



PRESIDENT'S MESSAGE

Hello members of the International Accounting Section,

Thank you for entrusting the future of our section with me. I thank everyone who so graciously and quickly responded to my request for committee member and chair volunteers. I know that we have an excellent team working to ensure the success of our section over the coming year. Part of our strategic plan calls for increasing involvement in our section. To further that goal I tried to appoint newly minted "doctors" to committees and you will notice some new names in our listing of committee chairs.

I appreciate all the work Erv Black did during his presidential tenure and I thank him for all the help he gave me during my short transition to President.

A special thanks to Holger Erchinger, KPMG, for his support and insight into practitioner issues that impact our section. He has helped and is continuing to provide much needed help in organizing and leading panel sessions, serving on our Practice Issues Committee (PIC) and providing leadership.

Our annual meeting chairs, Ray Pereira and Sandeep Nabar, were very successful in chairing our part of the program this past year in San Francisco. The number of papers submitted and the number of sessions provided by the International Section were most impressive.

I look forward to seeing you (and the lack of SNOW!) at the mid-year meeting in Tampa at the end of January. This will be a joint meeting with the Financial and Reporting Section (FARS) and many sessions will be focused on our common research and curricular issues. We had more and higher quality submissions to this meeting than ever. Giorgio Gotti (chair) and his team have worked very hard to make this meeting a success. There are great panels and concurrent paper sessions planned for this meeting.

In addition to the panels and paper sessions at the mid-year meeting, we have a CPE session on teaching IFRS that will be delivered by Erv Black, Teresa Conover, and Asheq Rahman on Friday morning, January 28.

I am indebted to Carolyn Callahan who has again agreed to organize our doctoral consortium. She does a great job and (continued on page 2)



Pat Poli

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International Accounting *Forum*
Published Triannually
University of Vermont
55 Colchester Avenue
Burlington, Vermont, 05405, USA

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

has a wonderful program planned.

Our first *Journal of International Accounting Research Conference* will be held in Xiamen, China in June 2011. The co-chairs, C.S. Agnes Cheng and Xiaohui Qu, and their planning committee are working diligently to make this a very successful meeting. Please consider making a submission; the deadline is February 15, 2011.

I encourage each of you to find a way to become involved in the section. Look at the list of section committees and chairs; choose where you would like to serve, and seek to make a difference. Also, as you interact with your students and other colleagues and in your travels look for opportunities to share your international accounting expertise with them.

I appreciate all of you who serve on committees for our section. You make my tenure as president enjoyable and rewarding. I truly value my association with you. Please feel free to contact me suggestions/comments, etc. to continue making this section as vibrant as it is.

Best Regards,

Pat Poli (ppoli@fairfield.edu)

Plan now to attend the 2011 Mid-Year Meeting – Tampa, Florida –January 27 - 29



Outgoing President Erv Black receiving a plaque from Pat Poli for his outstanding service during 2009-2010.

AAA Regional Meetings, 2011

Please support your regional meetings. Present a paper or volunteer to serve on a panel. Remember you may present the same paper at two different AAA meetings. Regional meetings are great venues for Doctoral Student papers; please encourage your doctoral students to take advantage of these opportunities. For further information, please contact Patricia Walters at patriciadwalters@yahoo.com or the appropriate IAS Regional Meeting Coordinator.

Mid-Atlantic – Baltimore, Maryland (April 21-23, 2011)

Midwest – TBA

Northeast – TBA

Ohio – Dublin, Ohio (May 12-14, 2011)

Southeast – Destin, Florida (April 7-9, 2011)

Southwest – Houston, Texas (March 9-12, 2011)

Western – Newport Beach, California (April 28-30, 2011)

International Accounting Section Forum Deadlines, Suggestions, Comments for 2011 Spring 2011 Issue – March 15, 2011 Summer 2011 Issue - June 30, 2011 Fall 2011 Issue - October 31, 2011

Any comments and suggestions you have to make the *Forum* more informative and enjoyable are appreciated. Please submit comments and items for publishing via email using a Microsoft Word Times New Roman 12 font format file as an attachment. Submit to Chris Hodgdon at chodgdon@bsad.uvm.edu. If sending materials please send to:

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Chris Hodgdon

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INTERNATIONAL ACCOUNTING SECTION
OFFICERS AND SECTION CHAIRS
2010-2011

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International Accounting Section—Organizational Structure 2010-11 Officers and Committee Members

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CALL FOR MEMBERS TO SERVE ON IAS COMMITTEES FOR 2011-2012

Below is a list of IAS committees for the period August 2011 to August 2012. Section members interested in serving on a committee should complete the form and send it to the address below:

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

Annual Program

Regional Programs

Midyear Meeting

Mid-Atlantic Region

Continuing Education

Midwest Region

Research

Northeast Region

Teaching Resources

Ohio Region

International Relations

Southeast Region

Information Technology

Southwest Region

Outstanding Dissertation Award

Western Region

Outstanding Educator Award

Outstanding Service Award

Publications

Strategic Planning

Website/AAA Commons

Practical Issues

Name _____

Affiliation _____

Address _____

Phone: _____ Fax: _____

Email: _____

AAA International Accounting Executive Committee Meeting
Hilton San Francisco
Sunday, August 1, 2010
1:00 – 2:15 p.m.

Present: Erv Black, Cheryl Linthicum, Jeannie Harrington, Tony Kang, Pat Poli and Holger Erchinger

Jeannie read the minutes from 1-30-10. No corrections were made.

Treasurer's Report – Tony Kang reported the balance. We have \$182,906.06 as of February 28, 2010. Most of the midyear meeting costs had gone through. The new budget includes travel costs for officers that will be used in the future.

- Proposals for spending money: Awarding up to five \$750 travel support grants for Ph.D. students to attend the AAA National meeting. Students must demonstrate interest and potential future contributions to the International area. The President-Elect will be in charge of selecting the recipients. Motion passed.
- Faculty exchange – we do a panel at their annual meeting and they do a panel at our annual meeting. We could extend some travel money to our members on the foreign panels. We will let the strategic planning committee explore these options.
- Electronic Journals – Tony reported that the larger sections still had paper copies. We felt that we could afford to publish at least one paper copy of the *JJAR* per year. We did not want to send the message that we were having an electronic version in the year of a foreign joint *JJAR* conference.
- *Forum* – we want the *Forum* to be posted on a website that is not password protected. We suggested that website development be allotted more money.
- Midyear meeting – how much will AAA charge for using their paper submission system? Probably the same amount as SSRN. We will leave it as is in the budget. Joint with FARS in Tampa, FL, January 27-29, 2011.

There will be separate registration between IAS and FARS. FARS charges more. The second luncheon will be just for IAS registrants. The hotel is the Tampa Marriott, Waterside. This is the same time as the Pirate Festival so get your reservations in early. Once the rooms are gone, they are gone. The Doctoral Consortium is on Thursday before the meeting.

