

CHAIRPERSON'S MESSAGE

Developments Since the Annual Meeting in Dallas

I hope all of you had a holiday season filled with peace and joy and wish you all the best in 1998. I want to take this opportunity to update you on a number of developments related to the IAS since the start of the current academic year. I am glad to report that most of these developments are of a positive nature.

The initiative to help establish an academic accounting association in Asia is making solid progress. I have written colleagues in almost every Asian country and as a result of this correspondence have been able to identify and contact presidents of national academic accounting associations in more than a dozen countries. I have met with the representatives of the academic associations from eight of these countries. Members of our International Relations Committee continue their work on this initiative. I am fairly confident that we will have the inaugural meeting of the representatives of the Asian countries during a conference in Hong Kong next June which the IAS is co-sponsoring (more on this below). As I have indicated previously, I consider this to be one of our major initiatives this year. Numerous communications with colleagues in Asia and elsewhere have convinced me that such an association in Asia can play as important a role for the academic accounting community in Asia as the AAA does in the United States and the EAA does in Europe. With a great deal of effort and cooperation on the



Shahrokh Saudagaran

part of a large number of individuals, I believe that an Asian academic accounting association will be a reality in the near future.

Since last August there have been two very positive developments related to conferences organized or co-sponsored by the Section. First, our midyear meeting will be held in Chicago on April 3-4, 1998. A number of IAS members inquired about this at the Annual Meeting in Dallas. We were not able to announce the details then because we were still working on the logistics at that time. A Call for Papers for this meeting appeared in the Fall 1997 issue of *Forum*. I am particularly pleased that the University of Illinois at Urbana-

Champaign's Center for International Research and Education in Accounting (CIERA) is co-sponsoring this conference in honor of the late Professor Vernon K. Zimmerman. As a result of discussions that Professor Andy Bailey, Director of CIERA, and I began last summer, CIERA is making a financial contribution to cover part of the expenses of the IAS Midyear Meeting in Chicago. On behalf of the IAS, I thank CIERA for this contribution.

In recent years, the Section has co-sponsored an *ad hoc* conference outside the U.S. each year. Typically, we have made a financial contribution to the organizers as part of our sponsorship. This year we are trying a different model. Rather than co-sponsor an *ad hoc* conference we will co-sponsor the Tenth Annual Conference of Accounting Academics in Hong Kong being held June 15-16, 1998. This conference is being hosted and organized by the Hong Kong Society of Accountants (HKSA) in cooperation with the Hong Kong Academic Accounting Association (HKAAA) and the IAS. While we have offered the technical support of the IAS towards the planning and organization of this conference we will not be making a financial contribution as a condition of our sponsorship. If

(Continued on page 2)

IMPORTANT ANNOUNCEMENT!!

The International Accounting Section homepage has been transferred to the University of Cincinnati. Dr. Tim Sale is the new "webmaster." The URL for the International Section homepage is: <http://www.cba.uc.edu/cbainfo/ias>.

Please note that located at this one address is a wealth of information regarding items of interest for our section members. **We are trying something new this year! A text-only version of the *International Accounting Forum* has been posted on the IAS homepage!** Please take the time to visit the IAS homepage and consider the benefits of accessing the *Forum* electronically.

One major benefit is the timeliness of access to the newsletter. For example, elsewhere in this issue of the *Forum* is a call for papers with a submission deadline of February 15. Given submission and publication deadlines and mailing time requirements for the *Forum*, many IAS members may not receive this issue in time to submit a paper to the conference. While this state of affairs is regrettable, many members have had more timely access to this call for papers. Those members who have sent their email addresses to Dr. Tim Sale (sale@uc.edu) have received an announcement that the Spring 1998 issue of the *Forum* is available on the IAS web page.

To receive future important section announcements, please send your Internet address to Tim Sale at: sale@uc.edu. Dr. Sale can also be reached by mail, telephone or fax at the following address:

J. Timothy Sale
Department of Accounting and Information Systems
College of Business Administration
University of Cincinnati
Cincinnati, OH 45221-0211
Phone: (513) 556-7062
Fax: (513) 556-4891

Please consider listing your Internet address with the International Accounting Section. In addition, please consider accessing future issues of the *Forum* via the section web page and canceling receipt of the paper copy of the *Forum*. This would save the section a tremendous amount of money. Funds saved through electronic dissemination of the *Forum* could be put to use toward accomplishing other goals of the section. If you would be interested in receiving email notification of the electronic publication of the *Forum* and deleting your name from the hard-copy mailing list, please send an email note to that effect to Dr. Mike Kennelley at kennellemic@centum.utulsa.edu.

