

INTERNATIONAL  
ACCOUNTING SECTION  
of the



American  
**Accounting**  
Association

# FORUM

INTERNATIONAL ACCOUNTING

NO. 65

FALL 1998

EDITOR: Mike Kennelley  
University of Tulsa

## CHAIRPERSON'S MESSAGE

### An Invitation to Come to Orlando, Florida, in January

I would like to thank the Nominations Committee for selecting an outstanding slate and the members in attendance at the Annual Business Meeting in New Orleans for their vote. On behalf of the Executive Board, I pledge that we will do our best to serve the Section membership. In addition, a special thank you to all the members who agreed to serve on committees and especially those who agreed to chair committees. The names and addresses of the officers, chairs, and regional coordinators are listed elsewhere in this issue, and I am sure that you will agree that we have an outstanding team.

First, I would like to invite all of you to attend the 1999 Midyear Meeting in Orlando, Florida on January 8-9, 1999. Hotel and registration information is available later in this issue of the *Forum* as well as on the Section's web site. Please make your hotel reservations as soon as possible since the block of rooms reserved for us is limited.



Hans Dykxhoorn

Donna Street, Chair of the Midyear Planning Committee, and her committee are in the process of putting together an outstanding program. I would like to thank Andy Bailey for agreeing to have CIERA of

the University of Illinois act as co-sponsor of the meeting. This will be the second year that CIERA has co-sponsored our Midyear Meeting.

Besides looking forward to an excellent Midyear Meeting, I am also looking forward to carrying out the other business of the Section. To better serve our members, I have appointed a Strategic Planning Committee, chaired by Mitch McGhee, to solicit feedback from our members as to how the Section can better serve them. When you receive Mitch's survey, please fill it out promptly. In order to improve the Section, the current and future leadership of the Section needs your input.

I have also appointed a Teaching Resources Committee, chaired by Mehmet Kocakulah. Mehmet and his committee will be collecting syllabi and cases dealing with international accounting, auditing, and taxation issues. Please share freely of your knowledge in this area and send the information to Mehmet. He will put it on our web site for the benefit of all Section members as well as others interested in international accounting.

Norlin Rueschhoff has agreed to serve as the Section historian, a position that has not been filled since Paul Garner, our past Section historian, passed away. The Section has been in existence for over 22 years, and it is important to preserve the history of the Section since memories fade. If you have past issues of the *Forum*, please let Norlin know.

### International Accounting Section **Forum Deadlines**

Spring 1999 Issue—January 1  
Summer 1999 Issue—May 1

Please submit items via email using a Microsoft Word format file as an attachment. Submit to [kennellemic@centum.utulsa.edu](mailto:kennellemic@centum.utulsa.edu)

I would like to encourage section members from around the world to consider placing important news announcements in the "News from Around the World" section of the *Forum*. Please consider sharing important and interesting news items with your colleagues from the International Accounting Section.

(Continued on page 2)

**Message from the Chairperson** (Continued from page 1)

Another issue that needs close attention is the proposed Section journal. Haim Falk, who was elected Section journal editor at last year's business meeting, recently resigned from the position. Since this action occurred after the most recent *Forum* issue went to press, many of you may not have been aware of this latest development affecting the journal. As a result of the change in the by-laws which makes the Section editor an appointed position, the Executive Board will move quickly to appoint the Section editor in the near future. While the resignation of Haim was unexpected, this by-law change will allow us to put a new Section editor in place without having to wait until next August's business meeting. I have instructed Somnath Das, chair of the Publication Committee to move expeditiously to nominate a candidate for appointment no later than January 1, 1999.

Another focus of the Section this year will be to increase our CPE offerings at the regional meetings. Although all of the work for the Section is done without remuneration, the Executive Board approved a \$200 honorarium for CPE presenters at the regional meetings to compensate them for the additional one day (and overnight) expenses they incur presenting a CPE session. Ed Swanson, Chair of the Continuing Professional Education Committee, heads these efforts in co-operation with the Section's Regional Coordinators. Anyone interested in presenting a CPE session on international accounting in his or her Region should contact Ed as soon as possible.

The effort to publish the *Forum* solely on our web site by the year 2000 continues. To get the Section prepared for this change, we need to

have each member's current e-mail address. Those of you who would like to receive the *Forum* only by electronic dissemination now can do so by emailing Tim Sale, Webmaster and Chair of the Technology Committee informing him of your decision. Please consider doing so since it significantly cuts the Section's mailing costs.

Shahrokh Saudagaran agreed to chair the International Relations Committee this year. His committee will continue with the effort, started by Shahrokh, to assist in the establishment of the Asian Academic Accounting Association. The committee will also continue the gift membership program started by Shahrokh last year. I urge all of you to consider contributing to this worthy effort. The committee will also work on co-sponsoring meetings with accounting associations outside the United States. I would like to point out that the American Accounting Association/Taiwan Accounting Association's First Globalization Conference is scheduled for July 10-15, 1999 in Taipei, Taiwan. The Section is one of the co-sponsors of the event.

The Annual Program Committee is chaired by Teri Conover. Please consider submitting a paper and/or a proposal for a panel to Teri. Gordian Ndubizu, who was a member of the Research Committee last year, is chairing the Research Committee this year. His committee will continue to identify less traditional databases that can be used for international accounting research.

The Section's Awards are an important function of the IAS. Ross Tondkar heads the Outstanding International Accounting Educator Award. Please submit your nominations directly to Ross. Jenice Prather-Kinsey chairs the Outstanding

International Dissertation Award Committee and needs your help in identifying qualified candidates for this award. I urge you to nominate worthy candidates for both awards.

Finley Graves is the Chair of the Nominations Committee. Please consult the Section's by-laws concerning qualifications for candidates and provide input to Finley concerning next year's slate of nominees.

The Membership Committee, chaired by Jack Fay, has as its major charge the promotion of the Section to increase membership. Please assist Jack in the task to increase the Section's membership by distributing application forms to your colleagues and urging colleagues to join. Membership application forms are available on the Section's web site.

The Regional Program Committee is chaired by Abdel Agami who will co-ordinate the work of the Section at the Regions. As I pointed out in the business meeting, the Regional Coordinators carry out a significant portion of the mission of the Section. I would like to thank each of the coordinators for agreeing to serve in that position. Thank you to Phil Siegel, Kathleen Sinning, Ed Shoenthal, Lynn Rees, Ran BarNiv, Bruce Behn, and Michele Wingate.

Last, but not least, I would like to thank Segun Wallace for agreeing to stand for election as chair of the Advisory Board and Mike Kennelley for continuing his excellent work as *Forum* editor. The Section can look forward to an exciting and productive year made possible by the work and enthusiasm of its members.

I hope to see many of you in Orlando at the Section's Midyear Meeting.

Hans J. Dykxhoorn  
1998-99 IAS Chairperson



American  
**Accounting**  
Association

Check for weekly updates  
on the AAA's web site:

<http://AAA-edu.org>

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2 Publications  
3 Nominations

(Continued on page 4)

CALL FOR SUBMISSIONS  
**OUTSTANDING  
INTERNATIONAL  
ACCOUNTING  
DISSERTATION AWARD**

The International Accounting Section of the American Accounting Association invites submissions for its Outstanding International Accounting Dissertation Award, to be presented at the Annual Meeting of the American Accounting Association in San Diego, California, in August 1999.

All doctoral dissertations successfully defended during the 1998 calendar year in the areas of international accounting, auditing, taxation and information systems are eligible for this award. Eligible individuals should submit no later than **February 28, 1999**:

1. Five copies of a summary of their dissertation not exceeding ten pages, and
2. A letter of support from his/her dissertation committee chairperson.

