

### CHAIRPERSON'S MESSAGE

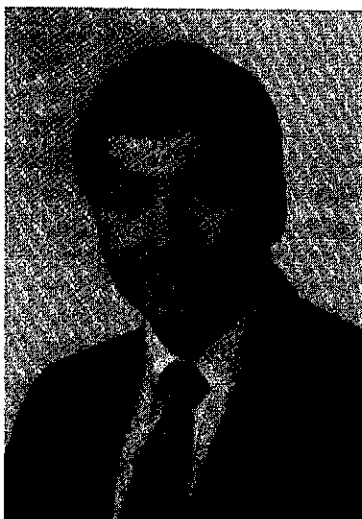
#### Mid-Year Meeting in Houston is Huge Success Section Presents Its Views on Segment Reporting in London

Greetings and happy spring! I hope this message finds you having a productive and happy year.

The IAS has had a very active and successful winter and spring. On February 3, Sid Gray and I, with questions prepared with Steve Salter, interviewed Sir Bryan Carsberg, the new Secretary-General of the IAS. This was a start of a process which will culminate with IAS published remarks in *Accounting Horizons* later this year. Additionally, we learned that Sir Bryan will be joining our head table at the IAS luncheon during the AAA annual meeting.

Two weeks later on February 14, Steve Salter and I presented in London the IAS external relations committee's views on segment reporting at a hearing devoted to the draft statement by the IAS. This was done after Steve's committee had prepared an extensive statement comparing the management approach with the risks and rewards approach. In mid-March, we received from the IAS a revision of the draft which will go forward to the IAS Board for final vote. The revision contained many ideas which were expressed in the external relations committee's statement. Well done, Steve!

The Section held its first Mid-Year Meeting from March 3 to March 5 in Houston. The meeting was devoted to the teaching of international accounting and contained presentations from Europe and the U.S. including philosophical approaches in teaching, cross cultural experiences in the classroom, and the use of technology in the classroom. Eighty-two people attended, and the comments received after the meeting reflected that everyone was excited and happy with the program. Several suggested right away that we need to do this again next year.



*James A. Schweikart*

Such a meeting could not have been successful without a hard working and skilled program chair, especially when your section chair was out of the country during much of the planning process. Teri Conover did just that. Our thanks to you, Teri. You gave us one of the best events the Section has ever had.

At the Mid-Year Meeting, the Executive Committee met. We learned that the IAS is growing in membership, currently at 1,577 and is solid financially. We learned that the annual meeting program being put together by Finley Graves is just about complete. Details appear later in this issue, but I would like to recommend that you sign up for your luncheon tickets early, as we have an interesting speaker as well as the new Secretary-General of the

IASC making remarks. I know you join me in thanking Finley for his hard work.

We also learned that this year the Section is offering continuing education programs at several of the regional meetings. Both the outstanding educator award and outstanding dissertation award committees are near the end of their work and will be presenting awards at the annual luncheon. Finally, the IAS sponsored a symposium immediately after the European Accounting Association annual meeting on accounting in eastern Europe. The symposium, designed to be a service to our non-US members, was held in London May 13-14. We hope to continue this kind of outreach next year.

The IAS has been studying very heavily the possibility of being involved in a journal. At the Mid-Year Meeting, Jack Kramer, chair of the publications committee, recommended in a 30-page study that the Section have its own

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## Chairperson's Message

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journal rather than adopt an existing journal. Jack indicated that existing journals appear to be too expensive and editorial policies are hard to maintain. As a result, he recommended we start with an annual issue, and as it grows go to a semiannual publication. Many thanks, Jack for your hard and thorough work.

This is a major undertaking, but the IAS visibility requires this. We are currently highly valued by world accounting standards setting organizations, and we need to continue to establish ourselves. Additionally, such a refereed publication will help us demonstrate the importance of particular issues in our field. So, I hope you join me in recommending we proceed with our own publication.

To do this as well as some of the other activities we are doing, of course, requires an appropriation of funds. Fortunately, our current financial situation will require a dues increase of \$7 per member for the year, making our dues only \$17 per year. Our current \$10 which we have had since as long as I can remember simply cannot support our ambitious activities, including this publication. Per our By-Laws, the Section cannot increase its dues except by vote of the membership at our annual meeting. To do this, we must first give our membership notification and reasoning behind such a vote. That appears later in this issue. If the membership joins me in approving this dues increase, dues will be increased in August, 1996 for the Chicago

## JOURNAL UNDER CONSIDERATION

The Publications Committee has worked hard this year to evaluate the need for, and possibility of having, an International Accounting Section journal. A lengthy report has been prepared that can be obtained from Committee chairperson John Kramer (JKRAMER@dale.cba.ufl.edu). The Committee feels that there is sufficient international accounting research at the present time to warrant the establishment of a section journal.

A single issue format has been recommended for the initial year(s). When sufficient manuscripts are received, the number of issues will be expanded to two and then to four. The tentative title is *The Journal of International Accounting Research*.

The journal will not only foster the growth of international accounting research, but also provide the section with substantial visibility. This additional visibility will enhance our section's position within the hierarchy of American Accounting Association sections. A vote will be taken at the International Accounting Section's business meeting in Orlando on the proposal to have a section journal.

John L. Kramer  
University of Florida  
Phone: (904) 392-8878  
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annual meeting. We are being helped in this effort, as the AAA at Council Meeting on April 1 in New Orleans decided against raising dues this year.

I know you join me in appreciating the Section's ambitious and full agenda and current activities. We are at the center of international standard setting, we produce excellent Section publications usually at no cost to members, we have a great newsletter, we meet now during the middle of the year to allow members to convene on issues entirely of interest to them, and now we wish to publish a journal. I urge you to join me in supporting these activities with your vote at the annual meeting.

Indeed, this has been a busy and productive year for the IAS. I am proud of the way you have agreed to work thoroughly and promptly on some very difficult issues. I know that our Section has benefitted, and I hope to have more good news to report at our annual business meeting and luncheon at the AAA annual meeting in Orlando. Thanks for all your help and support this year. It is a privilege to chair this important and active organization. See you in Orlando!

Jim Schweikart, Chair, IAS

## NOTICE OF BY-LAW VOTE

### at International Accounting Section Annual Business Meeting

The International Accounting Section of the American Accounting Association will vote on a dues change from \$10 to \$17 per year for each member to support the establishment of a Section journal and to fund increases in our non-U.S. member outreach activities. The \$17 dues is very much in line with other sections of the AAA sponsoring such activities.

The date, time, and room in the Marriott hotel in Orlando for this meeting held prior to our annual luncheon at the AAA annual meeting appear elsewhere in this issue of the *Forum*.

The International Accounting Section has surveyed its members and is responding to member interests. A Mid-Year Meeting, outreach to our 45 percent non-U.S. members, and a Section journal are part of the response to our membership needs. The latter, in particular requires the dues increase.