Message from the Chairperson

(Continued from page 1)

this turns out to be a successful experience, the Section might consider adopting this model in the future. On a related note, some of you may be aware of an annual accounting symposium that has been organized by colleagues at the Hong Kong University of Science and Technology (HKUST) every summer. I recently received an email message from Gary Biddle, Accounting Department Chair at HKUST, indicating that they have scheduled their symposium for June 17-19 and the theme this year is International Accounting. The featured speakers will be professors Gerhard Mueller and Ray Ball. I hope you will agree that one could hardly ask for better planning and coordination than our colleagues in Hong Kong have demonstrated by making it possible for interested individuals to attend two international accounting meetings in Hong Kong in the same week!

The Gift Membership program is off to a flying start. In the four months since its announcement in Dallas, we have so far received 40 contributions totaling U.S. \$3,200. This will enable us to provide sponsored AAA gift

memberships to accounting departments in 32 universities outside the United States. We will publish a list of the contributors to the Gift Membership Program in the Summer 1998 issue of *Forum*. While the program is off to a good start I hope that those of you that have not yet contributed to this program will consider doing so upon receipt of this newsletter. Providing access to AAA publications to universities that do not have the resources to subscribe to them is a tremendously cost-efficient way of providing professional support to colleagues abroad. And remember that a contribution of U.S. \$100 enables you to designate the recipient university. I am also looking for your help in identifying universities abroad that you consider to be appropriate to receive these gift memberships. You can send me an email (ssaudagaran@mailier.scu.edu) with your suggestions. A brief note indicating why you nominated the particular university would be appreciated in the event that we have to ration these gift memberships.

Finally, let me update you on a development related to the Section's new journal. You will recall that in the Fall issue of *Forum* I indicated that there was a concern among many

Section members about our ability to produce and disseminate a Section journal for U.S. \$10 per member per year. I had requested Tim Douppnik, Section treasurer, to study this matter based on the experiences of journals published by other sections within the AAA. Tim has completed this study in a remarkably timely manner and I thank him for it. Based on his report, it appears that we ought to be able to publish an annual issue of the Section journal without a further increase in Section dues. This is encouraging given that the Section dues had been doubled just recently to specifically pay for the journal. Given that other AAA sections have successfully launched journals with an annual issue I see no reason why we cannot do the same. I wish Haim Falk and the Publications Committee success in this undertaking.

As you plan your professional activities for 1998, I hope you will consider participating in and contributing to the International Accounting Section in the manner most appropriate for you. I look forward to meeting many of you at forthcoming academic conferences and meetings. Once again, all the best in 1998.

Shahrokh Saudagaran

TENTH ANNUAL CONFERENCE OF ACCOUNTING ACADEMICS

Accounting in Asia Pacific: Trends & Issues
June 15-16, 1998

The Hong Kong Society of Accountants will hold the Tenth Annual Conference of Accounting Academics on June 15-16, 1998 in Hong Kong in cooperation with the Hong Kong Academic Accounting Association and the International Accounting Section of the American Accounting Association. This annual conference has gained significant interest and stature over recent years. Last year, the conference was attended by participants from academic institutions, commercial organisations and CPA firms in Australia, Canada, England, Hong Kong, Korea, Malaysia, New Zealand, People's Republic of China, United States and other countries.

The conference will provide an excellent opportunity for you to come and hear about the latest developments, exchange views and meet other professional and academic colleagues in the Asia Pacific region.

The theme of this year's conference is Accounting in Asia Pacific: Trends and Issues. The globalization of financial and capital markets as well as product and service markets, aided by the rapid development of technology, has made it increasingly important for countries in the Asia-Pacific region to adapt their accounting practices and procedures to the demands of the global market place. This conference is an annual forum for exposing new trends and issues in accounting practice, research, and education in the region.

The Organising Committee is now calling for papers from interested persons. As an accounting academic or practitioner, you are invited to submit papers for presentation at the conference. Topics of interest include but are not limited to:

- Accounting in the public sector
- Accounting practice in the People's Republic of China
- Corporate governance
- Issues in finance and financial instruments
- Environmental accounting
- Ethics in accounting
- Financial reporting
- Implications of technology on accountants
- Innovations in accounting education
- International accounting
- Issues in auditing
- Management accounting
- New dimensions in taxation
and/or Trends in accounting research.

Guidelines for Contributors:

1. Each contributor should submit three copies of the paper along with an IBM PC disc by February 15, 1998.
2. Each paper should include a separate cover page with the title, main topic, the name(s), organisation(s), telephone, fax number, email address and postal address of the author(s) along with an abstract of no more than 100 words.
3. The first page should commence with the title (do not include the author's name) and the text should be single-spaced and of no more than 10 pages.
4. Discs should be in MS Word formats (please indicate which software and version used).
5. All submitted papers will be subject to a blind review process. Notification of acceptance will be made by the end of March 1998.
6. All papers and discs should be mailed to:

Doug Oxley
10 ACAA Conference Chairman
Hong Kong Society of Accountants
13th Floor, Belgian Bank Tower
77-79 Gloucester Road
Wanchai
HONG KONG

CALL FOR PAPERS
CENTER FOR INTERNATIONAL EDUCATION AND RESEARCH
IN ACCOUNTING

AND
VERNON K. ZIMMERMAN FOUNDATION
1998 INTERNATIONAL ACCOUNTING CONFERENCE

October 1-3, 1998

Department of Accountancy
University of Illinois at Urbana-Champaign, Illinois, USA

The 33rd conference on international accounting will be held by the Center for International Education and Research in Accounting (CIERA).