The Outstanding Dissertation Award Committee, upon reviewing the dissertation summaries, will select finalists for the award. Finalists will be requested to submit copies of the complete dissertation to the committee. Please send submissions (*Do not fax or email*) to:

Professor Wayne Thomas  
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*(continued from page 3)*

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Attendees of the Meeting to Form Asia-Wide Academic Accounting Association. Seated from left: Nobuo Kamata, Gerhard Mueller, Shahrokh Saudagaran, Gary Biddle, Simon Ho. Standing from left: Michimasa Satoh, Tae Sik Ahn, Jiin Feng Chen, Sung Joo Lee, Sang Oh Nam, Frederick Choi, Wasif Kahn, Low Aik Meng, Sayel Ramadhan.

**REPORT ON THE MEETING IN HONG KONG  
TO FORM AN ASIA-WIDE ACADEMIC  
ACCOUNTING ASSOCIATION**

In his chairman's address at the AAA Meeting in Dallas in August 1997, Shahrokh Saudagaran indicated that one of the major initiatives for the IAS during 1997-98 was to start the process to form an academic accounting association for colleagues all over Asia. Another initiative was to start partnering with national academic accounting associations outside the United States to cosponsor their annual conferences. Both these initiatives became a reality in Hong Kong in June 1998. The IAS cosponsored the Tenth Conference of Accounting Academics in Hong Kong jointly with the Hong Kong Academic Accounting Association and the Hong Kong Society of Accountants on June 16-17 at the Hong Kong YMCA. The plenary and concurrent sessions were very well attended and the quality of the papers was generally good.

The inaugural meeting of the representatives of academic accounting colleagues to form an Asia-wide academic accounting association was held on June 17, 1998, at the Hong Kong YMCA. The meeting was chaired by Shahrokh Saudagaran, Chair IAS 1997-98. Present were the following colleagues representing their respective countries, territories or regions: Sayel Ramadhan (Bahrain), Simon Ho (Hong Kong), Nobuo Kamata and Michimasa Satoh (Japan), Wasif Khan (Pakistan), Low Aik Meng (Singapore), Sang Oh Nam, Sung Joo Lee, Tae Sik

Ahn (South Korea), and Jiin Feng Chen (Taiwan). Also present were Gary Biddle, Frederick Choi, and Gerhard Mueller. Professor Prawit Ninsuvannukul, representing Thailand, was present at the conference but had to leave early in order to attend a U.N. meeting in Geneva. The representatives of a number of other Asian countries contacted Shahrokh Saudagaran to express their support for the association. They indicated that they were unable to attend the Hong Kong meeting due to the sharp decline in their national currencies.

All present agreed that there was a clear need to form such an association in view of the unique academic and environmental factors in Asia. An Asia-wide academic accounting association has an important role in enhancing accounting education and research in Asian universities. Participants stressed that the association should initially be inclusive and cover all of Asia (similar to the European Accounting Association). The representatives selected a name for the association—Asian Academic Accounting Association. They also began a dialog on the association's governance, bylaws and membership structure. The representatives decided to meet again in Maui in October 1998 during the Asian-Pacific Conference and welcomed the participation of Asian countries that were not represented at the meeting in Hong Kong.

## OUTSTANDING INTERNATIONAL ACCOUNTING DISSERTATION AWARD

Karl Albert Muller III was named the recipient of the 1998 Outstanding International Accounting Dissertation Award. Dr. Muller is an Assistant Professor of Accounting at Pennsylvania State University. He is a 1997 graduate of the Ph.D. program in accounting at the University of Illinois at Urbana-Champaign. He also received a B.B.A. from the University of Texas at Austin with highest honors in 1990. Among the honors he received while at the University of Illinois were the Andrew Barr Doctoral Fellowship, Coopers and Lybrand Doctoral Support Grant, Fred H. Figge Distinguished Teaching Assistant Award, and Richard D. and Anne Marie Irwin Dissertation Fellowship. Professor Muller's research interests include the association between international accounting measurement practices and security prices, alternative accounting measurement practices for intangible assets, corporate takeover decisions, and the voluntary disclosure of accounting information.

Dr. J. Richard Dietrich chaired Dr. Muller's dissertation. An abstract of his dissertation, entitled "The Valuation Implications of International Accounting Diversity: An Examination of the United Kingdom" follows.

### ABSTRACT

The emergence of global competition has coincided with, and, to some extent, given rise to major changes in the financial environment. A distinct feature of the new international financial environment is the trend towards greater integration of the world's capital markets, which has pre-

sented market participants with a host of new problems. A commonly cited investor problem is the difficulty they face interpreting financial statements based on the diverse set of generally accepted accounting standards (GAAP) across countries. Naturally, differences in accounting practices across countries are important, as one must know whether they are reading financial statements prepared according to Swiss, Japanese, or American accounting principles. However, the issue of whether the measurement differences in GAAP across countries are of practical significance (i.e., would make a difference in an investor's valuation decision) has remained relatively unexplored.

In this dissertation, the issue of whether differences in GAAP across countries are of practical significance is examined. Specifically, the valuation implications of three of the largest accounting practices that are followed in the United Kingdom but not in the United States are investigated: the valuation (and subsequent revaluation) of brand names and publishing titles, the partial-allocation method of accounting for deferred income taxes, and the separate disclosure of acquisition accounting components. The United Kingdom is the focus of this dissertation due to its economic significance relative to other countries. The findings indicate that accounting differences across countries can be of practical significance, at least differences between the United Kingdom and the United States. In addition, the findings contribute to our understanding of the usefulness of accounting measurement practices currently being debated by international accounting policy makers.

## OUTSTANDING INTERNATIONAL EDUCATOR AWARD

The 1998 recipient of the Outstanding International Educator Award is Professor Lee H. Radebaugh, the KPMG Peat Marwick Professor of Accounting at Brigham Young University and Co-Director of the BYU-University of Utah Center for International Business Education and Research (CIBER).

Professor Radebaugh received his M.B.A. and D.B.A. (Doctorate of Business Administration) from Indiana University. He previously taught at The Pennsylvania State University from 1972 to 1980. In 1975 he was a visiting professor at Escuela de Administración de Negocios para Graduados (ESAN), a graduate business school in Lima, Peru. In 1985, he was the James Cusator Wards visiting professor at Glasgow University, Scotland. He was Associate Dean of the Marriott School of Management from 1984 to 1991, and has been the CIBER Director since 1990.

He is the co-author of *International Business Environments and Operations* (Addison-Wesley Publishing Company,



Lee Radebaugh accepted his award at the 1998 Annual Meeting in New Orleans.

8th edition), *International Accounting and Multinational Enterprises* (John Wiley & Sons, 4th edition), and is the co-editor of seven books on Canada-U.S. trade and investment relations. He has also published several other monographs and articles on international business and international ac-

counting in journals such as the *Journal of Accounting Research*, the *Journal of International Business Studies*, and the *International Journal of Accounting*.

His primary teaching interests are international business and international accounting. Dr. Radebaugh's research is focused on stock listings on foreign stock exchanges, especially foreign listings on the New York Stock Exchange, accounting problems of multinational corporations, and the impact of exchange rates on operations, accounting, and reporting. He is an active member of the American Accounting Association (AAA), the European Accounting Association, and the Academy of International Business (AIB), having served on several committees, and as the President of the International Section of the AAA and the Secretary-Treasurer of the AIB. He is also active with the local business community as former President of the World Trade Association of Utah and member of the District Export Council.

## MINUTES OF THE 1998 MEETING OF THE EXECUTIVE COMMITTEE AND COMMITTEE CHAIRS

5:00–5:30 p.m., August 16, 1998

Prince of Wales Room, Hilton Riverside Hotel, New Orleans, Louisiana

Members present: Tim Douppnik, Hans Dykxhoorn, R. S. Olusegun Wallace, Pat McQueen, Mohamed Hussein, Jeannie J. Harrington, Teri Conover, Donna Street, Finley Graves, Juan Rivera, Shahrokh Saudagaran, J. Timothy Sale, Ed Swanson, Gordian Ndubizu.