The Publications Committee has thoroughly examined means in which to publish a journal. They have concluded that publication of a journal on our own is both the least expensive means and the best way to control editorial policy.

There will be no dues increase by the American Accounting Association this coming year.

If the dues increase request passes at the annual business meeting, the new dues of \$17 will take place at registration for the annual meeting in Chicago, August 1996.

Your vote on this important matter is appreciated.



**Section's Business Meeting & Luncheon**

The International Accounting Section's Business Meeting will be held on Monday, August 14 from 10:15-11:45 a.m. in Crystal Ballroom A & B of the Marriott's Orlando World Center Hotel. The Section's Luncheon will follow the business meeting and will be held in Grand Ballroom 3 & 4 from 12:00-2:00 p.m. The speaker for the luncheon will be James S. Hudson, Vice President, Controller and Chief Accounting Officer of Federal Express Corporation. Tickets for the luncheon may be purchased using the Annual Meeting registration form. The cost of a ticket is \$25.00.

**Technical Sessions**

**Monday, August 14, 1995—4:00 P.M.-5:30 P.M.**  
**Crystal Ballroom M & N**

**Selected Topics in International Accounting: China and Japan**

Moderator: M. R. Mathews, Massey University

"The Choice of Accounting Policy in Japan," Tatsuo Inoue, Kwansai Gakuin University and Wayne Thomas, Oklahoma State University

"The Value-Relevance of U.S.-GAAP Financial Reporting for Japanese Companies," Joseph H. Godwin, Grand Valley State University; Stephen R. Goldberg, Georgia Institute of Technology; and Edward B. Douthett, Texas Christian University

"The Consequences of Wu Lun for Budgetary Participation, Management Accounting Systems and Managerial Performance in Chinese Manufacturing Enterprises," Judy S. L. Tsui, City University of Hong Kong and Ferdinand A. Gul, The Chinese University of Hong Kong

Discussant: Marc Massoud, Claremont McKenna College

**Tuesday, August 15, 1995—4:00 P.M.-5:30 P.M.**  
**Grand Ballroom 13 & 14**

**Financial Accounting Research in International Accounting**

Moderator: Helen Gernon, University of Oregon

"Foreign Operation Profitability Differential and Foreign Exchange Exposure," Simon C. Dzeng, Pace University; Christina I. Liu, National Taiwan University; and Jia He, University of Houston

"The Valuation of Foreign Income: A Growth Opportunities Perspective," Gordan M. Bodnar, University of Pennsylvania and Joseph Weintrop, Baruch College

"An Empirical Investigation of the Effects of Accounting Diversity on the Selection of Markets for Foreign Bond Issues," Mary A. Flanigan, Longwood College and Rasoul H. Tondkar, Virginia Commonwealth University

Discussant: Dennis Patz, Oklahoma State University

**Wednesday, August 16, 1995—10:15 A.M.-11:45 A.M.**  
**Grand Ballroom 13 & 14**

**Capital Markets Research in International Accounting**

Moderator: Sara York Kenny, University of Utah

"Global Disclosure Practices of U.S. Corporations Entering Overseas Equity Markets," Carol A. Frost, Washington University and Feng Gu, Washington University

"An Investigation of the Relationship Between Financial Variables and ADR Prices," Bruce R. Gaumnitz, University of Cincinnati

"Price Variability and Non-U.S. Firms's Disclosure Practice of Interim and Annual Earnings," Suk-Jun Lee, Chapman University

Discussant: Parveen P. Gupta, Lehigh University

**International Panels**

**Monday, August 14, 1995—2:15 P.M.-3:45 P.M.**  
**Crystal Ballroom M & N**

**Accounting Education and Research Opportunities in the People's Republic of China**

Moderator: C. S. Agnes Cheng, University of Houston

Panelists: Ting-Wong Cheng, President of National Chengchi University

Jevons Lee, Hong Kong University of Science and Technology

Yun-Wei Tang, President of Shanghai University of Finance and Economics

Fred Choi, New York University

David C. Yang, University of Hawaii at Manoa

**Tuesday, August 15, 1995—2:15 P.M.-3:45 P.M.**  
**Crystal Ballroom M & N**

**Current Issues in International Accounting Standard Setting**

Moderator: O. Finley Graves, University of Mississippi

Panelists: Sir Bryan Carsberg, Secretary General, International Accounting Standards Committee

Warren McGregor, Executive Director, Australian Accounting Research Foundation

Alex Milburn, Chairman, Accounting Standards Board (Canada)

Robert J. Swieringa, Board Member, Financial Accounting Standards Board

Sir David Tweedie, Chairman, Accounting Standards Board (United Kingdom)

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**INTERNATIONAL ACCOUNTING PAPERS PRESENTED AT THE  
AAA REGIONAL MEETINGS**



**Southwest**

- "Recent Accounting Developments in China"  
Anthony Mounq Yin Chan, City Polytechnic of Hong Kong
- "Information Technology and Multinational Business Firms"  
Sharon K. Hurley, Texas A&M University  
L. Murphy Smith, Texas A&M University
- "Information Content of Foreign Earnings Data"  
Catherine G. Gaharan, Nicholls State University  
John Lajaunie, Nicholls State University  
Benny R. Zachry, Nicholls State University

**Mid-Atlantic**

- "Reflecting 1993 and 1994 Changes in Professional Accountancy Certification Requirements in the People's Republic of China and the United States"  
Michael C. Blue, Bloomsburg University  
Dennis Hwang, Bloomsburg University
- "Opportunity for Investment in China"  
Paul Shen, The American University
- "A Comparison of Employee Benefit Plans of Foreign—Versus U. S. Owned Domestic Firms"  
Elizabeth Goad Oliver, Washington and Lee University  
Karen S. Cravens, University of Tulsa
- "American Joint Ventures in the Middle East: The Case of Saudi Arabia—Managerial, Financial and Tax Considerations"  
Wagdy Abdallah, Seton Hall University
- "Is Harmonization Via International Accounting Standards Really Happening?"  
Robert K. Larson, Penn State University at Harrisburg  
Sara York Kenny, University of Utah

**Northeast**

- "A Comparison of the Conceptual Frameworks Adopted by China, the United States and the International Accounting Standards Committee"  
Anne J. Rich, Quinnipiac College  
Li Dianfu, Beijing Institute of Business  
Yang Youhong, Beijing Institute of Business  
Wang Bing, Beijing Institute of Business
- "Incentives and Motivation in Participative Budgeting: Experiments in the United States and Ukraine"  
Penelope Sue Greenberg, Temple University  
Larissa S. Kyj, Rowan College of New Jersey
- "Culture's Impact Upon the U.S. Securities and Exchange Commission's Responses to the Globalization of Securities Offerings"  
Robert J. Kirsch, Southern Connecticut State University