- *JJAR* – Ken not here. We will be having a joint conference with Xiamen University in Xiamen, China on June 15-18, 2011. Xiamen University will provide \$1,400 in travel costs per presenter and all of the planning committee members: Erv Black, Greg Burton, Kenneth Ferris, Carol Frost and Stephin Lin. AAA will let us use their meeting submission paper software. The submission deadline is January 15,

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Minutes—Executive Committee Meeting *(continued from page 11)*

2011. We will have an additional cost for an additional publication. Regular submission fees will be charged - \$0 for members, and \$50 for nonmembers.

- Strategic Plan – IT, succession planning, follow-up. Too much to do at once but the PIC committee did a lot. The IT committee will be very involved this year. Potential of a seasoned-faculty meeting at the Midyear meeting??
- Ian Hague (our esteemed late President-Elect) – if you have any memories you wish to share, Gordon Richardson will be collecting thoughts and writing them in a memory book for Ian’s family.

The meeting adjourned at 2:15 p.m.

Respectfully submitted, Jeannie Harrington, Secretary

Executive Committee Conference Call – April 1, 2010

Erv Black, Ian Hague, Tony Kang, Cheryl Linthicum, and Jeannie Harrington

- Bylaw changes approved. They will be published in the Spring or Summer *Forum*.
- Membership in organizations - The American Accounting Association has established a policy that as an organization they should not be a member of a group because they do not want another group to be the AAA’s spokesperson. AAA also believes that the sections of AAA should not be members of groups either. The International Accounting Section as a group has previously been a member of the International Association for Accounting, Education and Research (IAAER), so the Executive Committee voted to withdraw from the IAAER. We do, however, encourage individual memberships in IAAER.

AAA International Accounting Section Officers and Chairs Meeting
Hilton, San Francisco, California
August 01, 2010
2:15 – 3:45 p.m.

Members Present: Erv Black, Greg Burton, Agnes Cheng, Gia Chevis, Teresa Conover, Jeannie Harrington, Tony Kang, Stephen Salter, Chris Skousen, Pat Poli, Betsy Gordon, Victoria Krivogorsky, Eva Jermakowicz, Wolfgang Schultze, Lee Radebaugh, Rob Larson, Giorgio Gotti, Carolyn Callahan, Huong Higgins, Cheryl Linthicum, Chris Hodgdon, Susan Hughes, Don Pagach, Mari Paananen, Hung Chan, Holger Erchinger, and Marilyn Misch.

Memories of Ian Hague – compile your thoughts and send them to Erv Black who will forward them to Gordon Richardson.

Upcoming Conferences –

- Joint conference Xiamen University in Xiamen, China, June 15-18, 2011, with a special issue for *JJAR*
- Midyear Meeting –January 27-29, 2011 at the Marriott Waterside in Tampa, FL. This is a joint meeting with the Financial Reporting Section (FARS).

Budget – Tony Kang – balance is before the \$20,000 contribution from KPMG. \$600 from newsletter is going to Website development. Website development is a sore spot and we are trying hard to improve this area. We have a large balance and do not plan to hoard money. We have a proposal to provide travel money to Doctoral students to attend the national AAA meeting. Up to five \$750 awards will be presented. Faculty exchanges for meetings are being planned with no dollars attached yet. Costs were up for the midyear meeting. We are still waiting on the KPMG money.

Midyear Meeting 2010– Victoria Krivogorsky - The meeting had 2 plenary sessions, 71 paper presentations, and 4 panels covering education, research, current research in foreign countries, IFRS implementation, and first-time adoption of IFRS. The meeting was a joint seminar with IAAER and we had over 160 participants. It was fabulous. We want the midyear in Palm Springs every year.

New Faculty Consortium - Carolyn Callahan - for next year - we have a waiting list with great support from the international community. If you know any doctoral students available, contact Carolyn as soon as possible. She has no problem getting speakers. People call her to volunteer. She is open to suggestions. Students enjoy interacting with editors and people in the profession. Students want to know more about teaching international accounting. David Smith from University of Nebraska will be helping Carolyn this year.

Midyear Meeting 2011– Giorgio Gotti – he will be spending time with the FARS group at the annual meeting. There will be one reception, one lunch, and one plenary session with FARS. We will be reserving more rooms than normal due to the Pirate Festival. It

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Minutes—Section Officers and Chairs Meeting *(continued from page 13)*

will be held January 27-29, 2011. January 27 will be the Doctoral consortium. We will have sessions with discussants and dialogue sessions with no discussants. The fee is \$210 - \$190 plus \$10 per lunch.

Annual Program – Raynolde Pereira and Sandeep Nabar, co-chairs, were not at the meeting but sent a report. There were 178 manuscripts submitted. With 157 volunteer reviewers, they were able to fill 37 traditional research sessions, 1 dialogue session, 6 panels, and a new scholar session. The breakdown for the accepted papers were 108 in concurrent sessions, 4 in research dialogue and 8 in new scholar sessions for a total of 126 accepted manuscripts. Raynolde will again be the chair of the annual program for 2011. We had more sessions than ever and even more than FARS!

CPE Sessions - Eva Jermakowicz – There is not much input into the CPE sessions at the annual meeting but if you have topics you want addressed please submit them. There are opportunities to offer more CPE sessions, especially on Sunday. Steve Salter said you must have a minimum number of participants or AAA will make you pay additional costs. Eva is considering sending out a questionnaire to members for their interests.

Information Technology – Kim Church was not at the meeting. Greg Burton says he has a lot of work to do and will get started tonight. They have allotted \$3,500 to help fix the web page.

International Relations – Steve Salter, Latin American Liaison, discussed helping with registration fees for those from Business In Latin American Studies (BILAS) to attend our annual meeting. He suggested spending some of the gift memberships to help with the registration fees. If we could come up with three \$750 offers, that would be nice. That would especially be nice if we picked up the fees for the poorer country members. We could possibly renegotiate AAA fees for members from poorer countries. Cheryl said that AAA has in the past waived AAA membership fees in particular circumstances that allowed certain foreigners to attend a AAA conference. There is a proposal to exchange panel sessions with an international organization. BILAS is the first target. Steve Salter plans to go to the conference and would like the IAS to provide travel funding for one other American participant. Steve will submit a proposal.

Membership – Kingsley Olibe was not at the meeting. CTLA has a forum to promote our section to new members.

Nominations – Teresa Conover – will be presented tomorrow. Erv made some appointments due to Ian's death.

Outstanding Dissertation – Ole Christian Hope was not at the meeting. The winner will be announced at the luncheon on Monday.

Outstanding Educator Award - Chris Skousen – three great nominees, one of which will be announced at the luncheon on Monday.