Shahrokh Saudagaran presided over the meeting. He indicated that because committee reports would be made at the Section Business Meeting on the following day, reports from committee chairs would not be made at the Executive Committee meeting.

Shahrokh Saudagaran reported on progress made with regard to three initiatives: Creation of an Asian Academic Accounting Association, the AAA Gift Membership Program, and electronic dissemination of the Section's newsletter. Shahrokh Saudagaran met with representatives from nine Asian countries in Hong Kong to discuss formation of the AAAA. Progress was made and the group plans to meet again at the Asian-Pacific Conference in October. Shahrokh Saudagaran reported that approximately \$4,000 has been contributed to the AAA Gift Membership Program. A list of recipient institutions is currently being developed. The Auditing Section of the AAA has indicated that it will also send gift recipients copies of that section's publications.

Shahrokh Saudagaran also reported that through the electronic dissemination of *Forum* to some Section members, the Section is well on its way to reducing newsletter mailing costs.

Shahrokh Saudagaran reported that Haim Falk has resigned as editor of the Section's journal. Donna Street asked about the possibility of having Andy Bailey publish the Section journal as a special issue of his journal. Shahrokh Saudagaran indicated that because the Section members had formally voted to have a Section journal at the AAA meeting in Orlando in 1995, this precluded us from linking up with existing journals without putting it up to Section members for another vote. He also noted that at least two other international accounting journals had expressed an interest in linking up with the Section.

Finley Graves asked about updating the Section's membership mailing list for email addresses. Tim Sale indicated that he would bring this issue up at the Webmaster meeting on the following day.

Juan Rivera reported that the Advisory Committee followed due process in making changes to the bylaws.

The meeting was adjourned at 5:30 p.m.

*Tim Douppnik*

*(for Stephen Salter, Secretary 1997)*

## MINUTES OF THE 1998–99 PLANNING MEETING OF THE EXECUTIVE COMMITTEE, CHAIRS AND REGIONAL COORDINATORS

6:00–7:30 p.m., August 16, 1998

Prince of Wales Room, Hilton Riverside Hotel, New Orleans, Louisiana

Members Present: Tim Douppnik, Hans Dykxhoorn, Pat McQueen, Jenice Prather-Kinsey, Norlin Rueschhoff, Ed Swanson, Ron BarNiv, Mitch McGhee, Abdel Agami, Teri Conover, Donna Street, Finley Graves, Gordian Ndubizu, Lynn Rees, Shahrokh Saudagaran, Somnath Das, Bruce Behn, Tim Sale, Stephen Salter, David Sharp.

Hans Dykxhoorn (incoming chair) presided and called the meeting to order at 6:05 p.m.

A motion passed to approve the agenda as was the motion to approve the 1998–99 budget.

Hans outlined the plans of the Section for the coming year. He noted that the good work done by Shahrokh Saudagaran will be continued and he thanked Shahrokh for agreeing to serve on the International Relations Commit-

tee for the coming year. Hans also talked about new initiatives to be pursued during the coming year such as the establishment of the Teaching Resources Committee, chaired by Mehmet Kocakulah and the creation of the Strategic Planning Committee, chaired by Mitch McGhee. Also, to preserve the history of the Section, Norlin Rueschhoff was appointed as Section historian.

Since the position of Section editor has become vacant, the need to fill it quickly was emphasized by Hans. He asked the chair of the Publication Committee, Somnath Das, to proceed expeditiously with the nomination of a qualified candidate. The candidate will be appointed by the Executive Board no later than January 1, 1999, assuming necessary changes to the by-laws pass.

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## MINUTES OF THE BUSINESS MEETING OF THE AAA INTERNATIONAL ACCOUNTING SECTION

10:30 a.m., August 19, 1998

Hilton Riverside Hotel, New Orleans, Louisiana

The meeting was called to order by Shahrokh Saudagaran at 10:39 a.m., with about 60 members present. He reported on initiatives during the year.

1. The section participated in the creation of the Asian Academic Accounting Association (AAAA) in Hong Kong in June 1998. Representatives from the national associations of Japan, Korea, Taiwan, Hong Kong, Singapore, Thailand, Bahrain and Pakistan were present. Several others had hoped to be present, but the economic situation prevented their participation. The group is making good progress and has agreed to meet again at the Asia-Pacific accounting conference in Maui in October.

*(Continued on page 8)*

**Planning Meeting Minutes...** (continued from page 6)

An explanation and discussion of the charges of the various committees and chairs for the upcoming year followed:

**Annual Program Committee:**

Teri Conover (chair)

A balance in the number of sessions devoted to various topics is desired, if possible. The importance of starting early to secure a speaker for the business luncheon was stressed.

**Continuing Education Committee:**

Ed Swanson (chair)

Hans reported that Ed had agreed to serve an additional year as chair and that the emphasis will be to expand offerings of CPE sessions at the Regions. Some money was budgeted to reimburse CPE presenters for the additional day required to lead the session by paying them an honorarium of \$200.

**Midyear Meeting Committee:**

Donna Street (chair)

Hans congratulated Donna Street for having done a great job so far in planning the meeting. Donna reported that the 1999 meeting will be co-sponsored by CIERA, University of Illinois, and requested all present to consider submitting papers and panels, the deadline for which is October 1, 1998. She also noted that reservations should be made early as a block of only 50 rooms has been reserved for the Section's meeting at the Radisson Twin Towers Hotel in Orlando. The IAS meeting overlaps with the Management Accounting Section's meeting in the same hotel. Information is available on the AAA web site and on the Section's web site.

**International Relations Committee:**

Shahrokh Saudagaran (chair)

The Section will continue to co-sponsor one or two meetings outside the USA, but the co-sponsorship will be in kind, not in cash. Shahrokh requested that members inform him of any national associations that might be interested in such a collaborative arrangement. Hans noted that the committee also will continue to administer the gift membership program which was started successfully last year by Shahrokh.

**Information Technology Committee:**

Tim Sale (chair)

Hans expressed thanks to Tim and his committee for its past work on the IAS web site and Tim's willingness to continue this important job. Tim reported that the *Forum* was now available on the web site. Members are in a position to receive it electronically, thereby eliminating the cost of mailing. A discussion of the feasibility of electronic-only distribution followed. Tim also will be working to update the membership list on the web as well as continuing his effort to obtain email addresses from all Section members.

**Membership Committee:**

Jack Fay (chair)

Since membership has decreased during the past year (probably due to the Asian economic crisis) Hans instructed the membership committee to focus its effort toward promotional activities during the coming year.

**Outstanding International Accounting Educator:**

Ross Tondkar (chair)

Hans urged everyone present to submit nominations for this prestigious award to Ross.

**International Accounting Dissertation Award Committee:**

Jenice Prather-Kinsey (chair)

Hans requested that all present encourage their Ph.D. students to submit their dissertations as well as encourage new Ph.D. colleagues who just finished their international accounting dissertation to submit them for this award.

**Publications Committee:**

Somnath Das (chair)

As Hans mentioned in his introductory comments, the greatest task facing this committee will be the identification of an editor for the Sections proposed journal.

**Regional Programs Committee:**

Abdel Agami (chair)

Hans pointed out the important role the regional coordinators play in carrying out the mission of the Section. He urged the regional coordinators to work closely with the regional program chairs and with

the Continuing Education Committee to provide needed services to our members.

**Section Historian:**

Norlin Rueschhoff

Hans noted that this position had not been filled since Paul Garner passed away, and that it was important to preserve the history of the Section.

**Research Committee:**

Gordian Ndubizu (chair)

The charges of the committee were discussed. Gordian asked for suggestions from all present to carry out these charges.

**Nominations Committee:**

Finley Graves (chair)

Finley encouraged nominations from all present for the various positions available. He noted that in the past this committee received very few nominations from the membership. Hans also encouraged more participation in the process but advised reading the by-laws to assure that the person qualifies for the elected position.