**Midwest**

- \* "Acceptance of International Accounting Standards in Global Financial Markets"  
Abdel M. Agami, Old Dominion University
- \* "Attitudes of CPAs and Financial Executives Toward Harmonization of International Accounting Standards"  
Ran BarNiv, Kent State University  
David Fetyko, Kent State University
- "Foreign Currency Translation Methodology: Empirical Evidence of a Current GAAP"  
Stephen D. Makar, University of Wisconsin-Oshkosh
- "The Development of the Accounting Profession in Hungary, Poland, and the Czech and Slovak Republics"  
Eva Jermakowicz, University of Southern Indiana  
Dolores F. Rinke, Purdue University Calument
- "An Analysis of the Effect of New Russian Accounting Regulations on the Internationalization of Russian Accounting"  
Sylvia L. Boyd, Hope College  
Irina V. Rychkova, Hope College
- "Risk Measure Analysis of Japanese Equity Markets in Consideration of Risk-Premium and Asset Drive Conjectures"  
John S. Bilderssee, New York University  
John J. Cheh, St. Cloud State University  
Lee Seok Hwang, Seoul National University  
Changwoo Lee, CUNY - Baruch College

**Western**

- "A Model of Transfer Pricing for a Multinational Corporation: The Interaction of Tax Considerations and Asymmetric Information"  
Terry M. Lease, Loyola Marymount University
- "The Effects of GAAP Differences on Price Variability"  
Suk-Jun Lee, Chapman University
- "The Effects of Voluntary Forecasts Information Released—Taiwanese Firms"  
Chil-Chiang Fang, National Chengchi University  
Anne Wu, National Chengchi University
- "The Examination of Characteristics and Determinants of Forecast Errors of Asian Emerging Markets *Vis-A-Vis* Japan and The U.S."  
Jang Cho, University of Nebraska, Lincoln  
Kooyul Jung, Texas Christian University  
Arthur Allen, University of Nebraska, Lincoln
- "The Fit Between Environmental Uncertainty and Corporate Culture: Impact on CPA Firm Performance"  
Y. Robert Lin, California State University, Hayward

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## MINUTES

### International Accounting Section • American Accounting Association

Mid-Year Executive Committee Meeting

Hyatt Regency Houston, Holly Room • March 5, 1995, 11:00 A.M.–12:45 P.M.

James Schweikart, Chair

#### Members Present

James Schweikart, Chair; Yezdi Bhada; Terry Conover; Hans Dykxhoorn; John W. Eichenseher; O. Finley Graves; Parveen P. Gupta; John L. Kramer; Walter O'Connor; Stephen Salter; David Sharp; Edward Shoenthal; Kathleen Sinning; Rasoul Tondkar.

#### Welcome/Opening Remarks (James Schweikart)

The chair distributed the agenda, referred to the success of the Mid-Year Conference that preceded the meeting (attendance exceeding 80 persons).

#### Treasury Report (Finley Graves)

Cash, January 31, 1995, \$32,000. Charges for the Mid-Year Meeting (\$3,500-\$4,000), Spring *Forum*, (approx. \$2,000), and publication cost of the 1993-94 research monograph (cost not determined, see below). Encumber these funds.

### COMMITTEE REPORTS

#### Membership Report (James Schweikart for Olga Quintana)

Membership, October 1, 1994, was 1,534. This represents a gain of 200 over last year. United States members represent 55 percent of the total; whereas, non-U.S. represent 45 percent.

#### External Relationships (Stephen Salter)

Jane Rubin (AACSB) will be contacted in an effort to include the Section in the AACSB's outcomes assessment project.

The Section should consider itself a primary contact for non-U.S. organizations involved in international accounting issues.

The Committee wrote a response to the IAS exposure on segment reporting. Testimony was requested at open hearings and some response suggestions were incorporated in the final version.

#### Outstanding Educator (J. Schweikart for Clare Roberts)

The committee has narrowed its consideration to two educators.

#### Dissertation Award (John Eichenseher)

Abstracts are being reviewed. Finalists will be determined by mid-March and the winner determined by the end of April.

#### Continuing Education (James Schweikart for David Senteney)

Workshops in the Midwest and Southeast Regions were cancelled; however, workshops in the Northeast, Western, and Mid-Atlantic Regions are scheduled.

#### Annual Meeting (Finley Graves)

One suggested panel and 59 papers have been received; four-five sessions are anticipated. Papers are currently under review. Jim Hudson, newly-appointed Controller for Federal Express, has been invited as speaker for the Luncheon. He is currently based in Brussels with the company. Brian Carsberg, Secretary-General, IASC will attend the meeting.

#### Budget Committee (Parveen Gupta)

A five-year forecast is being prepared and will be available for the Annual Meeting (Orlando).

#### Forum (Ross Tondkar)

The editor will be suggesting format/content improvements for next year. It was noted that Mike Kernelley (Florida State) has been instrumental in providing input for improvement of the newsletter.

#### Second Mid-Year Meeting (1996) (James Schweikart)

It was agreed that preparations should begin to select the time/site for the next meeting. The next meeting should have an increased emphasis on research. Terry Conover agreed to coordinate the effort.

#### AAA Executive Committee Relations (James Schweikart)

The minutes of the November 19, 1994 AAA Executive Meeting stated that the AAA was seeking membership or observer status with the IASC. Comment was made that the Section has already made contacts in that area and the International Accounting Section would be the most appropriate venue for this relationship. Also recorded in the minutes was an AAA initiative to form an international federation of world academic organizations. Comment was made that the IAAER already serves in that capacity. The Section's relationship with that organization is long-standing.

It was also announced that the AAA requested travel funds for an AAA representative to attend the IASC meetings, in an unofficial capacity. Since the Section does not

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## Minutes (Continued from page 5)

select the individual it was determined that the parent organization should fund the travel expenses in the future.

### International Accounting Symposium (London) (James Schweikart)

A one-day conference, "Communism to Capitalism: A Symposium on Accounting in Eastern Europe," is being sponsored by the Section, Centre for International Accounting Research (Hull), the Chartered Association of Certified Accountants (U.K.) and the Universities of Birmingham, Exeter, and Middlesex on May 13-14, 1995. This meeting directly follows the EAA meeting in Birmingham.

The following motions were made, seconded and passed:

Resolved, that \$2,000 be allocated to support the international symposium, "Communism to Capitalism: A Symposium on Accounting in Eastern Europe."

Resolved, that \$2,000 be allocated to support travel for two Section executives to the symposium.

Finley Graves and James Schweikart will attend the symposium. Stephen Salter suggested that the 1995-96 budget include a reasonable amount to support travel for Section executives serving as representatives at Section sponsored conferences.

### IAAER Conference (1996) (James Schweikart)

The Section is co-sponsoring a research conference with the IAAER slated for May 1996. A motion for financial support was tabled until the chair consults with those directly responsible for the conference plans.