The 1998 International Accounting Conference is intended to address a broad range of topics in international accounting. We invite research papers on all international accounting topics. Papers selected for the conference will be those that identify interesting topics, employ appropriate and rigorous methods to investigate the topics and present the material in an interesting fashion.

To be eligible for consideration, completed papers must be received for evaluation by May 1, 1998. Papers should follow the Guidance for Authors found in *The International Journal of Accounting*. Initial submissions need not include a disk version of the paper. Authors will be informed by June 15, 1998, as to the acceptance of their paper for inclusion on the conference program. No proceedings will be published.

However, at the author's option, any paper submitted for the conference will be given "Fast Track" con-

sideration for publication in *The International Journal of Accounting*.

Papers should be submitted to:

Andrew D. Bailey Jr., Director
c/o 1998 CIERA Conference
Center for International
Education and Research
in Accounting
320 Commerce West Building
Box 109
1206 South Sixth Street
Champaign, IL 61820
USA
Email: b-smith@cba.uiuc.edu

HAVE YOU SEEN...?

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

Aitken, Michael, Alex Frino, and Elvis Jarneic, "Intraday Returns and the Frequency of Trading at the Ask on the Sydney Futures," *ABACUS* (Vol. 33 No. 2, 1997): 228-235.

This paper documents and provides explanations for intraday patterns in returns for the Share Price Index (SPI) futures contract traded on the Sydney Futures Exchange. Consistent with overseas futures markets research, a positive and significant overnight return is documented. Unlike overseas futures markets, little evidence is found of an end-of-day price rise. Evidence suggests that overnight returns for the SPI contract are largely driven by the way returns are typically measured, which ignores the fact that there is a significantly greater frequency of sellers at the market close and buyers at the start of the day. These patterns are consistent with

hedging behavior by futures traders with long positions in the underlying stock.

Ballester, Marta, and Joshua Livnat, "The Association between Security Prices and Financial Information in the Spanish Stock Market," *Journal of International Financial Management and Accounting* (Vol. 8 No. 2, 1997): 114-136.

The purpose of this study is to examine the association of prices and earnings in the Spanish security market in two distinct time periods. The Spanish market is interesting because it shifted in 1990 from an accounting system that was mostly tax-based to an accounting system which adopted the "true and fair" view. The results indicate that prior to 1990, earnings exhibit only a weak incremental association with security prices, whereas

other financial statements' variables show a greater association with prices. The converse is true after 1990, consistent with the dominance of earnings as a summary measure when earnings are prepared according to a "true and fair" view of accounting.

Bartov, Eli, "Foreign Currency Exposure of Multinational Firms: Accounting Measures and Market Valuation," *Contemporary Accounting Research* (Vol. 14 No. 4, 1997): 623-652.

This study examines two questions: did SFAS No. 8 produce relevant information for valuing US multinational firms, and are the results reported under SFAS No. 52 more valuation relevant than those reported under SFAS No. 8? Considered collectively, the results suggest that the rules in SFAS

(Continued on page 5)

Have You Seen...?

(Continued from page 4)

No. 8 produced a poor accounting measure for valuing U.S. multinational firms, and that the introduction of SFAS No. 52 has resulted in a significant improvement in the valuation relevance of the accounting numbers associated with the restatement of a foreign operation's financial statements. However, this improvement applies only to the subset of firms that designated a foreign currency as their functional currency (i.e., switched to the current-rate method) and not to firms that designated the dollar as their functional currency (i.e., as if they still reported under SFAS No. 8).

Bazaz, Mohammad S., David L. Senteney, and Robert F. Sharp. "Currency Exchange Rate Exposure of U.S.-Based Multinational Corporations: The Usefulness of SFAS No. 14 Geographic Segment Disclosures." *Advances in International Accounting* (Vol. 10, 1997): 1-26.

This study investigates the impact of contemporaneous and lagged changes in currency exchange rates upon changes in equity security prices of U.S.-based multinational corporations identified by SFAS No. 14 geographic segment disclosures as having significant operations in the country associated with each currency. The results indicate that contemporaneous and lagged country-of-operations currency exchange rates are reflected in average equity security returns, in spite of limitation in data about the underlying direction and extent of currency exposure of the multinational corporation included in this study. These results extend earlier studies based on large geographic regions to focus on the currencies and operations within specific countries to further understand the

(Continued on page 6)

INTERNATIONAL ACCOUNTING STANDARDS:

Status and Outlook

By Patricia D. McQueen

pdm@aimr.org

The International Accounting Standards Committee (IASC) has been working since 1973 to develop a set of accounting standards that would constitute "international GAAP" and be accepted by securities regulators around the world for both cross-border and domestic listings. With acceptability for cross-border listings a top priority, in 1995 the IASC entered in an agreement with the International Organization of Securities Commissions (IOSCO) to complete a core set of international accounting standards (IAS) by 1998, which makes the IASC's goal a real possibility. In a press release on July 11, 1995, the Technical Committee of IOSCO responsible for these matters stated: "Completion of comprehensive core standards acceptable to the Technical Committee will allow the Technical Committee to recommend endorsement of [these standards] for cross-border capital raising and listing purposes in all global markets."