**Forum:**

Mike Kennelley, editor

Hans noted that Mike has done a great job and hoped that he will agree to continue after his three-year term expires.

**Advisory Board:**

R. S. Olusegun Wallace (chair)

Hans asked Segun to review the by-laws for possible improvements, assist the Strategic Planning Committee in an advisory position, and direct the Advisory Board to guide the Executive Board.

Patricia McQueen, Vice Chair - Practice, expressed her willingness to assist the various committees in any way she can.

Hans thanked everyone for their willingness to serve during the coming year and looks forward to a successful and productive year for the Section. The meeting adjourned at 7:40 p.m.

Respectfully submitted,

David Sharp  
Secretary 1998-2000

**Business Meeting Minutes...** (continued from page 6)

2. The gift membership program has been established. A gift of \$100 provides a designated overseas institution with a one-year AAA membership. \$4000 has already been collected for this purpose, and Shahrokh thanked the Section, especially Professors Fred Choi and Kazuo Hiramatsu, for their generosity and their effort in raising contributions. He also asked that the Section's members contact him to nominate overseas universities as possible recipients of a membership gift.

3. Arrangements for the electronic dissemination of the section's newsletter are complete, and any member no longer wishing to receive a hard copy (and thereby save the Section the cost of mailing it) was encouraged to inform Tim Sale. Shahrokh thanked Tim Sale and Teri Conover for all the work they had put into this effort.

4. The section co-sponsored the annual HKAAA/HKSA meeting in Hong Kong in June, and co-ordinated the HKUST international accounting symposium. Shahrokh expressed the hope that the section would continue this arrangement, and called for suggestions for future years. He noted that the Section's support did not include cash, but logistics and similar support.

5. A successful midyear meeting, organized by Ajay Adhikari and Mitch McGhee, was held jointly with CIERA in Illinois in honor of Vern Zimmerman. Art Wyatt was the plenary speaker.

Shahrokh thanked the committee chairs and members for their efforts during the year.

### COMMITTEE REPORTS

#### 6. Treasurer's Report

Tim Douppnik distributed the statement of cash flows, noting that about \$25,000 of the current cash balance was earmarked for the Section's journal. Jenice Prather-Kinsey reported that last year's outstanding dissertation prizewinner had not yet received the \$500 prize. Tim agreed to investigate and rectify the situation.

#### 7. Annual Meeting Report

Donna Street reported receiving 45 proposals/papers for 4 paper sessions and two panel sessions. The section was subsequently given a third panel session. The forthcoming sessions on



IAS Past President Shahrokh Saudagaran leads the Business Meeting at the AAA Annual Meeting in New Orleans August 16, 1998.

developing countries and International Accounting Standards, and new directions in international accounting research were highlighted.

#### 8. Continuing Education

Hans Dykxhoorn reported on behalf of Ed Swanson that two excellent half-day CPE sessions were held at the annual meeting, with attendance of approximately 20 and 30 per session.

#### 9. Midyear meeting

Mitch McGhee reported a successful midyear meeting, with 35-40 papers received, and six presented in one-hour time slots to allow greater discussion than is normally possible.

#### 10. Publications Committee

Shahrokh reported on behalf of Grace Pownall that Haim Falk, the elected Section journal editor, had resigned in May as a result of an inability to come to an agreement on contractual arrangements between Rutgers University, the AAA and the editor. As a result, the search for an editor has been re-opened, and a proposal was to be brought to the meeting to amend the Section's by-laws to permit the executive committee to appoint an editor based on the recommendation of the publications committee to facilitate the selection process. It was estimated that the journal would cost

the section \$8 per copy based on one issue per year.

#### 11. Regional Programs

Shahrokh reported that international sessions were held at most regional meetings.

#### 12. Research Committee

Segun Wallace reported that he wished to encourage the diversity of databases available to international accounting researchers. He noted that there are plenty of databases for the U.S. and U.K., some for Europe, and very little else.

#### 13. International Relations

Shahrokh had attended meetings in Hong Kong, the results of which he had reported earlier in the meeting (see 1 above)

#### 14. Nominations Committee

Finley Graves, on behalf of Walter O'Connor, listed the slate of officers proposed for the upcoming year as follows:

##### Chairperson

Hans Dykxhoorn

##### Vice-Chair-Academic

Tim Douppnik

##### Vice-Chair-Practice

Patricia McQueen

##### Secretary

David Sharp

(Continued on page 9)



**Business Meeting Minutes...** (continued from page 8)

**Treasurer**

Stephen Salter

**Publications Committee**

Ran BarNiv

John Eichenseher

**Nominations Committee**

Jenice Prather-Kinsey

Claire Roberts

Don Herrmann

**Advisory Board**

R.S.O. Wallace

Hector Perera

Shahrokh moved, and Segun Wallace seconded, that the slate be adopted. The motion was passed unanimously. Finley Graves, as Chair of the Nominations Committee, invited nominations from those present for next year. Information will be available on the Section's web site.

**15. Information Technology**

Teri Conover reported that the current edition of the Forum is now available online at the Section's website, and expressed her thanks to Tim Sale, Mike Kennelley and Beverley Harrelson at AAA. She also reported to the membership that members who were willing to forego their hard copies of the Forum would receive an e-mail in the future to inform them whenever a new issue was available on line.

**16. Membership Committee**

Jenice Prather-Kinsey reminded members of the referral program, whereby recognition will be given to section members who introduce new members. Invitations had also been mailed to all AAA members.

**17. Advisory Board**

Juan Rivera explained that the advisory board's function is to review the functioning of the section, and to propose by-law amendments to the section. Following due process, the board has proposed amendments, which had been published in the Forum, to the effect that the editor of the section journal be appointed by the executive committee on recommendation of the publications committee. These amendments were moved by Finley Graves, seconded by Segun Wallace, and passed unanimously.

**18. Regional Meetings:**

International participation in regional meetings was reviewed. The Ohio

region noted an especially high international participation rate, with five papers received from the far east.

Shahrokh Saudagaran handed the meeting over to Hans Dykxhoorn at 11:24 a.m.

Hans thanked Shahrokh for leaving the section in outstanding shape, noted that the Section's participation in the formation of the Asian Academic Accounting Association was a highlight of the last year. He thanked members of the nominations committee and all others who had agreed to serve the section.

Hans invited all members to the midyear meeting, to be held Jan 8-9 in Orlando, for which papers were due October 1.

**NEW AND CONTINUATION OF ESTABLISHED INITIATIVES**

A new strategic planning committee was appointed, and one of its charges is to obtain feedback from the Section membership on their needs. A new Section historian, Norlin Rueschhoff has been appointed. A teaching resources committee was established and chaired by Mehmet Kocakulah, to collect syllabi and cases to be used to improve the teaching of international accounting, auditing and tax topics. Special emphasis will be put on CPE, especially at regional meetings. The appointment of an editor for the Section's journal was a high priority, and Hans hoped to announce a new editor by January 1. Shahrokh will chair the International Relations Committee to continue building relationships between the section, AAA, and international organizations. The goal to have electronic access to all members by the year 2000 will be pursued. Hans especially pointed out the important work of the regional coordinators.

Hans announced the following committee chairs and other appointments for 1998-99:

**Annual Meeting**

Teri Conover

**Info Tech/Webmaster**

Tim Sale

**Research**

Gordy Ndubizu

**Membership**

Jack Fay

(Continued on page 15)

CALL FOR  
NOMINATIONS

**Academic Vice-Chair  
Practice Vice-Chair  
Secretary  
Treasurer**

The 1998-99 Nominations Committee of the International Accounting Section solicits nominations for the position of Academic Vice-Chairperson, Practice Vice-Chairperson, Secretary, and Treasurer.

(Note: The Secretary and Treasurer are elected for two-year terms. Nominees for 1999-2000 will be considered only if a vacancy occurs.) The Committee also seeks nominations for the Advisory Board (two, with one as Chairperson), the Nominations Committee (three), and the Publications Committee (two).