### Section Journal (John Kramer)

The Publications Committee and Research Committee presented a detailed, draft copy (2/28/95) of their report concerning the need and justification for, as well as, alternatives to a Section Journal. It was determined that the Section should move ahead with the project. The draft report considered the following points: advantages/disadvantages of a Section journal, competing journals, quantity of publishable international research, costs/revenues, new versus affiliation with existing journal, editor selection, oversight, AAA restrictions, need for a Section dues increase.

Comments on the draft are to be forwarded to John Kramer (University of Florida).

### 1993-94 Research Committee monograph

Fred Choi (IAS Chair 1993-94) forwarded a monograph prepared by the Research Committee chaired by Cheryl Fulkerson (University of Texas-San Antonio). The monograph is in publishable form and will be available on diskette for the membership. Finley Graves will contact Shahrokh Saudagaran (Publications Committee chair, 1993-94) to finalize costs and reproduction and mailing requirements.

### Adjournment

Meeting was adjourned, 12:45 P.M.

## International Accounting Papers

(Continued from page 4)

"Islamic Banking: Performance Evaluation and Control"  
Marc F. Massoud, Claremont McKenna College  
Ali Saghafi, Tehran University

### Southeast

"The Association Between Economic Consequences of Policy Deliberations and Functional Currency Choice"  
M. Sadegh Bazaz, Oakland University  
David L. Senteney, Ohio University

"Diagnosing Measurement Equivalence in Cross-National Research"

Michael R. Mullen, Florida Atlantic University

"Corporate Reputation and Success in International Markets: An Exploratory Examination"

Anisya S. Thomas, Florida International University  
Peggy Golden, Florida Atlantic University  
Joseph Peyrefitte, Florida Atlantic University

"An Investigation into the Influence of Cultural Factors in the International Lobbying of the International Accounting Standards Committee: The Case of E32, Comparability of Financial Statements"

John B. MacArthur, University of North Florida

"A Comparative Analysis of the Consolidated Accounting Standards of Australia, Korea and the United States: A Cultural Perspective"

Michael L. Davis, Lehigh University  
Sang-Moon Choi, Lehigh University  
Bruce C. McDonald, Lehigh University

"Some Evidence on the Relationship Between Foreign Investment, Company Size, and the Profitability of Companies Listed on the Mexico Stock Exchange"

Alejandro Hazera, University of Rhode Island  
Carmen Quirvan Mendoza, National Autonomous University of Mexico

"Joint Ventures in China: A Case Study of Financing a Chemical Firm"

Yun Gu, East Tennessee State University  
Martha M. Pointer, East Tennessee State University  
Paul E. Bayes, East Tennessee State University

## CALL FOR PAPERS

The editor invites manuscripts to be reviewed for possible publication in the *Journal of Asia-Pacific Business*. If you are interested, please request an "Instructions for Authors" brochure from:

Dr. Zahir Quraeshi, Editor  
Department of Marketing  
Haworth College of Business  
Western Michigan University  
Kalamazoo, MI 49008

## INTERNATIONAL ACCOUNTING SECTION'S MID-YEAR MEETING

We held a very successful first annual Mid-Year Meeting of the International Accounting Section (IAS) and are currently in the process of planning the meeting for 1996! The meeting was held Friday, March 3, through Sunday, March 5, 1995 in Houston, Texas. Friday evening's welcome reception was enjoyed by all. Saturday began with

a plenary session of individuals from public accounting, industry and academe, discussing the skills that accounting students should develop while in school. Robert May, Associate Dean of the College of Business Administration at the University of Texas at Austin and AACSB representative, was the luncheon speaker and discussed the educational aspects of internationalizing the curriculum. The afternoon consisted of six sessions concentrating on innovative cases, teaching techniques, and available literature useful in teaching international accounting. On Saturday evening, we enjoyed a reception and a country and western band. Sunday morn-



*Attendees at the first annual International Accounting Section Mid-Year Meeting listen to panelists from academe, industry, and public accounting.*



*Robert May, Associate Dean, University of Texas, addresses the IAS Mid-Year Meeting luncheon.*

first meeting went well because so many people contributed their time and effort in making it a success. Let's keep the momentum going and make next year's meeting as successful as this year's!

Teri Conover  
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Denton, Texas 76203-6677

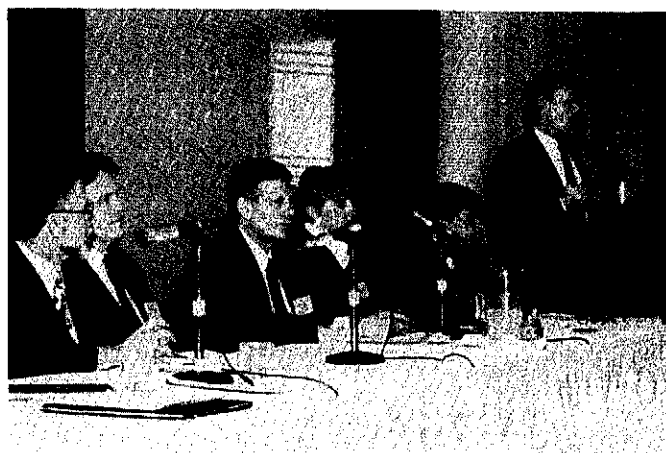
Phone: (817) 565-3867

Fax: (817) 565-3803

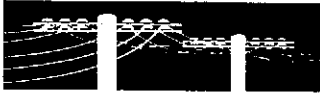
Email: CONOVERT@COBAF.UNT.EDU



*International Accounting Section Officers (left to right) Finley Graves, Edward Shoenthal, Walter O'Connor, James Schweikart, and Teresa Conover attend the IAS Mid-Year Meeting in Houston.*



*Jeffrey Hoover, Business Assurance Partner, Coopers & Lybrand with panelists (left to right) Steven Berlin, CITGO; Ben Anderson, Deloitte Touche Tohmatsu; Steven Mintz, Southwest Texas State University; Irene Herremans, University of Calgary; and James Schweikart, University of Richmond and IAS chair, discuss what accounting students need to know to be competitive in today's global economy.*



# MONOGRAPH IS ON THE INTERNET



The section's monograph *International Accounting: Research Priorities for the 1990s* is now on the Internet. If you did not receive a diskette, or experienced difficulties retrieving the WordPerfect 5.1 (windows) files when you received your diskette, you can download the files in either ASCII text or WordPerfect format. Directions for downloading follow:

## FTP INSTRUCTIONS FOR INTERNATIONAL ACCOUNTING MONOGRAPH IN WORDPERFECT 5.1 OR ASCII TEXT USING AIR WINDOWS (AIR) OR UNIX (UNIX)

(Note: Where the commands are different under Air Windows and UNIX, both commands are given.)