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Minutes—Section Officers and Chairs Meeting *(continued from page 14)*

Outstanding Service Award – Lee Radebaugh – three great nominees, one of which will be announced at the luncheon on Monday.

Publications – Agnes Cheng – Talked about the Xiamen University Conference. Ken Ferris has been reappointed as editor for another three-year term. We want to solicit some case studies for the journal. Papers can be submitted as of December 1 with the deadline being January 15. This is a tight submission period but the midyear meeting papers have to be cleared out first.

Forum – Chris Hodgdon - transition is complete. We have had several problems with the website. We are trying to make the Forum available on a non-password protected website.

Regional Programs Committee - Chair of overall regional programs Michelle Henney was not present at the meeting. Susan Hughes, Northeast Regional Coordinator, suggested that everyone should help out when asked to do so.

Research Committee – Carol Ann Frost – she had a research panel at the Midyear. She has some sessions planned for the national meeting as well. Four faculty members are being a senior mentor for new faculty researchers. Tony Kang is one of them.

Teaching and Curriculum Committee – Gia Chevis is gathering syllabi and needs to know where to post it. Perhaps the *Forum* could include new teaching sites, etc. She suggested having a teaching workshop at the same time as the Doctoral consortium of the midyear meeting.

Strategic Planning – Kathleen Sinning –They want to have newer members involved. We need better succession planning. The strategic plan is a great plan and we implement as much as we can each year.

Practices Issues Committee – Greg Burton - alert the committee for any issues needing to be addressed.

Advisory Board – Teresa Conover – bylaw changes were passed out. They will be voted upon tomorrow at the business meeting.

President-elect – Pat Poli - committee charges are coming.

Meeting adjourned 3:45 p.m.

Respectfully submitted,

Jeannie Harrington, Secretary

SCENES FROM THE AAA NATIONAL MEETING LUNCHEON



2009-10 President Erv Black



***Luncheon Speaker, IASB member
Jim Leisenring***



Head Table (left to right): Jim Leisenring, Erv Black, Pat Poli, Jeannie Harrington, and Christopher Skousen



Head Table (left to right): Lee Radebaugh, Tony Kang, and Raynolde Pereira

ADDITIONAL SCENES FROM THE AAA NATIONAL MEETING LUNCHEON



International Accounting Section Annual Budget

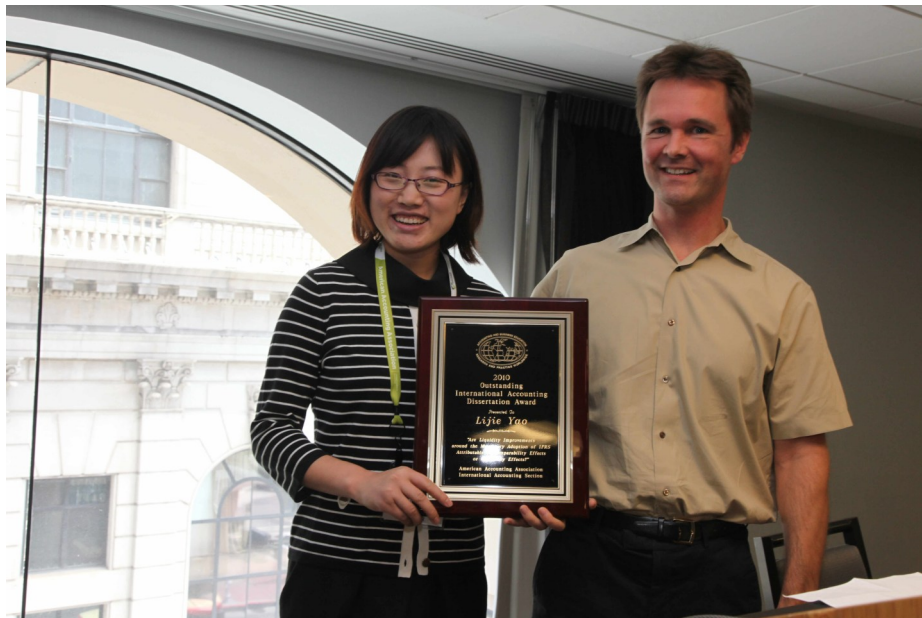
International Accounting Section 2010-2011 Budget	2010-2011 Annual Budget
UNRESTRICTED FUND	
Cash Inflows	
Dues-Full Members - (\$15 per member)'	\$14,000.00
Dues-Associate Members	500.00
Journal Submission Fees (\$25 per submi	1,000.00
Journal Subscriptions	3,500.00
Midyear Meeting Registration	17,000.00
CPE-Mid-year meeting	500.00
CPE-Annual Meeting	500.00
Interest Income	500.00
Royalties	400.00
Sale of back issues	100.00
Contributions - Midyear Meeting**	20,000.00
Total Cash Inflow - Unrestricted Fund	\$58,000.00
Cash Outflows	
Annual Meeting	
Luncheon ticket sales	\$6,500.00
Luncheon cost	6,500.00
Luncheon Speaker Expenses	1,000.00
Plaques and Awards	300.00
Officer Meeting room and refreshments	600.00
Program Chair: Admin Expenses	500.00
Phd Travel Support	3,750.00
Total Annual Meeting	\$6,150.00
Midyear Meeting	
AAA Staff Support	\$1,500.00
Hotel-Rooms/Food/Beverage - Doctora	15,500.00
Hotel-Rooms/Food/Beverage - Midyea	15,500.00
Speakers - Doctoral Consortium	2,000.00
Speakers - Midyear Meeting	2,000.00
Meeting Coordinator Expenses	750.00
Meeting Submission Overhead	1,950.00
Printing and Postage	1,000.00
Awards (Conf Paper)	500.00
Total Midyear Meeting	\$40,700.00
General/Administrative	
Postage & Printing	\$300.00
Website Development/Hosting	3,500.00
Awards - Dissertation, Educator, Servi	1,350.00
Strategic Planning	1,000.00
Council Fee	0.00
President Travel and Administration Ex	1,000.00
Miscellaneous (credit card fees)	1,500.00
Total General/Administrative	\$8,650.00
Total Cash Outflow - Unrestricted Fund	\$55,500.00
Contributions - Gift Membership	\$1,000.00
Gift Memberships awarded	1,000.00
Gift memberships - net***	\$0.00
UNRESTRICTED FUND - Net Change in Cash	\$2,500.00
RESTRICTED FUND (JOURNAL)	
Cash Inflows	
Dues-Full Members (\$20 per member)*	\$20,000.00
Total Cash Inflow - Restricted Fund	\$20,000.00
Cash Outflows	
Editor Expenses	\$1,000.00
Journal Promotion	500.00
JJAR Paper Award	1,000.00
Copying, Printing, Mailing	12,000.00
AAA Staff Support	8,000.00
Total Cash Outflow - Restricted Fund	\$22,500.00
RESTRICTED FUND - Net Change in Cash	(\$2,500.00)
TOTAL CHANGE IN CASH - Unrestricted & Restricted F	\$0.00