Names of nominees may be submitted for specific positions or for consideration in general. Section bylaws specify prior service requirements for some positions.

**The deadline for nominations is February 1, 1999.**

Please send nominations to:

O. Finley Graves  
Department of Accounting  
Calvin Hall 109  
Kansas State University  
Manhattan, KS 66506-0502  
Phone: (785) 532-6184  
Fax: (785) 532-5959  
Email: fgraves@ksu.edu

## INTERNATIONAL ACCOUNTING SECTION 1998-99 BUDGET

### REVENUES

Dues (\$10 per full member, \$6 per associate member)*	\$14,100
Mid-Year Meeting Registration (80 registrants @ \$100.00 each)	8,000
Sales of Publications	50
Contributions	<u>3,500</u>
<b>Total Revenues</b>	<u>25,650</u>

### EXPENSES

Midyear Meeting:		
Hotel, Audio/Visual, Food	\$6,000	
Opening reception	2,000	
Opening speaker's travel	1,000	
Postage/Printing	1,000	
Coordinators = travel	<u>1,000</u>	
Forum Newsletter		\$11,000
Committees		7,000
Outstanding Educator (plaque)	\$100	
Outstanding Dissertation (plaque, award)	600	
Section Service (co-sponsored meeting—officer travel only)	<u>1,500</u>	2,200
AAA Annual Meeting		
Luncheon Speaker Expense	\$200	
Luncheon Speaker Gift	150	
Other Luncheon Guests	200	
Plaque for Outgoing Chair	<u>100</u>	650
CPE Presenters = Honoraria (5 @ \$200)		1,000
Officer Travel		2,500
Postage and Printing		600
Executive Board, Committee Chairs meetings		400
Miscellaneous		<u>300</u>
<b>Total Expenses</b>		<u>25,650</u>
		<u>\$ 0</u>

\* Membership dues in 1999 will be \$20 per full member (a total of \$27,600—1,350 full members @ \$20 each plus 100 associate members @ \$6 each); however, \$10.00 per full member is restricted for publication of the Section's journal.

### CALL FOR PAPERS

### *International Journal of Applied Quality Management*

#### Co-Editors

Terri A. Scandura Department of Management University of Miami School of Business Administration Coral Gables, Florida 33124-9145 Tel: (305) 284-3746 Fax: (305) 284-3655	Philip H. Siegel College of Management LIU/C.W.Post Campus Sch of Prof Accountancy Brookville, N.Y. 11548-1300 Tel: (516) 299-2366 Fax: (516) 299-3221
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#### Associate Editors

Surendra P. Agrawal, University of Memphis  
 Hadassah Baum, American Institute of Certified Public Accountants  
 Srikant M. Datar, Harvard University  
 Roger J. Calantone, Michigan State University

The principal aim of the proposed *International Journal of Applied Quality Management* is to be an interdisciplinary journal of interest to academicians, practitioners, business decision makers, and other policy makers. The scope of the journal will be to cover various aspects of applied quality management decision making, including, but not limited to, such topics as: activity-based costing and management, total quality control and management, just-in-time systems, and theory of constraints, process re-engineering, behavioral and organizational systems, and performance measurement.

CALL FOR NOMINATIONS  
**AAA AWARD FOR INNOVATION IN ACCOUNTING EDUCATION**

Funded by the Ernst & Young Foundation

The American Accounting Association requests nominations for the Award for Innovation in Accounting Education. The innovation should have been implemented so that evidence of its success can be evaluated. Nominations may include, for instance, a set of teaching materials, an overall curriculum or program, a creative instructional strategy, or an insightful teaching approach. The awardee can be an individual, group of individuals, or institution.

Nomination letters are encouraged from those involved with the innovation, as well as from individuals who are aware of innovative work done by others. The nomination letters should include the name(s) of the individuals or institution involved and a brief description of the innovative work, and be submitted no later than December 14, 1998. The Committee will request application materials from nominees.

The awardee will be announced in the *Accounting Education News* and presented with the award, which consists of a plaque and \$5,000, at the 1999 AAA Annual Meeting.

Nomination letters and application materials should be sent to: Professor Mary Alice Seville, College of Business, Oregon State University, 200 Bexell Hall, Corvallis, OR 97331-2603.

**INTERNATIONAL ACCOUNTING SECTION  
 STATEMENT OF CASH FLOWS**

July 1, 1997– June 30, 1998

<u>Cash Inflows</u>		
Deferred Dues Revenue	\$2,677.10	
Deferred Dues Revenue-Restricted	2,677.14	
Dues-Full Members	9,553.89	
Dues-Full Members-Restricted	9,553.87	
Dues-Associates	276.00	
Sale of Publications	18.00	
Midyear Meeting Registration	5,060.00	
Miscellaneous Income	94.30	
Contributions	<u>7,729.60</u>	
<b>Total Cash Inflow</b>		<u>37,639.90</u>
<u>Cash Outflows</u>		
Newsletter		
Postage		1,040.66
Mailing		2,927.03
Printing		2,143.21
AAA Staff		<u>132.00</u>
Total Newsletter		<u>6,242.90</u>
Publication Expenses (Kubin project)		<u>2,410.42</u>
Midyear Meeting		
Hotel/Food		7,819.73
Travel		621.40
Postage		78.00
Printing		571.24
Coordinator Expenses		<u>629.52</u>
Total Midyear Meeting		<u>9,719.89</u>
Awards		304.95
Miscellaneous Postage		2,555.38
Prior Year Expense		378.48
China Conference		1,816.00
Miscellaneous Expense		<u>38.52</u>
<b>Total Cash Outflow</b>		<u>23,466.54</u>
<b>Net Change in Cash</b>		14,173.36
<b>Cash Balance, July 1, 1997</b>		<u>30,794.46</u>
<b>Cash Balance, June 30, 1998</b>		<u>\$44,967.82</u>
Restricted Balance, June 30, 1998 (Section's Journal)		\$25,830.01
Unrestricted Balance, June 30, 1998		\$19,137.81

CENTER FOR INTERNATIONAL EDUCATION AND RESEARCH IN ACCOUNTING  
and  
VERNON K. ZIMMERMAN FOUNDATION  
DEPARTMENT OF ACCOUNTANCY UNIVERSITY OF ILLINOIS  
AT URBANA-CHAMPAIGN, ILLINOIS, U.S.A.

**INVITES YOU TO SUBMIT PAPERS FOR THE**  
**1999 INTERNATIONAL ACCOUNTING CONFERENCE**  
**Accounting in the Global Markets of the Next Century**

APRIL 22-24, 1999, CHAMPAIGN, ILLINOIS, USA

This is the 34th conference on international accounting held by the Center for International Education and Research in Accounting (CIERA). The 1999 International Accounting Conference is intended to address a broad range of topics in international accounting. While we invite research papers on all international accounting topics, we hope to see papers that address the role accounting can play in the global markets of the next century. As always, selected papers will be those that identify interesting topics, employ appropriate and rigorous methods to investigate the topics and present the material in an interesting and readable fashion.

Potential topics include, but are not limited to the following:

- Accounting and the Future of International Capital Markets
- Accounting for Financial Instruments in a Global Market
- Valuation Models and their Implications for Global Capital Allocations
- Taxation and Global Capital Allocations
- Accounting and Capital Allocations Across National Borders
- Regulation: National, Regional and Global
- Accounting in Developing Regional Market Clusters (e.g., NAFTA)
- Accounting in Emerging Economies
- Accounting and Privatization
- Performance Measurement and Control
- Management Accounting and Control in MNC's
- Transfer Pricing, Management Incentives and Taxation
- Auditing and Global Markets
- International Public Accounting Service Firms
- Internal Audit and Outsourcing for Global Businesses
- Information Technology
- Information Technology and Capital Allocation
- Electronic Commerce and its Implications for Accounting and Auditing
- Continuous Audit in a High Tech, Global Business Environment

- International Accounting and Auditing Standards
- Accounting and Culture

To be eligible for consideration, completed papers must be received for evaluation by **December 1, 1998**. Authors will be informed by **February 1, 1999** as to the acceptance of their paper for inclusion on the conference program.