<u>TASK DESCRIPTION</u>	<u>PROMPT</u>	<u>TYPE</u>
Access file transfer protocol (FTP)	<u>FTP&gt;</u>	Ringer.utsa.edu (AIR) FTP Ringer.utsa.edu (UNIX)
Type user name/password	username> password>	anonymous (type in your email address)
To get into the directory which contains the monograph	ftp>	cd pub/fulkerson
You will see		
	00_index.txt	(contains file listing)
	ia90txt.exe	(contains text files)
	ia90wp.exe	(contains wp5.1 files)
To transfer the files	ftp>	binary
	ftp>	lcd b:\ (AIR) (with a formatted diskette in the b drive, or drive specified)
	ftp> get ia90wp.exe (for WP5.1)	
	OR	
	ftp> get ia90txt.exe (for ASCII)	

(Note: In UNIX, the files will be located in your shell account. Use UNIX commands to download to your PC.)

You should see a message which notes the transfer is complete.

To end the transfer session

ftp>                   bye

Now that you have the files on diskette, you must inflate them so they can be read by WordPerfect, or in the case of ASCII files, your word processor.

<u>TASK DESCRIPTION</u>	<u>PROMPT</u>	<u>TYPE</u>
Get into DOS	(PER YOUR SYSTEM)	
Change to your "b" drive and pull up the files	b:>	ia90wp

You will see the list of files including:

titlepag.wp	
aafin.wp	(financial chapter)
bbman.wp	(managerial chapter)
ccaud.wp	(auditing chapter)
ddtax.wp	(tax chapter)
eeais.wp	(systems chapter)
ffdev.wp	(developing nations chapter)
contents.wp	
foreword.wp	
authors.wp	

WORLD WIDE WEB address for those using Netscape or Mosaic

<p>WORLD WIDE WEB LOCATION FOR USE WITH MOSAIC or NETSCAPE ftp://ringer.utsa.edu/pub/fulkerson</p>
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### GO INTO WORDPERFECT

Pull up the files, using the directory you have just set up. You may print them at this time.

Instructions are given for windows networks with AIR WINDOWS functions, as well as for downloading using a UNIX account. If your system is different, consult your local computer advisor.

NOTICE: If you have difficulties, please contact system administrator (or local computer guru) for help on specific commands.

Prepared by George Jeffery, University of Texas at San Antonio. This anonymous FTP site is available until 12/31/95.



# HAVE YOU SEEN ...?

by Mike Kennelley, Florida State University

**"The Nature of the Market's Response to the Earnings Effects of Voluntary Changes in Accounting for Foreign Operations,"** by S. Pourciau and T. F. Schaefer, *Journal of Accounting Auditing & Finance* [Vol. 10 No. 1]: 51-70.

The paper provides empirical evidence regarding the market's reaction to firms' reported income effects of early adoption of SFAS No. 52, Foreign Currency Translation. A cross-sectional regression model was utilized to investigate the market reaction to the reported earnings effects of the accounting change for 97 firms that voluntarily adopted SFAS No. 52 in 1981. Evidence presented here suggests that although the change in accounting method increased earnings, the market did not react to the resulting increase in earnings in a positive fashion.

**"Return and Risk Premium Seasonalities in three Emerging Asian Markets: Hong Kong, Korea and Taiwan,"** by Y. Cheung, R. Y. Ho and K. Wong, *Journal of International Financial Management and Accounting* [Vol. 5, 1994]: 223-241.

In this study, the authors find that seasonal return patterns differ from that implied by risk premiums in three emerging Asian markets; namely, Hong Kong, Korea and Taiwan. Positive January seasonal returns are found in the Hong Kong and Taiwan markets, while positive February seasonal returns are also found in Taiwan. These findings suggest that investors should place their money in these markets during January but not for the months of June and December in Korea, and for the months of May and November in Taiwan. Corporate managers should also be aware of the need to adjust for such seasonal variations when they use market data to evaluate the risk premium or required rate of return for projects in these markets. The results also show that the size effect may also be priced in some of these markets.

**"Home Country Taxation and the Theory of International Production,"** by C. J. Weisfelder, *Journal of International Financial Management and Accounting* [Vol. 5, 1994]: 193-222.

This paper addresses the taxation of foreign source income from the perspective of a multinational firm. It demonstrates how differences in home country fiscal regimes of multinational firms can lead to variations in the cost of transferring cash resources across the borders of national jurisdictions. In the framework of international production theory, it shows how the home country fiscal regime can be a source of ownership advantage when the firm creates an appropriate network of assets, liabilities and equity. Taxation is the link between some financial decisions to the theory of international production. Observations are taken from the tax calculations of three hypothetical multinational firms.

**"The Incremental Information Content of Earnings, Funds Flow and Cash Flow: The UK Evidence,"** by A. Ali and P. F. Pope, *Journal of Business Finance & Accounting* [Vol. 22, 1995]: 19-34.

This paper investigates the incremental information content of three accounting performance measures for U.K. firms: earnings, funds flow and cash flow. Based on tests of association using the most general specifications suggested by the recent literature incorporating time-varying parameters and a non-linear specification, a pattern of consistent results emerges. All three performance measures have explanatory power for returns individually and the response coefficients on their unexpected components are positive. The results further show that earnings, funds flow and cash flow have incremental information content. However, the response coefficients on the unexpected components are consistently positive across years only for earnings and funds flow.

**"An Empirical Study of the Information Content of Accounting Earnings, Funds Flows and Cash Flows in the UK,"** by C. D. B. Clubb, *Journal of Business Finance & Accounting* [Vol. 22, 1995]: 35-52.

This paper examines the relative information content of accounting earnings, funds flow and cash flow data based on a sample of 48 U.K. companies over the period 1955-84. Empirical findings were consistent with the hypotheses that earnings data and cash and funds flow data contain value-relevant information and that each of these datasets has incremental information content beyond the other. Some evidence that these findings are consistent with a positive association between estimated return response coefficients for accounting variables and estimated 'persistence measures' for these variables based on the dividend valuation model and a multivariate AR1 forecast model is presented.

**"Interdependence of Asian Emerging Equity Markets,"** by B. W. Hung and Y. Cheung, *Journal of Business Finance & Accounting* [Vol. 22, 1995]: 281-288.

This study applies the Johansen multivariate cointegration test to examine the interdependence of the Asian emerging equity markets—Hong Kong, Korea, Malaysia, Singapore, and Taiwan during the period 1981-1991. The findings show that these markets are not cointegrated when prices are measured in local currencies. However, when prices are measured in U.S. dollars there is evidence that these markets became cointegrated after the October 1987 Crash. Further analysis demonstrates that this relationship is caused by the coherence among the Asian currencies response against the U.S. dollar in the subperiod 1987-1991.

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**"Relationship Between Volatility and Expected Returns Across International Stock Markets,"** by P. Theodossiou and U. Lee, *Journal of Business Finance & Accounting* [Vol. 22, 1995]: 289-300.