2010 OUTSTANDING IAS INTERNATIONAL ACCOUNTING DISSERTATION AWARD

Lijie Yao

Lijie Yao was named the recipient of the 2010 Outstanding International Accounting Dissertation Award. Lijie Yao is an assistant professor at the School of Economics and Management, Beijing Jiaotong University, China. Obtaining her bachelor's degree in Minzu University of China in July 2003, Lijie was admitted to Tsinghua University without examination in September 2003 for her master's degree. One year later, Lijie's advisor, professor Donglin Xia, suggested she join the Ph.D. program of Accounting, after discovering her potential to do research. After careful thoughts, Lijie joined the Ph.D. program in Accounting at Tsinghua University in September 2009. After obtaining enough credits for graduation at Tsinghua University, Lijie visited professor Morton Pincus at the University of California, Irvine in December 2009 and had stayed there for two years, during which Lijie was supported financially by the China Scholarship Council, a non-profit institution affiliated with the Ministry of Education.

Under the supervision of both professors Pincus and Xia, Lijie finished and defended her dissertation entitled "Are Liquidity Improvements around Mandatory Adoption of IFRS Attributable to Comparability Effects or to Quality Effects?" in June 2009. She obtained her doctorate degree the next month, and won the Outstanding International Accounting Dissertation Award in August 2010.



*Ole-Kristian Hope awards Lijie Yao with the 2010 Outstanding IAS
International Accounting Dissertation Award*

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2010 OUTSTANDING IAS INTERNATIONAL ACCOUNTING DISSERTATION AWARD (continued)

Lijie always could not help but say “life is wonderful!” It is mainly because Lijie is doing what she really enjoys, both doing research and teaching. At her very first semester of teaching, Lijie even won a teaching award at Beijing Jiaotong University. Lijie was married in October 2010, just before celebrating her 29 year-old birthday, and she is now happily living with her Mr. Right, Xiaojun Chen. Says Lijie: “I am cherishing all I have right now. What I can do and should do is work harder to pay back all the people who are supporting, encouraging and helping me all the time.” In Lijie’s spare time, she likes travelling and many kinds of sports. Recently, she became interested in Flamenco.

Abstract

Are Liquidity Improvements Around the Mandatory Adoption of IFRS Attributable to Comparability Effects or to Quality Effects?

Using a treatment sample of more than 5,000 firms from 22 countries that required reporting under International Financial Reporting Standards (IFRS) on or before fiscal 2005, I find an increase in aggregate market liquidity around mandatory IFRS reporting. I examine whether the positive market effect on liquidity of mandatory IFRS reporting is attributable to the convergence of diverse accounting standards into a single set of accounting standards (i.e., Comparability Effects), to improved financial reporting quality (i.e., Quality Effects), or both. I find evidence suggesting that liquidity improvements are attributable to increased comparability. In addition, I find that the Quality Effect around the IFRS mandate is generally negative, suggesting that the markets in our sample behave as if the mandatory adoption of IFRS will not increase financial reporting quality (beyond domestic generally accepted accounting principles) in most sample countries.

2010 OUTSTANDING IAS INTERNATIONAL ACCOUNTING EDUCATOR AWARD

Teresa Conover

Dr. Teresa Conover is a Professor of Accounting at the University of North Texas. Her educational background includes a B.S. from the University of California at Davis, an MBA from Oregon State University and a Ph.D. from Texas A&M University. She is a CPA, licensed in the State of Texas.

Professor Conover has had the honor of serving as a faculty in residence for Ernst & Young International in their London office and as a Visiting Scholar at the London School of Economics. She is a member of many professional organizations including the American Accounting Association, the International Association for Accounting Education and Research, Beta Gamma Sigma, and Beta Alpha Psi. She served as the President of the American Accounting Association International Accounting Section for the 2000-2001 year. She recently completed three years of service on the Beta Alpha Psi International Board of Directors as the Director of Administration and Development and has been elected as incoming President-Elect of Beta Alpha Psi.



Christopher Skousen awards Teresa Conover with the 2010 Outstanding IAS International Accounting Educator Award

Professor Conover specializes in teaching financial and international accounting and has taught accounting since 1985. She has taught at the undergraduate, masters, and doctoral levels. She has received eight teaching awards and has been nominated for several others. She holds the Paden Neeley Professorship for Excellence in Teaching. Her research interests concentrate on financial and international accounting. She has published numerous articles in national and international accounting and business journals.

Teri and her husband Jim are recent empty nesters with one daughter at the University of Texas at Austin and one at the University of Rhode Island. Her hobbies are traveling and reading.

2010 OUTSTANDING IAS INTERNATIONAL ACCOUNTING SERVICE AWARD

Robert K. Larson

Dr. Larson is an Associate Professor at the University of Dayton. He is an active researcher and writer and has published over thirty journal articles. Dr. Larson's primary research interests concern international accounting, particularly International Financial Reporting Standards (IFRS). He is a Past-President of the International Accounting Section of the American Accounting Association (AAA), Past-President of the Ohio AAA and Past-Chair of International Accounting Section's Advisory Board. His primary teaching interests are management accounting, financial accounting, and international accounting. Before earning his Ph.D. at the University of Utah, Dr. Larson worked for Northwest Natural Gas Company in Portland, Oregon. He rose to the position of Accounting Supervisor, External Reporting and Technical Research, where he was actively involved with SEC filings. He is a C.P.A. and a C.M.A. Prior to joining the University of Dayton in 2001, he had been the MBA director and chair of the accounting program at the Pennsylvania State University at Harrisburg. As a long-standing member of the International Accounting Section, Dr. Larson has held many positions of responsibility. Below is a partial list of Dr. Larson's extensive service responsibilities and accomplishments:



Lee Radebaugh awards Robert Larson with the 2010 Outstanding IAS International Accounting Service Award

- Winner – International Accounting Section Outstanding Service Award, 2010
- Outstanding Section Service Award Committee, Chair, 2010-2011
- Advisory Board: chair, 2006-2009; member, 2004-2010
- Executive Committee, member, 2000-2004, 2006-2009
- Nominations Committee: chair, 2005-2006; member, 2004-2009
- President, 2003-2004
- Vice President–Academic (President-Elect), 2002-2003
- Secretary, 2000-2002
- Chair, Annual Program Committee, 1999-2000.
- Regional Coordinator for 1998 Mid-Atlantic AAA Regional Conference.

CALL FOR NOMINATIONS

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 Denver, during August 2010.