**If the author wishes, the submitted paper will be given fast-track consideration for publication in *The International Journal of Accounting*, a publication of CIERA and JAI Press.**

CIERA will waive any registration fee and pay for up to three nights of accommodation at the conference hotel for each attending author of papers accepted for the conference.

Papers should be submitted to:

Professor Andrew D. Bailey, Jr.  
Ernst & Young Professor of Accounting  
Center for International Education and Research in  
Accounting  
320 Commerce West Building  
University of Illinois at Urbana-Champaign  
Champaign, IL 61820  
USA  
Phone: (217) 333-7612  
Fax: (217) 244-6565  
Email: jabaile@uiuc.edu

**Registration and conference location:**

Registration materials will be available in the near future on the CIERA web site at <http://www.cba.uiuc.edu/ciera>. When available, the registration materials can be downloaded at your site. CIERA will also send a hardcopy registration form to those receiving a mail copy of this call for papers. The Conference hotel is the Radisson Hotel and Conference Center in Champaign, Illinois. Attendees will be responsible for making their own reservations. CIERA has reserved rooms at the Radisson Hotel. When making reservations, identify yourself with this meeting.

## HAVE YOU SEEN...?

Don Herrmann, Oregon State University and Wayne B. Thomas, University of Utah

Beckman, Judy K., "A Comparison of Consolidated and Parent-Only Earnings Forecasts for Japanese Firms," *The Journal of Financial Statement Analysis*, (Vol. 3 No. 3, 1998): 17-28.

The results of this research indicate that the earnings forecasting process in Japan is more accurate than the process in the U.S. At the same time, the consolidated earnings forecasts in Japan are less accurate and subject to more optimistic bias than are the parent-only income measures. Thus, the extent to which Japanese forecasts improve on U.S. forecasts is not as great as previously indicated. On a parent-only basis, optimistic bias and inaccuracy is greatest in very early forecasts and diminishes in forecasts made nearer to the actual earnings date. These results are consistent with the argument that Japanese firms are able to smooth earnings that are presented on a parent-only basis and thus produce earnings streams that are more easily forecasted. When the ability to smooth earnings is lessened through consolidation procedures, the earnings forecasting process becomes more difficult.

Chow, Chee W., Richard Nen-Chen Hwang, Woody Liao, and Anne Wu, "National Culture and Subordinates Upward Communication of Private Information," *The International Journal of Accounting* (Vol. 33 No. 3, 1998): 293-311.

The effects of national culture on the truthfulness with which subordinates communicate upwards under alternate pay schemes are investigated. The results of an experiment were consistent with the prediction that in the absence of face-to-face interactions with superiors, Chinese relative to US nationals would make smaller misrepresentations of their private information. Also consistent with prediction based on concern with face, both national samples had lower levels of misrepresentations when there was face-to-face interaction between superior and subordinate. However, con-

trary to predictions, U.S. nationals reacted more to such interactions than did their Chinese counterparts. The findings support the importance of national culture and attributes of the control setting on subordinates' communication truthfulness.

Darrough, Masako N., Hamid Pourjalali, and Shahrokh Saudagaran, "Earnings Management in Japanese Companies," *The International Journal of Accounting* (Vol. 33 No. 3, 1998): 313-334.

Choices of accounting accruals are examined using a large sample of Japanese companies, which operate in an environment that is generally regarded as being rather different from the US. It is found that debt-to-equity and asset hypotheses hold in the Japanese environment only for the years after the market crash of 1990. Prior to the crash, the number of employees seems to capture the political pressure. Similar to their U.S. counterparts, managers of Japanese companies chose income-increasing accounting accruals to increase their bonus and increase the amount of outside funding. The ownership effect was also observed on the choice of accounting accruals. Those companies that have higher degrees of ownerships by trust companies and stock brokers have incentives to choose income-increasing accruals to provide a more positive picture of the firm. Since this incentive does not exist for ownership by financial institutions, the opposite effect was observed.

Fulkerson, Cheryl Linticum, and Gary K. Meek, "Analysts' Earnings Forecasts and the Value Relevance of 20-F Reconciliations from non-U.S. to U.S. GAAP," *Journal of International Financial Management & Accounting*, (Vol. 9 No. 1, 1998): 1-15.

This study extends existing research into the value relevance of reconciliations to U.S. GAAP by examining the role of analysts' earnings forecasts in explaining potential market

reactions to the earnings reconciliation. One possible reason why the evidence on the value relevance of the earnings reconciliation is weak is that earnings are forecast by analysts. Their forecasts may pre-empt some of the information content of the earnings reconciliation disclosures. Our findings indicate that analysts' forecasts are value relevant and that they play a pre-emptive role for some firms. For others, however, the earnings reconciliation has information content that is not pre-empted by analysts' forecasts.

Hwang, Lee Seok and Yong O. Kim, "Does the Ownership Structure of Debt and Equity Affect the Agency Costs of Debt? Japanese Evidence," *Journal of Accounting, Auditing & Finance* (Vol. 13 No. 1, 1998): 37-66.

This study examines the effect of the ownership structure (of debt and equity) on the agency problems of debt. This issue is particularly relevant for Japanese keiretsu firms. Member firms in a keiretsu are linked through business ties and reciprocal share holdings. A central figure of the keiretsu is the main bank that serves as a corporate monitor. It is hypothesized that the main bank's monitoring intensity varies with the degree of its keiretsu member banks' financial interests in the firms. It is found that the leverage of keiretsu firms in the sample is significantly negatively related to proxies for the source of potential agency conflicts, implying that Japanese keiretsu firms also suffer from agency problems of debt. The study then considers the ownership structures based on debt and equity holdings by member banks and member firms within the same keiretsu. The empirical results show that agency costs of debt are pronounced among firms in which the members have low-debt and low-equity holdings, but are mitigated substantially for other firms in which members have significant holdings of debt and/or equity.

(Continued on page 14)

**Have You Seen...?** (Continued from page 13)

in the order of low debt and high equity, high debt and low equity, high debt and high equity.

Jiang, Christine X., "Diversification with American Depository Receipts: The Dynamics and the Pricing Factors," *Journal of Business Finance & Accounting* (Vol. 25 No. 5/6, 1998): 683-699.

The role of American Depository Receipts (ADR) in international diversification is studied using a sample of 113 ADRs from 8 foreign countries over the period 1980-1994. It is found that investing in ADRs offers significant improvement in the risk-return trade-off. The effectiveness of ADRs as a vehicle for long-term international diversification is further examined by performing cointegration analysis between ADR and the respective market portfolios. Consistent with Webb, Officer, and Boyd (1995), the study also finds that the movements of ADR and the foreign market are highly correlated. Moreover, the pricing factors of ADRs are further investigated in a GARCH framework.

Lamb, Margaret, Christopher Nobes, and Alan Roberts, "International Variations in the Connections Between Tax and Financial Reporting," *Accounting and Business Research* (Vol. 28 No. 3, 1998): 173-188.

This paper constructs a method for assessing the degree of connection between tax rules and practices and financial reporting rules and practices in a country. Five types of connection and disconnection are suggested and 15 arenas of accounting are proposed for assessment on this basis. The method is applied to 4 countries partly in order to test the claim of a clear distinction between Anglo-Saxon and continental European countries.

Martin, L. Ann and Michele L. Wingate, "Should ACME Go Abroad?: An International Accounting Case," *Issues in Accounting Education*, (Vol. 13 No.3, 1998): 613-628.