In the U.S., the Securities and Exchange Commission has expressed support for the IASC's objective and has identified three key elements that would be central to the Commission's review and acceptance of IAS for foreign registrants seeking listings in the U.S. First, IAS include sufficient standards to be considered a "comprehensive, generally accepted basis of accounting." Second, the standards must be of "high quality"; that is, when applied, they must result in financial statements that are comparable and transparent to users, and they must provide for full disclosure to achieve those results. Finally, IAS must be "rigorously interpreted and applied." Once the IASC completes these standards, the Commission has expressed the intention of considering allowing use of IAS in the financial statements of foreign registrants without the current requirement to reconcile reported earnings and shareholders equity to U.S. GAAP.

As the 1998 deadline approaches, the IASC is well on its way to complet-

ing the agreed core standards. Many of the basic standards, Inventory and Income Taxes, for example, have already been completed. Others on accounting for Intangible Assets, Employee Benefits, and Provisions and Contingencies are scheduled to be completed by the summer of 1998. The one stumbling block has been, and continues to be, development of a standard on accounting for financial assets and liabilities, including hedge accounting.

In early 1997, the IASC issued a discussion document that recommended a full fair value model to account for financial assets and liabilities. This recommendation proved so controversial that in early October 1997, the IASC staff issued a press release indicating they would recommend to the IASC Board that it not go forward with the full fair value model at this time. At the November board meeting in Paris, the staff proposed that the IASC Board adopt the essential elements of U.S. GAAP in preparing its standard on financial assets and liabilities. This proposal was not greeted favorably by the international accounting community.

Without a standard on financial assets and liabilities, completion of the IOSCO work program is in jeopardy. Therefore, the IASC Board instructed the IASC staff to prepare a standard that could be used on an interim basis until the comprehensive standard is complete. This interim solution was presented to the IASC Board at their January meeting, significant amendments were indicated and a revised proposal will be presented to the Board at their April meeting in Tel Aviv. If an Exposure Draft is issued by mid-1998, an interim standard should be in place by the end of 1998. For the long-term solution, the IASC has created a working party consisting of representatives from national accounting standard setters, such as the U.S.'s Financial Accounting Standards Board and the U.K.'s Accounting Standards Board, and IASC Board representatives who will work toward creating a comprehensive standard in this area.

Have You Seen...?

(Continued from page 5)

usefulness of the SFAS No. 14 geographic segment disclosures in assessing the foreign currency exchange rate risk.

Jaggi, Bikki. "Accuracy of Forecast Information Disclosed in the IPO Prospectuses of Hong Kong Companies," *The International Journal of Accounting* (Vol. 32 No. 3, 1997): 301-319.

This study examines bias as well as accuracy of IPO prospectuses issued by Hong Kong companies from 1990 to 1994. The results of this study show that unlike IPO forecasts disclosed in most other countries, IPO forecasts disclosed by Hong Kong companies do not overestimate their earnings and/or dividends. Instead, the bias seems to be toward underestimation. The level of forecast accuracy is also quite high and compare favorably with that of most other countries. The results show that the level of accuracy is to some extent influenced by the number of years the company has been in business.

Borkowski, Susan C., "Factors Motivating Transfer Pricing Choices of Japanese and United States Transnational Corporations," *Journal of International Accounting, Auditing, & Taxation* (Vol. 6 No. 1, 1997): 25-47.

Consistent with Japanese preference for collectivism and consensus, Japanese transnational corporations (TNCs) have changed their preferences for international transfer pricing methods from cost-based to market-based and negotiated methods. When choosing a pricing method, performance evaluation concerns are significantly more important to Japanese TNCs than to U.S. TNCs. U.S. TNCs employ various practices to counter the internal distorting effects of transfer pricing practices but use pricing transfer methods that provide distorted results and increase audit risk. Finally, it appears that effective, rather than statutory tax rates, might guide TNC behavior on income shifting. Increased disclosure

seems necessary to deter these and other transfer pricing manipulations.

Chen, Charles J. P., C. S. Agnes Cheng, Jia He, and Jawon Kim. "An Investigation of the Relationship Between International Activities and Capital Structure," *Journal of International Business Studies* (Vol. 28 No. 3): 563-577.