All doctoral dissertations successfully defended during the 2010 calendar year in *all areas of international accounting* – including topics in financial, managerial, auditing, taxation, and information systems – are eligible for this award. Eligible individuals should submit via e-mail the following materials no later than (and preferably earlier than) **February 28, 2011**:

1. Summary of their dissertation not exceeding 20 pages including tables, or a working paper based on their dissertation, and
2. A letter of support from his/her dissertation committee chairperson.

Upon reviewing these initial submission materials, the Outstanding Dissertation Award Committee will select finalists for the award. Finalists will be requested to submit copies of the complete dissertation to the committee.

Please note that the committee will be grateful to receive suggestions from section members for suitable candidates for this award. Thus we would be very happy if you could ensure that all faculty and Ph.D. students at your school are aware of the award.

Please send submissions via email to:

Ole-Kristian Hope
Rotman School of Management
University of Toronto
okhope@rotman.utoronto.ca

The DEADLINE for nominations is February 28, 2011.

Winners of the Outstanding International Accounting Dissertation Award to date are:

1984 Trevor J. Harris, University of Washington	1999 Jan Marton, Göteborg University
1985 (none awarded)	2000 Tracy Manly, University of Arkansas
1986 Betty C. Brown, University of Louisville	2001 Takashi Yaekura, University of Illinois Urbana-Champaign
1987 Shahrokh M. Saudagaran, University of Washington	2002 Ole-Kristian Hope, Northwestern University
1988 David Sharp, Massachusetts Institute of Technology	2003 Thomas A. Matthews, University of Waterloo
1989 Teresa L. Conover, University of North Texas	2004 Steven Francis Orpurt, University of Chicago
1990 F. Norman Shiue, George Washington University	2005 Christopher Hodgdon, Virginia Commonwealth University
1991 Ajay Adhikari, Virginia Commonwealth University	2006 ETTY Retno Wulandari, Nanyang Business School
1992 Stephen B. Salter, University of South Carolina	2007 Annelies Renders, Katholieke Universiteit
1993 Patricia McQueen, New York University	2008 Devan Mescall, University of Waterloo
1994 Keith R. Duncan, Bond University	2009 Hans Christensen, Manchester Business School
1995 Mary A. Flanigan, Virginia Commonwealth University	2010 Lijie Yao, Tsinghua University
1996 Wayne Thomas, Oklahoma State University	
1997 Paquita Y. Davis-Friday, University of Michigan	
1998 Karl Albert Muller III, University of Illinois Urbana-Champaign	

CALL FOR NOMINATIONS

Outstanding International Accounting Educator Award

The International Accounting Section of the American Accounting Association invites nominations for its Outstanding International Accounting Educator Award. The general selection criteria are as follows:

The award is presented to an individual who has made a substantial contribution to international accounting education through scholarly endeavors in research and teaching over a sustained period of time—through publications, 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 award recipient will be honored with a plaque at the Section's annual meeting luncheon. A sketch of his or her accomplishments will also be included in the Section's newsletter, *Forum*.

Please submit nomination materials and documents, along with the *curriculum vitae* of your nominee to:

Susan B. Hughes
School of Business Administration
University of Vermont
55 Colchester Ave.
314 Kalkin Hall
Burlington, VT 05405-1057
Phone: 802 656 0504
Email: shughes@bsad.uvm

The DEADLINE for nomination is February 28, 2011.

Winners of the Outstanding International Accounting Educator Award to date are:

1990 Paul Garner	2001 Helen Gernon
1991 Gerhard Mueller	2002 Christopher Nobes
1992 Vernon Zimmerman	2003 Robert Parker
1993 Fred Choi	2004 Shahrokh Saudagaran
1994 Sidney Gray	2005 Kazuo-Hiramatsu
1995 Murray Wells	2006 Chee Chow
1996 Belverd Needles	2007 Donna Street
1997 Gary Meek	2008 Mary Barth and Timothy S. Doupnik
1998 Lee Radebaugh	2009 Ross (Rasoul) Tondkar
1999 Steve Zeff	2010 Teresa Conover
2000 Ahmed Riahi-Belkaoui	

CALL FOR NOMINATIONS

International Accounting Section Outstanding Service Award

The 2010-2011 Outstanding Section Service Award Committee is soliciting nominations for the 2011 recipient of the Outstanding Section Service Award. To qualify to receive the award, the nominees must meet one of the two following criteria: (1) be a current member of the section, or (2) if retired or deceased, must have been an active section member during his/her career. If at all possible, the winner should attend the 2011 Annual Meeting in Denver to receive the award. Please send nominations to Rob Larson, the committee chair, by February 28, 2011.

Robert K. Larson
University of Dayton
School of Business Administration
300 College Park
Dayton, Ohio 45469-2242
Email: Robert.Larson@notes.udayton.edu

If you have any questions, please feel free to contact Professor Larson.

Winners of the Outstanding International Accounting Service Award to date are:

2004 Donna Street
2005 Norlin Rueschhoff
2006 Hanns-Martin Schoenfeld
2007 Lee Radebaugh
2008 Bruce Behn
2009 Gary Meek
2010 Robert K. Larson

CALL FOR NOMINATIONS

Section Officers and Other Positions

The 2010 - 2011 Nominations Committee of the American Accounting Association's International Accounting Section solicits nominations for the following positions for 2011-2012:

1. President-Elect (formerly Vice-President Academic)

Minimum qualifications: Must have served as secretary, treasurer, or chair of at least two Section committees in the past five years. One year term and automatically becomes president of the section in the following year.

2. Vice President - Practice

Minimum qualifications: Must be in accounting practice. Serves a one-year term.

3. Secretary - 2 year term

Minimum qualifications: Section leadership experience, including chair or major roles for at least two committees in the past five years.

4. Advisory Board members (two openings for three year terms) Minimum qualifications: Must be qualified to serve in an oversight and advisory capacity, based on prior, senior level appropriate experience. At a minimum, this shall include Section leadership experience, such as a past officer, committee chair, or head of an ad hoc project. Serves a three-year term.

5. Publication Committee members (two openings)

Serves a two-year term.

6. Nominations Committee members (two openings)

Minimum qualifications: Must have served the Section in a significant capacity during at least two of the last five years. The two years of service may be obtained while performing the following roles within the Section: secretary, treasurer, journal editor, Forum editor, a committee chair, a regional coordinator, an advisory board member, a member of the nominating committee, a member of the publications committee, or a country director/liaison.

Full details about the duties and required qualifications for these positions are available in the By-Laws available on the Section's website: <http://aaahq.org/international/index.html> <<http://aaahq.org/international/index.html>> . Please specify the position for which you are nominating the individual(s). Self-nominations are welcomed.

Nominations must be received by the Nominations Committee Chair, Cheryl Linthicum. The nominations committee will report a slate to the executive committee by March 1, 2011. EARLY NOMINATIONS ARE ENCOURAGED.