This is a teaching case designed to acquaint intermediate-level accounting students or introductory masters

level students with issues involved in cross-border transactions. The vice president of operations of a fictitious auto parts manufacturing company is in charge of examining the merits of expansion overseas. She creates an exercise that allows her to discover whether there are differences in accounting standards across countries and, if so, how these differences affect financial statements. Then, the exercise allows her to apply the differing standards to a real life example so she can see the absolute and comparative monetary effects of expanding into a selected set of countries.

Needles, Belverd E., Jr., "International Accounting Research from 1965 to 1996: Indexes and Annotated bibliography of The International Journal of Accounting," *The International Journal of Accounting* (Vol. 33 No. 1, 1998).

The purpose of this compendium of indexes and annotated bibliography for the full history of the *International Journal of Accounting* (formerly *The International Journal of Accounting, Education, and Research*) is to provide a resource for scholars in this field of research. Having been published for thirty-two years, the *International Journal of Accounting* has the longest continuous history of published research in international accounting. The annotated bibliography contains entries for all the articles published in the *International Journal of Accounting* and related monographs through the end of 1996 (Volume 32). In total, 768 articles have been published in the journal and related monographs, including 263 devoted to the European region, 183 to the Asian-Pacific region and 126 to countries classified by the World Bank (1990) as economically developing. Each sequentially numbered entry in the annotated bibliography, presented alphabetically by author, contains the full name of the author(s), title of the article, affiliation of the author(s), research methodology, subject of the research, country(ies) or region, and a short description of the research.

(Continued on page 16)

You're Invited to Publish  
in a Special Issue of

**JOURNAL OF  
ACCOUNTING  
AND PUBLIC POLICY**

**Special Issue - International  
Accounting Standards  
and Public Policy**

A new trend in global business combinations has resulted in a clear need for international accounting standards that are universally accepted worldwide. Because the need to develop these accounting standards is becoming more apparent, the *Journal of Accounting and Public Policy* is accepting papers for a special theme issue entitled *International Accounting Standards and Public Policy*. This issue will feature papers that focus specifically on theoretical or empirical analyses of the topic. Papers should provide researchers, educators, policymakers, and practitioners with the latest information on the development of universal accounting standards, as well as the impact of this research on such areas as economics, public administration, political science, social psychology, sociology, policy science, and law.

Submit six copies of your paper to:

Lawrence A. Gordon  
and Stephen E. Loeb  
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College Park

Robert H. Smith School of Business  
College Park, MD 20742 USA  
Phone: (301) 405-2255  
Fax: (301) 314-9157  
Email: lgordon@rhsmith.umd.edu

Papers must be received by February 15, 1999. For complete instructions for authors, visit the journal's web site at: <http://www.elsevier.com/locate/jaccpubpol> or contact the editors at the above address.

The *Journal of Accounting and Public Policy* is pleased to announce the inception of an annual \$1,000 award to be given to the author(s) of the best paper submitted for a specific theme issue. The winning submission will be determined by an international committee of experts, and will appear in that special issue (subject to the author(s) meeting and remaining reviewer and editorial comments.)

CALL FOR NOMINATIONS  
**OUTSTANDING  
INTERNATIONAL  
ACCOUNTING  
EDUCATOR AWARD**

The International Accounting Section of the American Accounting Association invites nominations for its Outstanding International Educator Award. The general selection criteria are as follows (nominees need not have excelled in all general criteria areas):

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

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

**DEADLINE for nominations:**  
February 28, 1999

Please direct your nominations to:

Professor Ross Tondkar  
Virginia Commonwealth  
University  
School of Business  
1015 Floyd Avenue  
PO Box 844000  
Richmond, VA 23284-4000  
Phone: (804) 828-7156  
Fax: (804) 828-8884  
Email: rtondkar @busnet.  
bus.vcu.edu

CALL FOR PAPERS AND REGISTRATION  
**FIFTH CRITICAL PERSPECTIVES  
ON ACCOUNTING CONFERENCE:  
ETHICAL DIMENSIONS OF ACCOUNTING CHANGE**

<http://bus.baruch.cuny.edu/critical/>

**AIMS AND SCOPE**

The 1999 Critical Perspectives on Accounting Conference provides a forum for critiquing and moving beyond all prevailing orthodoxies in accounting and related fields. The meeting brings together interested faculty, professionals, policy makers, accounting students and others concerned with educational, professional, and regulatory change. Special "boutique" session-streams are planned in career planning for critical doctoral students and untenured faculty; critical poetry in accounting, and critical accounting poetry. Past conference attendees have earned sixteen Continuing Professional Education credits, valid in New York, Massachusetts, and other states.

**LOCATION AND DATES**

The conference will be held at Baruch College in New York City on Thursday through Saturday, April 22-24, 1999, beginning with a reception and registration on Thursday evening, and ending on Saturday afternoon to allow visitors to enjoy the city and its facilities over the weekend. Baruch College is located in downtown Manhattan.

**SUBMISSION DEADLINES  
AND SUPPORT**

Manuscripts, working papers, abstracts and panel proposals are wel-

come, preferably on a 3.5" disk (followed-up with an email attachment file). Use either Word 7 or WordPerfect 8 format and include the name, address, email, telephone, and FAX numbers of all authors, designating the corresponding author. The deadline is January 10, 1999. Authors will be advised of the editorial panel's decision no later than February 15, 1999. A selection of manuscripts will be published in one of the conferences sponsoring journals. Conference sponsors include the *Critical Perspectives on Accounting Journal*, Baruch College (City University of New York), the Center for Accounting Ethics (Binghamton University), the *Advances in Public Interest Accounting Journal*, and the *Accounting Forum*.

**REGISTER** on the web: <http://bus.baruch.cuny.edu/critical/> (email return or hardcopy download). For more information, contact:

Professor Tony Tinker  
Baruch College: Box E-0723  
City University of New York  
17 Lexington Avenue  
New York, NY 10010  
USA  
Phone: (212) 802-6436  
Fax: (212) 802-6423  
Email: tony\_tinker@baruch.  
cuny.edu  
or tonytinker@msn.com

**Business Meeting Minutes...** (continued from page 8)

**Outstanding Dissertation**

Jenice Prather-Kinsey

**Outstanding Educator**

Ross Tondkar

**Nominations**

Finley Graves

**Advisory Board**

Segun Wallace

**Strategic Planning**

Mitch McGhee

**Publications**

Somnath Das

**Forum Editor:**

Mike Kennelley

With Hans' thanks to the membership, his affirmation of the importance of tight financial controls, and the encouragement from Donna Street to all members to book rooms early for the midyear meeting, the meeting closed at 11:55 a.m.

Respectfully submitted,

David Sharp, Secretary 1998-99  
(for Stephen Salter, Secretary 1997-98)

CALL FOR PAPERS  
**EMERGING ISSUES IN INTERNATIONAL ACCOUNTING**

Jointly sponsored by the  
**CENTER FOR INTERNATIONAL ACCOUNTING EDUCATION AND RESEARCH**  
Niagara University

and the  
**CENTER FOR INTERNATIONAL EDUCATION AND RESEARCH IN ACCOUNTING (CIERA)**  
University of Illinois at Urbana-Champaign

August 5-7, 1999 ■ Niagara Falls, New York, USA

This conference, in the international setting of the world famous Niagara Falls on the border of the U.S. and Canada, will provide an opportunity for teachers, researchers, and practitioners interested in international accounting to exchange ideas, to network, and to discuss emerging issues.

Papers and panel discussions on any area of international accounting are welcome.

If the author wishes, the submitted paper will be given fast-track consideration for publication in *The International Journal of Accounting*, a publication of CIERA, or *The Journal of International Accounting, Auditing, and Taxation*. For those electing fast-track review, please indicate your journal of

choice. Only one journal can be chosen for fast-track review.

**Deadlines**

Proposals for panels and submissions of papers should be submitted no later than **March 15, 1999** to:

Jagat P. Jain, Ph.D.  
Director  
Center for International  
Accounting Education  
and Research  
Niagara University  
Niagara Falls, NY 14109  
USA

Phone: (716) 286-8159  
Fax: (716) 286-8206  
Email: jjain@niagara.edu

Please submit **five copies** of your

paper in English. No papers will be accepted by fax or email. Author(s) will be notified of acceptance/rejection by May 15, 1999.