This paper investigates the intertemporal behavior of stock market volatility and its relationship to expected returns for ten industrialized countries using the GARCH-M model. Significant conditional heteroskedasticity is found to be present in the stock market return series of all countries, indicating the presence of volatility clustering. No relationship is found between stock market volatility and expected returns. Stock market returns for Australia, Belgium, Canada, France, and Italy exhibit significant serial correlation; thus stock prices in these markets violate the Martingale model.

**"The Changing Structure of the Market for Audit Services in the UK—A Descriptive Study,"** by V. Beattie and S. Fearnley, *British Accounting Review* [Vol. 26, 1994]: 301-322.

This paper is motivated by the debate which currently exists concerning the joint effect on the UK audit market of audit firm mergers and increasing competitive pressures. Based on a large sample of 2,079 domestic listed companies, measures of seller concentration are calculated for the period of 1987 to 1991. The three principal factors which have contributed toward the change in concentration are identified as audit firm mergers, voluntary realignments (auditor switching) and the auditor distribution of newly listed companies. The relative impact of these factors on seller concentration is measured. The results of this study are placed in perspective via cross-study longitudinal and inter-country comparisons of concentration ratios and annualized rates of auditor change. Results indicate an increasing level of seller concentration in the U.K. market for audit services, which is also high relative to other countries, and a high and rising instability in client-auditor relationships. Policy implications are discussed.

**"Good News, Bad News and International Spillovers of Stock Return Volatility Between Japan and the U.S.,"** by K. Bae and G. Karolyi, *Pacific-Basin Finance Journal* [Vol. 2, 1994]: 405-438.

The authors study the joint dynamics of overnight and daytime return volatility for the Nikkei Stock Average in Tokyo and the Standard and Poor's 500 Stock Index in New York over the recent 1988-92 period. The research extends the GARCH framework of Engle (1982) and Bollerslev (1986) to allow for asymmetric effects of negative ("bad news") and positive ("good news") foreign market returns shocks for volatility. The evidence demonstrates that the magnitude and persistence of shocks originating in New York or Tokyo that transmit to the other market are significantly understated if this asymmetric effect is ignored. Implications for pricing of securities within those markets, for hedging and other global trading strategies and for regulatory policies within these financial markets are also discussed.

**"Tax Reform and Foreign Acquisitions: A Microanalysis,"** by J. H. Collins, D. Kemsley, and D. A. Shackelford, *National Tax Journal* [March, 1995]: 1-21.

The authors test the hypothesis that the Tax Reform Act of 1986 (TRA 86) induced acquisitions of U.S. companies by foreign investors from worldwide tax jurisdictions, principally the United Kingdom and Japan, relative to U.S. investors and foreign investors from territorial tax jurisdictions. They find that postacquisition tax advantages realized by U.K. and Japanese investors after TRA 86 are very small relative to the acquisition size. Thus, the evidence indicates TRA 86 did not significantly enhance the competitive advantage of foreign firms in the U.S. acquisition market.

**"Effective Tax Rates in Macroeconomics Cross-Country Estimates of Tax Rates on Factor Incomes and Consumption,"** by E. G. Mendoza, A. Razin, and L. L. Tesar, *Journal of Monetary Economics* [Vol. 34, 1994]: 297-323.

This paper proposes a method for computing tax rates using national accounts and revenue statistics. Using this method the authors construct time series of tax rates for large industrial countries. The method identifies the revenue raised by different taxes at the general government level and defines aggregate measures of the corresponding tax bases. This method yields estimates of effective tax rates on factor incomes and consumption consistent with the tax distortions faced by a representative agent in a general equilibrium framework. These tax rates compare favorably with existing estimates of marginal tax rates, and highlight important international differences in tax policy.

**"Predicting Excess Returns in Financial Markets,"** by F. Canova and J. Marrinan, *European Economic Review* [Vol. 39, 1995]: 35-69.

This paper attempts to reproduce the time series properties of nominal excess returns in a variety of financial markets using a representative agent cash-in-advance model, modified to allow for time variation in the conditional variances of the exogenous processes. The exogenous fundamental processes of the model are estimated from the data and the remaining free parameters are estimated with a simulated method of moments technique. Simulations demonstrate that the model can replicate some of the predictability features of observed excess returns for the period 1978-1991, but that it fails to account for the serial correlation and for the joint properties of one and three months excess returns.

**"A Welfare Comparison of Intermediaries and Financial Markets in Germany and the US,"** by F. Allen and D. Gale, *European Economic Review* [Vol. 39, 1995]: 179-209.

There is wide variation in the structures of financial systems in different countries. The authors compare two polar extremes. In one, which is referred to as the "German model," intermediaries predominate. In the second, which is referred to as the "U.S. model," financial markets play the major role. The objective is to contribute to a theoretical framework for the welfare analysis of comparative finan-

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cial systems. The study is divided into two parts, which focus on financial services provided to households and firms, respectively. On the household side, issues such as cross-sectional and intertemporal risk sharing, noise suppression and the provision of services are considered. Information, financing, the market for corporate control, and diversity of opinion are considered on the firm side.

*\* ordered*  
"Characteristics of Japanese Finance: A Review and Introduction," by R. Aggarwal, *Global Finance Journal* [Vol. 5, 1994]: 141-167.

This paper is a brief review of the nature and differentiating characteristics of Japanese finance. Selected recent developments and research relating to Japanese finance are summarized and, where appropriate, Japanese finance is compared to finance in the U.S. It is noted that Japanese finance reflects that Kieretsu industrial structure, importance of the main bank system, and significant government regulation and administrative guidance.

"Banks in the Board Room: The American Versus Japanese and German Experiences," by W.C. Kester, *Global Finance Journal* [Vol. 5, 1994]: 181-204.

As the United States debates the scope and direction of banking reform, it should also reconsider current restrictive policies on the involvement of financial institutions in the corporate governance system. Japanese and German bankers maintain close and active relationships with their industrial clients, and their involvement in matters of corporate and contractual governance is substantial. Evidence indicates that this involvement has had a positive effect on corporate performance in those countries. This experience suggests that it is time to restore a role for financial institutions in American corporate governance. When freed from artificial prohibitions against equity ownership and constraints that inhibit their full shareholder rights, financial institutions will be able to play a broadly constructive role in the American system of corporate governance and economic progress.

"A Comparison of the Financial Characteristics of U.S. and Japanese Manufacturing Firms," by I. Meric and G. Meric, *Global Finance Journal* [Vol. 5, 1994]: 205-218.