Please send nominations to:

Cheryl L. Linthicum
Department of Accounting
College of Business
University of Texas - San Antonio
San Antonio, TX 78249-0632
Cheryl.linthicum@utsa.edu

American Accounting Association International Accounting Section

Call for Papers for

The Journal of International Accounting Research

Editor:

Kenneth Ferris, Arizona State University

Editorial Policy

The *Journal of International Accounting Research* publishes articles that increase our understanding of the development and use of international accounting and reporting practices or attempt to improve extant practices. International accounting is broadly interpreted to include the reporting of international economic transactions; the study of differences among practices across countries; the study of interesting institutional and cultural factors that shape practices in a single country but have international implications; and the effect of international accounting practices on users. The *Journal* has a diverse readership and is interested in articles in auditing, financial accounting, managerial accounting, systems, tax, and other specialties within the field of accounting. The *Journal* is open to research using a wide variety of research methods, including empirical-archival, experimental, field studies, and theoretical. The *Journal* may include sections for Notes (shorter articles) and Commentaries. Education articles should be sent to a journal such as *Issues in Accounting Education*.

All manuscripts are sent to two reviewers, although one or more additional reviewers may be consulted in some instances. Reviews will be double-blind (i.e., to both the author and reviewer). A strong effort will be made to complete the initial review within two to three months. The review process is intended to provide constructive comments that improve the quality of manuscripts by focusing on critical issues. The editorial team recognizes that the nuances of a paper are better left to the authors.

Submission Of Manuscripts

1. Manuscripts currently under consideration by another journal or other publisher should not be submitted. At the time of submission, the author must state that the work is not submitted or published elsewhere.
2. To expedite the process, an electronic submission and review process is preferred. To preserve anonymity, it is advised that the cover page and the remainder of the document be placed in separate Microsoft® Word or PDF files. In the case of manuscripts reporting on field surveys or experiments, the instrument (e.g., questionnaire, case, interview plan) should also be submitted in a separate file, with the identity of the author(s) deleted. The cover page, manuscript, and, if applicable, the instrument should be emailed as attached files to Kenneth Ferris, Editor, at: kenneth.ferris@asu.edu. There is no submission fee for members of the AAA International Section, but \$35.00 for others, made payable to the American Accounting Association. The submission fee is nonrefundable. To charge the fee, access the AAA web site at: <https://aaahq.org/AAAforms/journals/jiarsubmit.cfm>. Alternatively, (although this is not encouraged) the submission fee also may be paid by check to the American Accounting Association, and mailed to Kenneth Ferris, Editor, *Journal of International Accounting Research*, School of Global Management and Leadership, Arizona State University, P.O. Box 37100, Phoenix, AZ 85069-7100.
3. If electing to submit hard copies, one copy of the manuscript should be mailed to Kenneth Ferris at the address above. In the case of manuscripts reporting on field surveys or experiments, one copy of the instrument (e.g., questionnaire, case, interview plan) should be submitted. Information that might identify the author(s) must be deleted from the instrument. The submission fee should be enclosed or charged at the AAA web site (per above).
4. Revised manuscripts must be submitted within 12 months from request; otherwise they will be considered new submissions.
5. Manuscript preparation and style can be found on the section website at http://aaahq.org/pubs/EdPolicies/JIAR_EdPolicy.pdf.

HAVE YOU SEEN?

Kamala Raghavan

Texas Southern University



Editorial Note: If you have an abstract or know of an abstract that would be of interest to the members of the AAA International Accounting Section, please email the reference information and abstract to Kamala Raghavan at raghavank@TSU.EDU.

Allen, Catherine. “Comparing the ethics codes: AICPA and IFAC,” *Journal of Accountancy* (Volume 210, Issue 4, 2010): 24 – 32.

IFAC’s International Ethics Standards Board for Accountants promulgates the Code of Ethics for Professional Accountants (IESBA Code). The latest edition of the IESBA Code was updated and revised in July 2009 and is effective Jan.1, 2011. The revisions clarified the requirements for all professional accountants and significantly strengthened the independence requirements. The IESBA and AICPA codes are more similar than different although some differences are significant. In many cases, applying the codes to the same fact pattern will yield similar results. The IESBA Code discusses certain potential independence matters that appear in the AICPA Conceptual Framework but not in the AICPA independence rules. The IESBA Code imposes additional independence provisions that reflect “the extent of public interest in certain entities”.

Barth, Mary E., Landsman, Wayne R., “How did Financial Reporting Contribute to the Financial Crisis?” *European Accounting Review* (Volume 19, Issue 3, 2010): 399 – 423.

We scrutinize the role financial reporting for fair values, asset securitizations, derivatives and loan loss provisioning played in the Financial Crisis. Because banks were at the center of the Financial Crisis, we focus our discussion and analysis on the effects of financial reporting by banks. We conclude fair value accounting played little or no role in the Financial Crisis. However, transparency of information associated with asset securitizations and derivatives likely was insufficient for investors to assess properly the values and riskiness of bank assets and liabilities. Although the FASB and IASB have taken laudable steps to improve disclosures relating to asset securitizations, in our view, the approach for accounting for securitizations in the IASB's Exposure Draft that would require banks to recognize whatever assets and liabilities they have after the securitization is executed better reflects the underlying economics of the securitization transaction. Regarding derivatives, we recommend disclosure of more disaggregated information, disclosure of the sensitivity of derivatives' fair values to changes in market risk variables, and implementing a risk-equivalence approach to enable investors to understand better the leverage inherent in derivatives. We also conclude that because the objectives of bank regulation and financial reporting differ, changes in financial reporting needed to improve transparency of information provided to the capital markets likely will not be identical to changes in bank regulations needed to strengthen the stability of the banking sector. We discuss how loan loss provisioning may have contributed to the Financial Crisis through its effects on procyclicality and on the effectiveness of market discipline. Accounting standard setters and bank regulators should find some common ground. However,

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it is the responsibility of bank regulators, not accounting standard setters, to ensure the stability of the financial system.

Burritt, Roger L, Schaltegger, Stefan, "Sustainability accounting and reporting: fad or trend?" *Accounting, Auditing & Accountability Journal* (Volume 23, Issue 7, 2010): 829 – 846.

Purpose – The paper aims to discuss the current development of sustainability accounting research, the identification of critical and managerial paths, and to assess of the future of sustainability accounting and reporting; Design/methodology/approach – The paper is a review of recent literature in sustainability accounting; Findings – Assessment of recent literature leads to the conclusion that both management decision making, through problem solving and scorekeeping, and a critical approach, through awareness raising, contribute to the development of sustainability accounting and reporting; however, the development of sustainability accounting and reporting should be orientated more towards improving management decision making; Originality/value – The paper is a systematic review of recent research developments in sustainability accounting.

Carr, Chris, Kolehmainen, Katja, and Falconer Mitchell, “ Strategic investment decision making practices: A contextual approach,” *Management Accounting Research* (Volume 21, Issue 3, 2010): 167-184.

