creative ways to survive and prosper.

Smith, David E. and Henrik Johannsen Duus, "The power of e-learning in international business education," *Journal of Teaching in International Business* (No. 2 Vol.13, 2001): 55.

The advent of the knowledge society is imposing changes in the education process. One important development in the knowledge society is e-learning where teachers and students meet in virtual learning spaces. A case study of the experience with e-learning, compared with the traditional lecture-based learning approach to pedagogy at the Copenhagen Business School, suggests that this problem-oriented and dialogue-based approach may hold substantial potential in international business education. This innovative approach is described in detail.

Thanopoulos, John, "Teaching International Business in "Mega"-Classes: A Case Study," *Journal of Teaching in International Business* (No. 3 Vol.15, 2004): 61.

The article presents the successful experience of teaching the basic International Business (IB) undergraduate class, in an interactive way and in classes of more than 200 students. The approach follows modified routines taught in AACSB workshops for much smaller audiences and capitalizes on 5-member student teams. The format has been used for three years in a row and has produced extremely good results, including significant class interest, very high outcome assessments, annual CD-ROMs on a variety of topics, a very active student association, student-organized conferences, a career center, student-to-business interaction and undertaking of social causes.

THUNDERBIRD INCUBATES RUSSIAN LANGUAGE ACCOUNTING CERTIFICATION PROGRAM IN RUSSIA

New certification based on international standards will help Russian-speaking businesses attract foreign investors and compete in the emerging market.

MOSCOW (October 13, 2004) – International standards in accounting are coming to Russia and countries of the Commonwealth of Independent States (CIS) as a result of a first-ever certification program, which is being promoted and mentored by Thunderbird, The Garvin School of International Management and will be housed at Thunderbird’s Center for Business Skills Development in Moscow.

The Certified International Professional Accountant (CIPA) Institute, which developed the certification exams and will administer and grade them, was established through a \$2 million grant by the U.S. Agency for International Development (USAID). CIPA created the exams based on International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and a global curriculum. Currently, more than 100 students are taking courses in preparation for the upcoming certification exams, which will be held in November. More than 500 accounting professionals—from account payable clerks to chief accountants to chief financial officers—are expected to seek the certification in the first year. A network of training centers has been established across Russia and the other CIS countries.

“Part of the Thunderbird vision is to build economic stability and assist global business,” says Thunderbird President Dr. Angel Cabrera. “The adoption of international financial reporting standards is a significant step toward providing Russian speaking businesses the opportunity to attract investors and compete in the emerging global market.”

One of the key constraints to Russia and the other CIS countries transitioning to market economies has been the absence of accounting practices that meet international standards. Under the Soviet Union’s command economy, state planners determined economic outputs, but for businesses in a market economy to thrive they need enterprise-level accounting information. Prior to the CIPA certification program, Russian-speaking accounting professionals in the CIS may have been operating using international standards, but had no way to prove their competence in international accounting practices.

“All the rules have changed for accounting and reporting,” says CBSD President Dennis Hopple. “With firms now seeking foreign direct investment to grow and compete, international standards in accounting and auditing have become critical. With the CIPA certification, these individuals and the firms who employ them will enjoy greatly improved credibility and access to Western funding.”

To further enhance the program’s credibility, Thunderbird’s Center for Business Skills Development has joined forces on the project with the American Institute of Certified Public Accountants (AICPA), the International Council of Certified Auditors and Accountants (ICCAA) and the International Accounting Standards Committee Foundation (IASCF). The CIPA Institute’s headquarters will be housed within Thunderbird’s Center for Business Skills Development in Moscow, which has been offering business training and consulting to Russian managers and foreign companies for more than a decade. CBSD is the only educational not-for-profit organization of its kind licensed to train in Moscow. In 2003, CBSD was named the “Small Business of the Year” by the American Chamber of Commerce in Moscow.

To learn more about the CIPA Institute, visit: www.cbsd.ru. To learn more about Thunderbird, visit: <http://www.thunderbird.edu>.

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