This study compares the financial characteristics of U.S. and Japanese manufacturing firms by using the Principal Components Analysis and Multivariate Analysis of Variance techniques. Japanese manufacturing firms have significantly higher accounts receivable, inventory turnover, and fixed asset turnover ratios and significantly lower cash turnover, market-value return on equity, and interest cost/total debt ratios compared with U.S. manufacturing firms. Japanese manufacturing firms also have lower liquidity and lower asset profitability than U.S. manufacturing firms. Although the book-value debt ratio is significantly higher in Japan than in the U.S., the market-value debt ratio is not significantly different in the two countries. The book-value return on equity ratio and the new capital investments/net fixed assets ratio are not significantly different in the U.S. and Japan.

"Factors Associated with Dual Equity Listings," by J. D. Diltz and S. T. Lau, *The International Journal of Finance* [Vol. 6, 1994]: 825-844.

This study examines factors that may influence New York Stock Exchange (NYSE) listed U.S. firms to become listed on the Tokyo Stock Exchange (TSE). Logit regression applied to a state-based sample of 146 firms indicates that large firms and firms already listed on other foreign stock exchanges are associated with increased likelihood of TSE listing. For a subsample consisting mostly of the largest firms, marketability, liquidity, and capital raising benefits were also detected. Additionally, the trend in new TSE listings by sample firms appears to be related to the 1983 relaxation in reporting and disclosure requirements for foreign firms listed on the TSE, and by appreciation of the yen relative to the dollar.

"Dual Trading: Winners, Losers, and Market Impact" by A. Sarkar, *Journal of Financial Intermediation* [Vol. 4, 1995]: 77-93.

This paper shows that dual trading reduces the net order flow and market depth. Trading volume and gross (of commission fees) profits of informed traders are lower with dual trading, while volume and gross losses of uninformed traders are unaffected. When the broker's commission income is independent of the customer's trading volume, the competitive commission fee is lower with dual trading. The utility of uninformed traders (net of commission fees) increases with dual trading, while the net profits of informed traders decrease.

"Information Disclosure Costs and the Choice of Financing Source," by O. Yosha, *Journal of Financial Intermediation* [Vol. 4, 1995]: 3-20.

Small- and medium-size, high quality, entrepreneurial firms may prefer bilateral to multilateral financing arrangements, in order to avoid disclosure of private information which might leak to competitors. In the presence of a cost differential between these forms of financing, the higher quality firms (those with more to lose from disclosure) prefer bilateral financing. The cost differential prevents competitors from unambiguously inferring that these firms are hiding information.

"Event Study Methods and Evidence on their Performance," by S. Armitage, *Journal of Economic Surveys* [Vol. 8, 1995]: 25-52.

This paper outlines widely used methods of estimating abnormal returns and testing their significance, highlights respects in which they differ conceptually, and reviews research comparing results they produce in various empirical contexts. Direct evidence on the performance of different methods is available from simulation experiments in which known levels of abnormal return are added. The market model is most commonly used to generate expected returns and no better alternative has yet been found despite the weak relationship between beta and actual returns. Choice of procedure for significance testing depends on the characteristics of the data. The

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evidence indicates that in many cases the best procedure is to standardize market model abnormal returns by their time series standard errors of regression and use the *t*-test. Alternatively a rank test appears to be at least as powerful. If errors are cross-correlated or increase in variance during the test period, other methods discussed should be used.

**"Corporate Income Tax Competition, Double Taxation Treaties, and Foreign Direct Investment,"** by E. Janeba, *Journal of Public Economics* [Vol. 56, 1995]: 311-325.

In the presence of international capital mobility, foreign direct investment is influenced by corporate income tax rates and the rules of how taxes paid in the host country are treated at home. In this paper the exemption, credit and deduction methods are considered as tax rules. Tax competition is modeled as a non-cooperative game with respect to both corporate tax rates and the form of double taxation relief. The subgame perfect equilibrium is shown to be independent of the tax rules. Since capital is inefficiently allocated, the feasibility and the content of a cooperative contract between governments are analyzed. It is argued that only the credit method requires neither compensatory payments nor fully harmonized tax rates. This is consistent with the observation that tax credits are very often adopted in double taxation treaties.

**"Are ADRs a Dollar Translation of Their Underlying Securities? The Case of Japanese ADRs,"** by J. Park and A. Tavakkol, *Journal of International Financial Markets, Institutions & Money* [Vol. 4, 1994]: 77-87.

This paper investigates whether there is a systematic difference in risks and returns between Japanese ADRs and their underlying stocks. The authors find that exchange rate adjusted returns on ADRs are not significantly different from the returns on their corresponding securities. ADRs are more volatile than the underlying stocks, due to the impact of the currency market volatility and the covariance of the stock-currency returns. Although, on average, returns on ADRs are generated by returns on the underlying stock and yen-dollar exchange rate, the Japanese ADRs show some autonomy. Compared to their underlying stocks, ADRs are more responsive to the U.S. market and less to the Japanese market. Return on ADRs, after adjusting for exchange rate effect, are less responsive to the movements in currency market than their underlying stocks.

**"Does the Market React Differently to Domestic and Foreign Takeover Announcements? Evidence from the U.S. Chemical and Retail Industries,"** by K. L. Dewenter, *Journal of Financial Economics* [Vol. 37, 1995]: 421-441.

This paper examines shareholder wealth gains from domestic and foreign takeover announcements in the U.S. chemical and retail industries. Contrary to results in several recent papers, these data indicate there is no significant difference in within industry mean takeover premia levels. There is evidence, though, that the sensitivity of takeover premia levels to standard transaction characteris-

tics does differ across buyers: Foreign investors do pay more than domestic investors in hostile transactions, but pay less when there are rival bidders. The results indicate the market's reaction to buyer nationality is closely tied to the transaction's characteristics.

**"Firm Performance, Corporate Governance, and Top Executive Turnover in Japan,"** by J. Kang and A. Shivdasani, *Journal of Financial Economics* [Vol. 38, 1995]: 29-58.

The authors examine the role of corporate governance mechanisms during top executive turnover in Japanese corporations. Consistent with evidence from U.S. data, the likelihood of nonroutine turnover is significantly related to industry-adjusted return on assets, excess stock returns, and negative operating income, but is not related to industry performance. The sensitivity of nonroutine turnover to earnings performance is higher for firms with ties to a main bank than for firms without such ties. Outside succession in Japan is more likely for firms with large shareholders and a main bank relationship. The paper documents performance improvements subsequent to nonroutine turnover and outside succession.

**"The Chameleon of Accountability: Forms and Discourses,"** by A. Sinclair, *Accounting, Organizations and Society* [Vol. 20, 1995]: 219-237.

Accountability is a cherished concept, sought after but elusive. New models of administrative reform promise to provide heightened accountability through managerial controls. Interviews with 15 Chief Executives of Australian public sector organizations reveal the chameleon quality of accountability. Accountability is subjectively constructed and changes with context. Five forms of accountability identified in the interviews are explored: political, public, managerial, professional and personal. Two discourses of accountability are also identified: a structural and a personal discourse. CEOs experience an accountability which encompasses multiple and conflicting meanings. The paper argues for a new conception of accountability and new approaches to enhancing it. Imposing managerial controls is less likely to be effective than informing the process by which administrators construct and enact a sense of being accountable.