This paper proposes a contextual approach to explaining differences in strategic investment decision (SID) making practices. First, a systematic contextual framework is developed from the existing research literature. Then this framework's potential for explaining differences in SID making practices is explored through 14 case studies of U.K., U.S. and Japanese companies from both stable and dynamic business sectors. Our findings suggest substantial SID differences across our four contextual categories of market creators, value creators, refocusers and restructurers. The differences relate to the emphasis on strategic versus financial considerations, the thoroughness and rigidity of financial analysis, the attitudes towards incorporating less easily quantifiable factors and the level of hurdle rates.

Debreceeny, Roger S., Gray, Glen L., “Data mining journal entries for fraud detection: An exploratory study,” *The International Journal of Accounting Information Systems* (Volume 11, Issue 3, 2010): 157-181.

Fraud detection has become a critical component of financial audits and audit standards have heightened emphasis on journal entries as part of fraud detection. This paper canvasses perspectives on applying data mining techniques to journal entries. In the past, the impediment to researching journal entry data mining is getting access to journal entry data sets, which may explain why the published research in this area is a null set. For this project, we had access to journal entry data sets for 29 different organizations. Our initial exploratory test of the data sets had interesting preliminary findings. (1) For all 29 entities, the distribution of first digits of journal dollar amounts differed from that expected by Benford's Law. (2) Regarding last digits, unlike first digits, which are expected to have a logarithmic distribution, the last digits would be expected to have a uniform distribution. Our test found that the distribution was not uniform for many of the entities. In fact, eight entities had one number whose frequency was three times more than expected. (3) We compared the number of accounts related to

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Have You Seen...? *(continued from page 29)*

the top five most frequently occurring three last digit combinations. Four entities had a very high occurrences of the most frequent three digit combinations that involved only a small set of accounts, one entity had a low occurrences of the most frequent three digit combination that involved a large set of accounts and 24 had a low occurrences of the most frequent three digit combinations that involved a small set of accounts. In general, the first four entities would probably pose the highest risk of fraud because it could indicate that the fraudster is covering up or falsifying a particular class of transactions. In the future, we will apply more data mining techniques to discover other patterns and relationships in the data set s. We also want to seed the dataset with fraud indicators (e.g., pairs of accounts that would not be expected in a journal entry) and compare the sensitivity of the different data mining techniques to find these seeded indicators.

Fried, Andrea “Performance measurement systems and their relation to strategic learning: A case study in a software-developing organization,” *Critical Perspectives on Accounting* (Volume 21, Issue 2, 2010): 118-133.

Authors have often suggested that expert systems for measuring and assessing intangible and tangible resources fulfill strategic learning purposes. This role requires further theoretical discussion and empirical investigation since strategic learning does not automatically result from the implementation of performance measurement systems (PMS). PMS can be used for internal or external control purposes in addition their development and usage can lead to strategic learning processes. Depending on how PMS are conceptualized they can be related to different modes of learning. Thus, this article links different types of PMS enactment with specific modes of learning. Strategic learning is thereby defined as specific mode within the organizational learning approach by Bateson (1972) and Argyris and Schön (1978). Orlikowski's work on technologies (2000) provides a framework for the different types of PMS enactment. A strategic learning process initiated by the development of PMS is illustrated through a case study in the software development industry.

Goddard, Andrew, “Contemporary public sector accounting research – An international comparison of journal papers,” *The British Accounting Review* (Volume 42, Issue 2, 2010): 75-87.

This paper provides a broad review of the public sector accounting research in recent years, including that undertaken in the US. An analysis of this research reveals a methodological distinction between research undertaken in the US (using predominately functionalist methodologies, accompanied by positivistic quantitative research methods) and that undertaken in the rest of the world (using interpretive and radical/alternative methodologies, with qualitative research methods). The nature, causes and consequences of this distinction are discussed. The paper concludes with an exhortation for PSAR researchers to explore multi-paradigmatic methodologies in future research.

Iyoha, F.O., Oyerinde, D., “Accounting infrastructure and accountability in the management of public expenditure in developing countries: A focus on Nigeria,” *Critical Perspectives on Accounting* (Volume 21, Issue 5, 2010): 361-373.

Accountability in the control and management of public funds is one of the most sensitive aspects of the activities of government in all democracies. Hence, the

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1999 Constitution of the Federal Republic of Nigeria contains provisions relating to legislative powers and control over public funds. However, the required level of accountability in public expenditure has not been achieved in Nigeria. The situation has remained worrisome even though the country does not lack in the appropriate laws and regulation required to bring sanity into the system. Though there have been some bold steps and initiatives in the recent past by the government by strengthening existing institutions and creating new ones with responsibility for fraud and other controls, the issue of weak accounting infrastructure has not been addressed. The paper argues that accountability in public expenditure can more easily be realized within the context of a sound accounting infrastructure and a robust accounting profession and not in the multiplicity of laws and anti-corruption agencies; all of which are reactive in nature. Therefore, the paper reports on the current state of accounting infrastructure in Nigeria, and concludes with an assessment of the existing agencies and current reform initiatives in ensuring accountability in public expenditure in Nigeria.

Jones, Michael John, "Accounting for the environment: Towards a theoretical perspective for environmental accounting and reporting," *Accounting Forum* (Volume 34, Issue 2, 2010):123-138.

This article develops a multilayered theoretical model to underpin environmental accounting and reporting (severe environmental dangers; corporate responsibility; new relationship between industry and environment; measure industry's impact, and disclose and report impact). This theoretical model has eight premises. It begins with the fundamental premise that environmental change puts the planet at risk. Given that industry has a great impact on the environment and that society legitimates industry it is argued that industry has a duty to act. As the present situation appears to put the planet in jeopardy, there is a need for a new relationship between industry and the environment. It is argued that, although there should be a long-term radical reorientation, in the immediate short-term sustainable development should be the target. There is a need for a measurement system to assess industry's impact, but current accounting is inadequate for a variety of reasons (e.g., monetary dependence, capitalist orientation, business focus, reliance on neoclassical economics, numerical quantification, and technical accounting practices). There is thus a need for a new holistic accounting which captures corporate environmental impacts. Finally, it is argued that companies because of their stewardship function should report their environmental accounting to their stakeholders. There are several implications from the acceptance of this theoretical model for organisations and accountants. First, at the general level, given the severity of the environmental problems which face us, it would seem prudent for managers and accountants to take immediate action to address these threats. Second, the traditional accounting paradigm with its narrow focus on accounting numbers does not capture the environmental consequences of organisational activity. Third, as part of innovation and experimentation there is a continued need to explore potential alternative monetary and non-monetary valuation systems. Finally, the theoretical framework implies that as part of their discharge of their stewardship function organisations should disclose their environmental performance to stakeholders.