This paper investigates the effect of international activities on capital structure as measured by a debt ratio. Prior studies have examined factors that affect the debt ratio for both multinational corporations (MNCs) and domestic corporations (DCs); however, the incremental explanatory power and the direct effect of the extent of international activities on capital structure have not been tested. This paper uses multiple regression analyses to add measures of international activities after controlling for measures pertinent to both MNCs and DCs. Using a sample of 18,495 observations from the Compustat Tape, they find (1) consistent with results reported by prior studies, the debt-equity ratio is negatively related to both bankruptcy costs and growth options; (2) after controlling for bankruptcy costs and growth options, MNCs have lower debt-equity ratios than DCs; and (3) within the MNCs, the debt-equity ratio is positively related to the degree of internationalization.

Carlson, Peter. "Advancing the Harmonisation of International Accounting Standards: Exploring an Alternative Path," *The International Journal of Accounting* (Vol. 32, No. 3, 1997): 357-378.

The IASC has been actively pursuing the goal of international accounting harmonisation for two decades. Whilst there has been much productive output, little progress has been made in achieving global uniformity in accounting. In attempting to explain the lack of progress, this paper adopts the view that the cause of stagnation is the process used to mobilise harmonisation. The IASC has only recently acted upon the fact that there has to be an examination of the processes and structure of the IASC. Yet

analysis of the mobilisation process reveals a number of flaws, among these, concerns about the institutional legitimacy of the IASC. The consequence of these flaws is that uniformity in reporting practices is unlikely unless alterations are made to the mobilisation of harmonisation mechanism, in this instance the IASC. This paper proposes a restructuring of the IASC and the adoption of the convention method as a means to remedy the perceived flaws in the current process.

Cheung, Joseph K., Richard Chung, and Jeon-Bon Kim. "The Profitability of Trading Strategies Based on Book Value and Earnings in Hong Kong: Market Inefficiency vs. Risk Premia," *Journal of International Financial Management and Accounting* (Vol. 8 No. 3, 1997): 204-233.

Using a sample of Hong Kong firms, the study examines the relative and incremental usefulness of book-to-price ratio (B/P) and earnings-to-price ratio (E/P) for providing profitable trading strategies or for predicting stock returns. Results show that trading strategies based on B/P or E/P yield significant excess returns for various holding periods up to two years, and that B/P and E/P are not only individually but also incrementally useful for predicting stock returns. Further, results of various tests indicate that trading profits observed from the B/P strategy are likely to be a result of B/P proxying for risk differentials, while those from the E/P strategy are related to gains from exploitation of market inefficiency or mispricing. The two ratios appear to capture different aspects of firm value in Hong Kong.

Hegarty, John. "Accounting for the Global Economy: Is National Regulation Doomed to Disappear?" *Accounting Horizons* (Vol. 11 No. 4, 1997): 75-90.

Many observers consider accountancy to be the most international of the professions, but differences between countries as to how they regulate accountancy have resulted in

(Continued on page 7)

Have You Seen...?

(Continued from page 6)

barriers which prevent the profession from meeting the changing need of an increasingly global economy. This paper examines how the European Union has adopted different approaches to overcoming regulatory divergence, and identifies three approaches which have been followed: regulatory cooperation, regulatory competition and regulatory contracting-out. The relative impact of each approach is then evaluated. Recent developments at the worldwide level (WTO, OECD and IOSCO) are cited to demonstrate that many of the regulatory reforms in Europe are of growing relevance to the United States, and some of the likely changes which will be required are identified. The need for national systems of regulation to evolve in response to the process of globalization is underlined, and the paper concludes with an assessment of how the accountancy profession might respond to the challenges and opportunities of the new environment.

Hollifield, Burton, and Raman Uppal, "An Examination of Uncovered Interest Rate Parity in Segmented International Commodity Markets," *Journal of Finance* (Vol. 52 No. 5, 1997): 2145-2170.

This paper examines the effect of segmented commodity markets on the relation between forward and future spot exchange rates in a dynamic economy. The slope coefficient in this hypothetical economy is calculated from regressing exchange rate changes on forward premia. With reasonable parameter values, the slope coefficient is less than unity. However, even for extreme parameters the slope is not less than zero, as found in the data. A negative slope coefficient in a nominal version of the model requires the covariance between monetary shocks and relative output shocks to be signifi-

cantly negative, in contrast to the covariance in the data.

Kachelmeyer, Steven J., and Mohamed Shehata, "Internal Auditing and Voluntary Cooperation in Firms: A Cross-Cultural Experiment," *The Accounting Review* (Vol. 72 No.3, 1997): 407-431.

Firms expend costly resources on audit-based monitoring schemes to improve interdivisional coordination. This study investigates the premise that the effectiveness of and demand for audit-based monitoring may be sensitive to societal factors. Data from a between-subjects experiment involving 60 compensated groups of four (240 subjects) indicates an interaction between the experiment's two factors: (1) country (20 groups conducted in Canada, 20 in Hong Kong and 20 in the People's Republic of China (PRC)), and (2) the degree of anonymity in internal reporting. Specifically, they find that audit-based monitoring is less effective and less demanded in Hong Kong and the PRC than in Canada, but this difference arises only in a setting with a low degree of anonymity. The interaction with anonymity supports the attribution of results to differing cultural values.