**"A Study of the Perception of Public Accounting Skills Held by UK Students with Accounting and Non-Accounting Career Aspirations,"** by C. Oswick, P. Barber, and R. Speed, *Accounting Education* [Vol. 3, 1994]: 283-296.

This paper examines perceptions of the skills that are important for success in public accounting. The total sample consists of 203 respondents who have operationalized career interests by either applying to accounting firms or to other large companies for non-accounting positions. The findings indicate that both groups have similar perceptions of the importance of analytical ability and deductive reasoning. However, respondents interested in entering the accounting profession attach greater importance to the possession of good interpersonal skills, empathy, sensitiv-

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ity, innovation and creativity. Accounting applicants describe accounting as incorporating a wider skill repertoire than those with non-accounting aspirations. The implications of these differing views for career choice and accounting education are explored.

**"International Accounting: A Quest for Research,"** by H. Falk, *Contemporary Accounting Research* [Vol. 11, 1994]: 595-615.

This article complements the 1993 report by the AAA International Accounting Section's Committee on Research Methodology. It focuses on seemingly paradoxical observations and conflicting findings reported in the international accounting literature. The purpose of this article is to stimulate our collective intellectual curiosity with the hope that it will motivate future researchers to search for explanations of the observed unexplained phenomena. Although the development of a framework for the systematic investigation of the unexplained observations is beyond the scope of this article, the author offers a conjecture that might be considered in such an examination.

**"The Association of Stock Returns with International Accounting Standards Earnings: Evidence from the Finnish Capital Market,"** by J. Niskanen, J. Kinnunen, and E. Kasanen, *The International Journal of Accounting* [Vol. 29, 1994]: 283-296.

Market-based accounting research on the information content of earnings figures based on the International Accounting Standards (IAS) is relatively scarce. This paper examines whether IAS-based earnings contain incremental information over and above earnings based on the Finnish accounting rules which have differed significantly from the IAS. The findings reveal significant information content in the IAS earnings after controlling for Finnish earnings. The results give evidence of the value of internationally standardized accounting rules for the investing public and give further impetus towards international accounting harmonization.

**"Environmental Auditing: Approaches of the U.S. and Canadian Professions,"** by L. B. Specht and N. Buhr, *Journal of International Accounting Auditing & Taxation* [Vol. 3, 1994]: 115-133.

The global focus on environmental issues has resulted in numerous initiatives by professional accounting associations worldwide. The CICA in Canada and the AICPA in the United States illustrate disparate approaches in defining the emerging role of the accounting profession in the area of environmental auditing. Although there are differing legal and political influences at work in the United States and Canada that have impacted (and will continue to impact) the accounting profession's involvement in environmental matters, economic globalization and public demands for information are likely to draw accountants into the area.

**"International Comparisons of Professional Training in Management Accounting: The Case of Canada and the**

**United States,"** by V. Arunachalam and C. Lawrence, *Journal of International Accounting Auditing & Taxation* [Vol. 3, 1994]: 251-270.

The successful management of transnational organizations requires the design of organizational control systems that take into account contingencies relevant to the various environments in which organizational subunits operate. One such contingency is that of education and professional training of decision makers. This article investigates the extent to which a common body of knowledge (CBOK) varies across countries. To this end, a comparison is made of the professional certification programs for management accountants in two countries, Canada and the United States. Underlying commonalities and differences are discussed in the context of cultural/economic/political differences.

## International Accounting Section's Annual Program (Continued from page 3)

### International Forum Papers

"A Comparison of Accounting-Generated vs. Market-Generated Measures for Evaluating Internationally Diverse Firms," Catherine G. Gaharan, Nicholls State University; John Lajaunie, Nicholls State University, and Benny R. Zachry, Nicholls State University

"CEO Compensation and Control in Japanese Firms," Lee Seok Hwang, Baruch College; Helen K. Snider, New York University; and Allan Bird, California Polytechnic State University

"Availability and Accuracy of Accounting and Financial Data in Emerging Markets: The Case of Malaysia," Cameron Morrill, Université Laval; Janet Morrill, Université Laval; and Jean-Marc Suret, Université Laval

"Ethical Development, Professional Commitment and Role Observance Attitudes: A Study of Auditors in Taiwan," Cynthia Jeffrey, Iowa State University; Nancy Weatherholt, University of Missouri-Kansas City; and Steven Lo, University of Missouri-Kansas City

"A Multidimensional Study of International Accounting Research," Zafar U. Khan, Eastern Michigan University and Amelia Baldwin-Morgan, Eastern Michigan University

"Market Perception of Goodwill: Some Empirical Evidence," Mark G. McCarthy, East Carolina University and Douglas K. Schneider, East Carolina University

"U.K. Managers' Decisions and Their Perceptions of Capital Markets," John R. Grinyer, University of Dundee; D. J. Collinson, University of Dundee; and A. Russell, University of Dundee

"Voluntary Financial Disclosure by Pension Plans: Theory and Evidence," Paul J. M. Klumpes, University of Wollongong

## NEWS FROM AROUND THE WORLD

### Australian Society of Certified Practising Accountants (ASCPA)

#### ASCPA Education Requirements

The ASCPA has announced changes to its education requirements, to be introduced in 1996. For some years, graduates of an accredited Bachelor's degree who have completed an approved sequence in Finance, Information Technology, Management Accounting or Local Government have been admitted as Associates. They have then been required to complete approved university units in Auditing, Australian Company Law and Taxation Law, as well as the CPA Programme, in order to qualify for CPA status.

In recognition of the diverse career paths of professional accountants in the 1990s, these Associates will be able to undertake an approved unit combining Company and Taxation Law as a CPA status requirement in place of the units in Auditing, Company Law and Taxation Law. At the same time the content relating to internal control and risk management in all the CPA segments will be reviewed and strengthened and universities offering accredited courses will also be encouraged to strengthen this aspect of their programs.

The new requirements should improve access to the CPA Programme and CPA status for graduates whose professional interests lie in less traditional areas of accounting work. Further, it will broaden the membership base of CPAs and thus strengthen the ASCPA's broad, representative role in the profession and the community.

#### Changes in Professional Accreditation in Australia

A review of the joint accreditation of university courses by the ASCPA and ICAA is underway. A Task Force which

includes representatives of the two bodies and the AAANZ has been established. Professor Michael Gaffikin of Wollongong University and Professor Stewart Leech of the University of Tasmania are representing the AAANZ.

This thorough review will examine changes in accounting education overseas as well as recent research in Australia and other parts of the world. The Task Force will also investigate means of providing better balance between technical and general education and developing generic skills, before formulating new joint accreditation guidelines. Submissions have been received from academics and members of the professional bodies.



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