Norman, Carolyn Strand, Rose, Anna M., and Jacob M. Rose, "Internal audit reporting lines, fraud risk decomposition, and assessments of fraud risk," *Accounting, Organizations and Society* (Volume 35, Issue 5, 2010): 546-557.

The main purpose of this research is to examine the effects of internal

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audit reporting lines on fraud risk assessments made by internal auditors when the level of fraud risk varies. Significant emphasis has been placed on the importance of reporting lines in maintaining the autonomy of internal auditors, but the perceived benefits of requiring internal audit to report directly to the audit committee have not been validated or systematically investigated. Results of an experiment involving 172 experienced internal auditors and additional survey findings indicate that internal auditors perceive more personal threats when they report high levels of risk directly to the audit committee, relative to management. Perceived threats lead internal auditors to reduce assessed levels of fraud risk when reporting to the audit committee relative to when reporting to management. This finding runs counter to the anticipated benefits of requirements that the internal audit function report directly to the audit committee, and it reveals potential conflicts of interest and independence threats created by the audit committee itself. We also investigate the effects of fraud risk decomposition on risk assessments made by internal auditors. We find that fraud risk assessment decomposition does not have the same effects on internal auditors as it has on external auditors, and the effects of decomposition do not align with the expected benefits of decomposition.

O'Donnell, Ed, Prather-Kinsey, Jenice, "Nationality and differences in auditor risk assessment: A research note with experimental evidence," *Accounting, Organizations and Society* (Volume 35, Issue 5, 2010): 558-564.

This study examines whether auditors from different countries come to different conclusions when they perform analytical procedures to assess the risk of misstatement in accounts. During a laboratory experiment, auditors who worked for the same firm in the United Kingdom, France, and the United States performed analytical procedures on identical case materials. Although auditors from all three countries came to similar conclusions about the overall risk of misstatement, they attributed risk differently across the individual financial statement accounts they evaluated.

Qu, Xiaohui, Zhang, Guohua, "Measuring the convergence of national accounting standards with international financial reporting standards: The application of fuzzy clustering analysis," *International Journal of Accounting* (Volume 45, Issue 3, 2010): 334-355.

A single set of accounting standards is considered the path to achieving accounting convergence globally. Given the important role that formal harmonization/convergence plays in the accounting profession and global capital markets, this study focuses on the methods and methodology for the measurement of formal accounting convergence. Based on our review and evaluation of the existing methods for measuring the level of harmonization/convergence between any two sets of accounting standards, we propose using a new method of matching and fuzzy clustering analysis to assess the convergence progress of national accounting standards (NAS) with International Financial Reporting Standards (IFRS) from whole and single standards, respectively. Single standards are clustered according to their convergence level, which may indicate further convergence emphasis. As an illustrative example, the achievements made in China are evaluated using this new method. The results reveal that this new method can measure the convergence level of NAS with IFRS more clearly and informatively.

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René Orij, "Corporate social disclosures in the context of national cultures and stakeholder theory," *Accounting, Auditing & Accountability Journal* (Vol. 23 Issue 7, 2010): 868 – 889.

Purpose – The purpose of this study is to investigate whether corporate social disclosure levels relate to national cultures; Design/methodology/approach – The sample consisted of 600 large companies from 22 countries. Cultural measures were applied: a measure for secrecy, as proposed by Hope et al. and a newly constructed measure for generic types of cultures (Gannon), both derived from Hofstede's national culture dimensions. Two other dimensions, masculinity and long-term orientation, not part of secrecy and generic types of culture measures, were also tested separately; Findings – A number of significant statistical relationships between corporate social disclosures and cultural measures are identified. The results are consistent with the associations suggested by stakeholder theory and a country-specific stakeholder orientation. It is concluded that corporate social disclosure levels are likely to be influenced by national cultures; Research limitations/implications – The results of Van der Laan Smith et al. are largely supported. Culture is clearly related to corporate social disclosure levels, although cultural data may need refinement. Further, the potential limitations of the application of stakeholder theory for this type of study need to be taken into account; Practical implications – The outcomes can be useful to the managers of multinational corporations, when preparing corporate social disclosures; Originality/value – Instead of a comparison between two nations, as is undertaken by Van der Laan Smith et al. a scaled relationship between generic types of cultures and CSD levels is found.

Rossing, Christian Plesner, Rohde, Carsten, "Overhead cost allocation changes in a transfer pricing tax compliant multinational enterprise," *Management Accounting Research* (Volume 21, Issue 3, 2010): 199-216.

This paper addresses how overhead cost allocation system design in multinational enterprises (MNEs) is affected by transfer pricing tax regulation. Using a case study research strategy we find that the implementation of a transfer pricing tax compliance strategy gives rise to a number of changes to the overhead cost allocation system design. Findings suggest that a contingent relationship exists between overhead cost allocation and transfer pricing tax compliance. We argue that when seeking to understand and explain MNEs' overhead cost allocation system design for intra-company services, the MNEs' response to its tax regulatory environment is a significant explanatory variable.

Schleicher, Thomas, Tahoun, Ahmed, and Martin Walker, "IFRS adoption in Europe and investment-cash flow sensitivity: Outsider versus insider economies," *The International Journal of Accounting* (Volume 45, Issue 2, 2010): 143-168.

We examine the economic consequences of the mandatory adoption of IFRS in EU countries by showing which types of economies have the largest reduction in investment-cash flow sensitivity post-IFRS. We also examine whether the reduction in investment-cash flow sensitivity depends on firm size as well as economy type. We find that the investment-cash flow sensitivity of insider economies is higher than that of outsider economies pre-IFRS and that IFRS reduces the investment-cash flow sensitivity of insider economies more than that of outsider economies. Also, we find that small firms in insider economies have the highest sensitivity of investment to lagged cash flow pre-IFRS, and that they are no longer sensitive to lagged cash flow post-IFRS. Overall, our results suggest that IFRS adoption

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might have improved the functioning of capital markets in relation to small firms in insider economies.

Wilson, John O.S., Casu, Barbara, Girardone, Claudia, and Philip Molyneux, “Emerging themes in banking: Recent literature and directions for future research,” *The British Accounting Review* (Volume 42, Issue 3, 2010): 153-169.

This paper presents a review of the recent banking literature centred on the core themes of performance, risk and governance of financial institutions. We write this review against the backdrop of the recent financial crisis and the major changes it caused to banking sectors in many countries. Several themes emerge, but the overarching issue relates to the need to better understand bank risk-taking incentives and the implications for systemic stability. Specifically, there is a need for more work on: the role of safety net subsidies and how these relate to systemic risk; financial innovation and the adoption of new products and processes; and how innovative behaviour links to risk-taking, market returns and contagion. Future research could also be directed to provide a better understanding of the inter-connections between competition, capital, profitability, liquidity and risk.