Larson, Robert K., "Corporate Lobbying of the International Accounting Standards Committee," *Journal of International Financial Management and Accounting* (Vol. 8 No. 3, 1997): 175-203

The paper investigates corporate lobbyists of the International Accounting Standards Committee (IASC). The study provides an understanding of the characteristics of corporations that lobby the IASC and tests the applicability of U.S.-based lobbying theories in this international context. Overall, corporations lobbying the IASC tend to be very large both globally and in terms of their country of domicile, listed on

at least one foreign exchange, and traded in the U.S. Support is found in this international context for ideas originating in the U.S.-based lobbying literature.

Laswad, Fawzi, and Y. T. Mak, "Interpretations of Probability Expressions by New Zealand Standard Setters," *Accounting Horizons* (Vol. 11 No. 4, 1997): 75-90

This study examines the interpretation of probability (uncertainty) expressions by standard setters in New Zealand (NZ) by determining the probabilities assigned by these standard setters to expressions that are used in accounting standards and by assessing the consensus among standard setters about the interpretation of these expressions. Since NZ standard setters, similar to standard setters in other countries such as the FASB in the U.S., are from diverse backgrounds, it could be argued that the findings in the study would be applicable to standard setters with such attributes. The findings indicate that the standard setters interpret many different probability phrases used in accounting standards as if they denote similar probability levels. Further, many probability expressions lack communication efficiency in that there is a lack of consensus among standard setters about their interpretations.

Napier, Christopher J., "Intersections of Law and Accountancy: Unlimited Auditor Liability in the United Kingdom," *Accounting Organizations and Society* (Vol. 23 No. 1, 1998): 105-128.

Under British company law, auditors are forbidden from contracting with companies for their liability to be restricted. The paper explores the background to this legal provision, observing that auditor liability cannot be viewed as a self-contained matter of interest only to a limited community.

CALL FOR PAPERS

SECOND BIENNIAL INTERNATIONAL ACCOUNTING RESEARCH CONFERENCE

The International Association for Accounting Education and Research (IAAER) announces the Second Biennial International Accounting Research Conference, October 2-3, 1998, hosted by DePaul University, in Chicago, USA. The theme of the conference is "Global Advances in International Accounting Research." The purpose is to provide a forum for the presentation, discussion and dissemination of current international accounting research by scholars from all regions of the globe.

Papers on all aspects of international accounting research are welcome. Papers that address issues related to current agenda topics of the International Accounting Standards Committee (IASC), such as intangibles, financial instruments, asset impairments, employee benefits, and segment reporting, and use leading edge research methodologies are especially welcome. Possible topics include, but are not limited to:

- International Accounting Standards
- International Capital Markets
- Regulation of Financial Reporting
- Accounting in Emerging Markets
- Derivatives in International Markets
- Information Technology
- Theories of Accounting-Based Equity Valuation
- Performance Measurement in a Global Accounting Environment
- Social and Environmental Accounting
- Accounting and Organizational Practices
- Management Accounting and Control
- Earnings Forecasting
- International Auditing Standards
- Accounting and Culture
- Accounting Choice

Highlights of the conference include: visit to the Eurodollar trading floor and tour the Chicago Mercantile Exchange; plenary sessions on Current Development in Research in International Accounting Standards with speakers and panelists representing the IASC, European commission, SEC, FASB and other bodies; plenary workshop on "Derivatives Research and Financial Reporting"; a full day of parallel research sessions; and ample opportunity for informal interaction.

Rules for Manuscript Submission—Papers should be in triplicate and in English and should not have been accepted and published in a research journal at the time of the conference. An abstract should be presented on a page single-spaced, 12-point, headed by title, author(s), affiliations, and address for correspondence. The author(s) should not be identified on subsequent pages. No papers will be accepted by fax or email. Papers should be submitted to:

Professor Belverd E. Needles, Jr.
Arthur Andersen LLP
Alumni Distinguished Professor
c/o School of Accountancy
DePaul University
1 East Jackson Boulevard
Chicago, IL USA 60604
Phone: (312) 362-5130

The deadline for submission of research papers is **May 1, 1998**. The papers will be blind reviewed by a multi-country Scientific Committee, headed by the vice-president—research of IAAER. Accepted papers will receive fast-track reviews for possible publication in the *Journal of International Financial Management and Accounting*. Author(s) will be notified of acceptance/rejection of papers by June 15, 1998. Authors of accepted papers will receive a waiver of registration fees.