**Accommodations**

The meeting will be held at the world famous Niagara Falls, New York on the border of the U.S. and Canada. Further information regarding hotel accommodations will be forthcoming on the following web sites:

**Niagara University:**

<http://www.niagara.edu>

**CIERA:**

<http://www.cba.uiuc.edu/accy/intl/intro.html>

**Have You Seen...?** (Continued from page 14)

Nixon, Bill. "The Accounting Treatment of Research and Development Expenditure: Views of U.K. Company Accountants," *The European Accounting Review*, (Vol. 6 No. 2, 1997): 265-277.

This paper is based on the views of senior accountants on the treatment of R&D expenditure in companies that undertake over seventy percent of UK industry-funded R&D. Most respondents prefer to expense all R&D costs immediately as the ex ante benefits are too uncertain; by contrast there is a strong consensus that the ex post benefits of R&D expenditure are positive. Two important perspectives emerge: First, disclosure is seen as much more important than the accounting treatment of R&D expenditure and second, the financial statements are not viewed as the primary channel of communication for information on R&D. These perceptions suggest that UK account-

ing regulators need to move beyond a focus on the narrow technical issues of R&D in order to consider the role of financial statements in the wider communication process that occurs between companies and users of accounting information.

Reeb, David M., Chuck C. Y. Kwok, and H. Young Black. "Systematic Risk of the Multinational Corporation," *Journal of International Business Studies*, (Vol. 29 No. 2, 1998): 263-279.

Previous literature suggests that multinational firms decrease their systematic risk owing to the diversification benefit of having cash flows in different countries. It is posited in this article that multinational firms may increase their systematic risk owing to an increase in the standard deviation of cash flows from internationalization, which offsets the lower correlation

associated with diversification. Evidence of a significant positive relationship between the level of systematic risk in a firm and the degree of that firm's internationalization is presented. This analysis is consistent with observed practitioner usage of higher discount rates in evaluating international projects.

Saudagaran, Shahrokh M. and Gary K. Meek. "A Review of Research on the Relationship Between International Capital Markets and Financial Reporting by Multinational Firms," *Journal of Accounting Literature*, (Vol. 16, 1997): 127-159.

This paper extends Meek and Saudagaran (1990) on research in transnational financial reporting by providing a review and synthesis of the relevant literature that addresses the

(Continued on page 17)



Scarborough  
Xiou, Ming

## ANNOUNCEMENT AND CALL FOR PAPERS RESEARCH IN ISLAMIC BUSINESS, FINANCE AND ACCOUNTING

Editors: **Simon Archer**  
University of Surrey  
England

**Rifaat Ahmed Abdel Karim**  
Accounting and Auditing Organization for Islamic Financial Institutions  
Bahrain

### SCOPE AND OBJECTIVES

The significant development of institutions offering forms of banking, project finance, investment and insurance which are compatible with Islamic Shari'a jurisprudence has led to a growing body of knowledge about such activities, and to a demand for rigorous academic research in order to develop such knowledge and place it in the public domain subject to appropriate criteria of quality. Such research may relate to fields such as Finance, Accounting, Auditing, Corporate Governance, Regulation, Economics and Jurisprudence.

*Research in Islamic Business, Finance and Accounting (RIBFA)* is a serial publication which aims to provide an outlet for publishing original papers resulting from such research, subject to a double blind review process. We believe that the provision of such an outlet, enabling research papers from different but cognate fields relating to Islamic business, finance and accounting to be published together,

will meet a need which is not currently being met by small numbers of such papers being scattered over numerous different journals. We hope that RIBFA as a new serial research publication will also act as a stimulus, encouraging a greater supply of rigorous papers in relevant fields. We aim to publish RIBFA annually.

For "Guidelines for Authors" and details on submission, please contact:

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### Have You Seen...? (Continued from page 16)

major changes in the international financial reporting arena. The paper contains three major sections. The first section discusses recent literature on the causes, effects, and measures of diversity, along with the extent to which harmonization has been achieved. The next section covers disclosures by internationally-listed companies. The final section deals broadly with multiple GAAP reporting including descriptions and comparisons of National GAAP and the value relevance of restatements.

Omer, K., D. Durr, and P Siegel, "Degree of Multinationality and Financial Performance: A Study of U.S. - Based Multinational Corporations," *Review of Quantitative Finance and Accounting*, (Vol. 11, 1998): 53-68.

This paper examines the marginal benefits that accrue to U.S.-based multinational corporations through increased international investment. Specifically, the study seeks to determine if increased degrees of multinationality produce additional

benefits for multinational firms in terms of excess returns and/or reduced risk. The results indicate that during the period studied, the degree of multinationality did not have a significant influence on the risk and return performance of the sample firms.

Street, Donna L. and Kimberley A. Shaughnessy, "The Quest for International Accounting Harmonization: A Review of the Standard Setting Agendas of the IASC, U.S., U.K., Canada, and Australia, 1973-1997," *The International Journal of Accounting* (Vol. 33 No. 2, 1998): 179-209.

For 1973 through 1997, the research examines the evolution of accounting standards to ascertain the extent of similarities and differences in financial reporting practices among the IASC and national standard setters in the U.S., U.K., Canada, and Australia. Collective and individual efforts aimed at minimizing differences to achieve harmonization/compatibility are discussed. The impact of the IASC's modified philosophy for the

1990s, specifically its cooperative endeavors with the G4 standard setters on agenda coordination and harmonization/compatibility of accounting standards, is also discussed.

Stolowy, Herve' and Michel Tenenhaus, "International Accounting Education in Western Europe," *The European Accounting Review*, (Vol. 7 No. 2, 1998): 289-314.

Based on a questionnaire sent to European institutions, the objective of this study is to determine how international accounting is taught in Europe. The results focus on the number of courses, the topics covered and the textbooks recommended. Four groups of institutions were defined corresponding to different approaches to international accounting education. Although differences exist between countries, the majority of courses are specific, as opposed to general courses integrating certain international accounting aspects. A significant number of institutions cover both comparative aspects and accounting dimensions of multinational enterprises.

**International Accounting Section of the American Accounting Association  
1999 MIDYEAR MEETING**

Jointly sponsored by the

**Center for International Education and Research in Accounting (CIERA)**  
University of Illinois at Urbana-Champaign

January 8-9, 1999 ■ Radisson Twin Towers Hotel, Orlando, Florida



This is the fifth Midyear Meeting of the International Section of the American Accounting Association and the second to be held jointly with the CIERA. The conference will provide an opportunity for teachers, researchers, and practitioners interested in international accounting to exchange information, to network and to discuss emerging issues.

Plenary speakers are scheduled to be Anthony Cope of the FASB speaking on Restructuring of the IASC and Larry Bradley of KPMG speaking on nondomestic stock listings. In addition, Pat McQueen of AIMR will be the luncheon speaker.

**Hotel and Registration Information**

Please reserve your hotel accommodations at the Radisson Twin Towers in Orlando, Florida, by calling (800) 327-2110 or (407) 351-1000. Identify yourself as an attendee of the American Accounting Association Conference. A block of rooms has been reserved for the Seminar at the rate of \$144 single or double. **The deadline for room reservations is December 7, 1998.** After this date, reservations will be accepted on a space and rate availability basis only.

Updates on the conference will be posted on the AAA and CIERA web sites at:

**AAA:**

<http://www.aaa-edu.org/>

**AAA International Section:**

<http://www.cba.uc.edu/cbainfo/ias/callforpapersweb.html>

**CIERA:**

<http://www.cba.uiuc.edu/ciera/conferences/index.html#orlando>

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**American Accounting Association**

5717 Bessie Drive  
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Printed in the USA

Non-Profit Org.  
U.S. Postage

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