This research conference is co-sponsored by the following organizations:

- American Institute of CPAs
- Australian Society of CPAs
- DePaul University
- Illinois CPA Society
- Japan Accounting Association
- The Institute of Chartered Accountants of England & Wales
- The Association of Chartered Certified Accountants
- The Canadian Institute of Chartered Accountants
- The Institute of Chartered Accountants in Australia
- The Royal NIVRA

GIFT MEMBERSHIP

Almost half the AAA's International Accounting Section's 1,600 members live outside the United States, representing 60 countries. The IAS announces the Gift Membership Program to provide sponsored gift AAA memberships to department chairs in universities outside the United States to be selected by the IAS's International Relations Committee or by individual contributors. The gift membership will provide departments at these Universities much-needed access to *The Accounting Review*, *Accounting Horizons*, *Issues in Accounting Education* and *Accounting Education News*.

The Gift Membership Program will be funded entirely by contributions from AAA members. We urge all AAA members, including those who are not (yet) IAS members, to contribute. Individuals contributing \$100 or more may designate a specific non-U.S. university as the beneficiary of their contribution.

Mail your tax-deductible contributions to the American Accounting Association, 5717 Bessie Drive, Sarasota, FL 34233-2399. Checks should be made payable to the American Accounting Association. If you choose to pay by credit card you may fax a signed photocopy of this page to (941) 923-4093.

Amount of contribution:

\$50 \$75 \$100 Other: _____

Circle: MasterCard or VISA

Account number: _____

Expiration date: _____

Name: _____

Signature: _____

For more information contact: Shahrokh M. Saudagaran, Chair, International Accounting Section, Santa Clara University, Santa Clara, CA 95053.

CALL FOR MEMBERS TO SERVE ON IAS COMMITTEES FOR 1998/99

Below is a list of IAS committees for the period August 1998 to August 1999. Section members interested in serving on a committee should complete the form and send it to the address below:

Hans J. Dykxhoorn
 Haworth College of Business
 Western Michigan University
 Kalamazoo, MI 49008-3899

Email: hans.dykxhoorn@wmich.edu
 Fax: (616) 387-5710

To increase your chances of serving on a committee, it is advisable to mark three choices and indicate your preference (1 = first choice; 2 = second choice; 3 = third choice)

- | | |
|--|---|
| <p><input type="checkbox"/> Annual Program</p> <p><input type="checkbox"/> Midyear Program</p> <p><input type="checkbox"/> Continuing Education</p> <p><input type="checkbox"/> Information Technology</p> <p><input type="checkbox"/> International Relations</p> <p><input type="checkbox"/> Research</p> <p><input type="checkbox"/> Education</p> <p><input type="checkbox"/> Membership Needs</p> <p><input type="checkbox"/> Membership Indicate Country: <input type="checkbox"/> United States <input type="checkbox"/> Outside U.S. (country: _____)</p> <p><input type="checkbox"/> Outstanding Educator</p> <p><input type="checkbox"/> Publications</p> | <p>Regional Program</p> <p><input type="checkbox"/> Mid-Atlantic Region</p> <p><input type="checkbox"/> Northeast Region</p> <p><input type="checkbox"/> Ohio Region</p> <p><input type="checkbox"/> Midwest Region</p> <p><input type="checkbox"/> Southeast Region</p> <p><input type="checkbox"/> Southwest Region</p> <p><input type="checkbox"/> Western Region</p> <p><input type="checkbox"/> Dissertation Award</p> |
|--|---|

Name _____ Affiliation _____

Address _____

Phone: _____ Fax: _____ Email: _____

INTERNATIONAL ACCOUNTING SECTION

Forum deadlines

Summer 1998 issue—May 1
 Fall 1998 issue—September 1
 Spring 1999 issue—January 1

Please submit items via email using a Word format file as an attachment. Submit items to:
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.

TENTH ASIAN-PACIFIC CONFERENCE ON INTERNATIONAL ACCOUNTING ISSUES

October 25–28, 1998

Maui, Hawaii

The Tenth ASIAN-PACIFIC Conference on International Accounting Issues will be held on October 25–28, 1998, in Maui, Hawaii. The main theme of the conference is "Currency Fluctuations, Capital Markets and Global Economy." The conference will provide an important forum for the interaction of different ideas and information between academicians and practitioners, in order to enhance the understanding of international accounting issues in various Asian-Pacific countries.

During the past nine years, our conference has been held in Fresno, California (1989), Vancouver, Canada (1990), Honolulu, Hawaii (1991), Dunedin, New Zealand (1992), Mexico

City, Mexico (1993), Taipei, Taiwan (1994), Seoul, Korea (1995), Vancouver, Canada (1996), and Bangkok, Thailand (1997). Over 400 participants from 33 countries attended our Thailand conference.

Detailed information regarding our upcoming conference (Tenth Asian Pacific Conference) is as follows.

The Vernon Zimmerman Best Paper Award:

The best four papers will each be awarded U.S. \$500, to be selected by a panel of distinguished reviewers.

Conference Registration Fee:

Registration fees of U.S. \$275 per delegate includes a reception, 2 breakfasts, 2 luncheons, 1 dinner (Banquet and Entertainment), a copy

of the proceedings and a one-day tour.

CPE Credits:

Participants in past conferences have earned up to 16 hours of CPE credits.

Conference Hotel:

The Conference will be held at the Aston Wailea Resort in Maui. Rate for Single/Double Occupancy is:

Standard/Garden View	U.S. \$112
Ocean View	\$122
Ocean Front	\$132

Deadline for Paper Submission:

All submissions must be received by May 15, 1998. Notification about the decision will be made by June 30, 1998.

Mail all papers, panel discussion and workshop proposals to:

Professor Ali Peyvandi
or Professor Benjamin Tai
Asian-Pacific Conference on International
Accounting Issues
The Sid Craig School of Business
California State University, Fresno
5245 North Backer Avenue
Fresno, CA 93740-0007
USA

Tel: (209) 278-2921
Fax: (209) 278-7336
Tel: (209) 278-2852
Tel: (209) 278-2217
Email: ali_peyvandi@csufresno.edu
or
benjamin_tai@csufresno.edu

Home Page:

<http://www.craig.csufresno.edu/dprtmnt/conasia.htm>

Critical Perspectives on Accounting Journal "Accounting in a Post-Work Era"

Contributors:

Stanley Aronowitz, *City University of New York*
William DiFazio, *St. John's University*
Richard Marsden, *Warwick University*
and *Athabasca University*
Randy Martin, *Pratt Institute*

Editors:

Tony Tinker, *Baruch College–City University*
of *New York*
David Cooper, *University of Alberta*

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International Accounting Section 1998 Midyear Meeting

The Executive Plaza Hotel
Chicago, Illinois
April 3-4, 1998

Tentative Program

Friday, April 3

9:00 AM – 6:00 PM

Registration

1:30 PM

Welcome and opening remarks

1:45 PM – 5:30 PM

Afternoon sessions

7:00 PM

Reception: Hosted by the University of Illinois at Urbana-Champaign

Saturday, April 4

8:00 AM

Continental Breakfast

9:00 AM – 12:30 PM

Morning sessions

12:45 PM – 2:15 PM

Lunch

Speaker: Patricia McConnell

Sr. Managing Director, Bear Stearns & Co.

2:30 PM – 6:00 PM

Afternoon sessions

6:00 PM

Closing Remarks

Hotel Accommodations

The Executive Plaza Hotel, 71 East Wacker Drive, is the conference hotel. It is only a few steps away from Michigan Avenue and State Street with oversized rooms containing coffee-makers and data port telephones. There is a business center and fitness center in the hotel. Adjoining the hotel is a 24-hour parking garage.

Please reserve your accommodations by calling (312) 346-7100 and identifying yourself as attending the AAA IAS meeting. Rooms have been reserved at \$149 per night, single or double occupancy. Rooms at this rate are

limited, so early reservation is advised. **Deadline for room reservations is March 2.** The registration form is on page 12 of this newsletter.

Information on sporting events and other activities can be obtained by contacting the concierge at the number above. The hotel is about a 30-minute taxi ride from O'Hare International Airport and the cost is approximately \$25. There is also an Airport Shuttle Service available at \$15.75 per person. Length of time depends on number of stops at various hotels on the route.

Airline Discounts

The American Accounting Association has selected Delta Air Lines as the official air carrier for this meeting. Delta will provide the lowest possible fares to Chicago for our meeting attendees.

Call, or have your travel agent call, toll free (800) 241-6760 for reservations. When calling Delta, please refer to file number **106826A**.

Americans with Disabilities Act

It is the intention of the American Accounting Association to comply fully with the Americans with Disabilities Act (ADA). Any members planning to attend this meeting who have special needs

as covered by the ADA are requested to notify the Association's administrative office so as to facilitate identification by the Association of these needs.

Continuing Education Credits

Registrants will be able to obtain continuing education credit for attending

this meeting. Forms will be available at the meeting.

Check for Program updates on the Web at:
www.cba.uc.edu/cbainfo/ias/

**1998 INTERNATIONAL ACCOUNTING SECTION MIDYEAR MEETING
REGISTRATION FORM**

Make checks payable to the American Accounting Association.

Vegetarian meal required _____ Registration Fee \$100.00
Late Registration Fee (after March 2) \$120.00

Member ID# _____ Visa or M/C _____ Exp. _____ **Total Remitted** _____

Name: _____ Mailing Address: _____

Affiliation: _____

Name/Nickname for badge: _____

Phone: Business _____

Fax: _____

Email: _____

Mail completed application form and fee to the AAA, 5717 Bessie Drive, Sarasota, FL 34233-2399
or fax to (941) 923-4093.

American Accounting Association

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DON HERRMANN
COLLEGE OF BUSINESS
OREGON STATE UNIVERSITY
BEXALL HALL 200A
CORVALLIS, OR 97331-2603