Session 1.01: HOW ARE DOCUMENTS TAGGED WITH XBRL?
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 12:30 PM - 1:30 PM

How Are Documents Tagged With XBRL?

Christine Kuglin
University of Denver

ABSTRACT: This teaching session will include details about the new Financial Data Transparency Act passed in December 2022. This act will require governmental entities to produce machine readable financial statements much like those required by publicly traded companies at the SEC's EDGAR. Participants will receive a tutorial on how government Annual Comprehensive Financial Reports can be "tagged" using XBRL and XBRL-related software. The taxonomy used was developed with grant funds from Michigan and Florida, the first taxonomies for governmental data.

Session 1.02: MANAGERIAL INFLUENCE ON REPORTING QUALITY
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 12:30 PM - 1:30 PM

The Impact of the COVID-19 Pandemic on Tone of Narrative Disclosure and Earnings Management of Japanese Firms Applying IFRS

Masumi Nakashima
Bunkyo Gakuin University

ABSTRACT: This study examines whether the COVID-19 pandemic has affected the textual characteristics of disclosures by Japanese firms applying IFRS and whether the COVID-19 pandemic affected the association between tone and abnormal accruals in the disclosures. The findings are the following: First, Japanese firms applying IFRS have more distinctive terms during the COVID-19 pandemic, and COVID-19 has made the disclosures longer in length and more negative in tone. Although IFRS applying Japanese firms are forced to perform worse due to the COVID-19 pandemic, they can blame the environment for their poor performance, and managers can reduce their earnings management during the COVID-19 pandemic. However, it is still evident that both before and during the COVID-19 pandemic, firms are implementing earnings and tone management simultaneously. Firms are highly likely to implement earnings management to conceal such earnings management.

Session 1.02: MANAGERIAL INFLUENCE ON REPORTING QUALITY
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 12:30 PM - 1:30 PM

Management's Hopeful Tone and Financial Reporting Quality

Iyad Rock
University of Wisconsin–Whitewater

ABSTRACT: This study utilizes machine learning approach to capture managerial hopeful tone using earnings call transcripts of the US public traded companies. This paper argues hope as a specific element of management's psychology and investigates the impact of managerial hopeful tone on financial reporting quality (FRQ). Based on the evidence presented in both the psychology (positive psychology) and the accounting (management's characteristics) literatures, this study argues that hopeful managers adopt better financial reporting practices and make more effective decisions. Thus, the study hypothesizes that management's hopeful tone is positively associated with FRQ.

Session 1.02: MANAGERIAL INFLUENCE ON REPORTING QUALITY
DATE: THURSDAY, JUNE 1, 2023
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Management's Hoptimistic Tone and Financial Reporting Quality: The Combined Role of Hope and Optimism

Iyad Rock
University of Wisconsin–Whitewater

ABSTRACT: This paper studies the influence of specific elements of management's psychology on financial reporting quality (FRQ), which is generated by the dynamic interaction of the various components of an organization's internal control system. Specifically, this paper examines the combined influence of hope and optimism in top management's tone on firms' FRQ. Prior literature reported conflicting findings about the effect of optimism on FRQ. This paper adopts the findings of the psychology literature on positive psychology, which suggests that researchers should examine hope and optimism together (i.e., hoptimism) when looking at their effects. Based on such evidence, this study creates a combined measure of top management's hopeful and optimistic tone (i.e., hoptimism) and argues that managerial hoptimism positively influences FRQ. This study utilizes multivariate regression to test the hypotheses and analyze the arguments presented. Additionally, this study combines archival data with machine learning textual analysis using Python to decipher the influence of the constructs. This study would provide valuable information to managers, investors, auditors, and researchers.

Session 1.02: MANAGERIAL INFLUENCE ON REPORTING QUALITY
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 12:30 PM - 1:30 PM

Managerial Resilience and Financial Reporting Quality: Machine Learning Approach

Meena Subedi
University of Wisconsin–Whitewater

ABSTRACT: Using a machine learning approach on a large sample of firm-year text data from the question and answer section of top managers' earnings call transcripts, this study examines the impact of managerial resilience on financial reporting quality. In today's business environment, adversities (e.g., the Great Recession, COVID crisis, remote work environment, changing technology and increasing global competition) are inevitable. Relying on psychological capital and conservation of resources theories, this study predicts that managerial resilience is positively associated with financial reporting quality. The finding would suggest that resilient employees are more effective at discharging their job responsibilities of oversight and internal control duties and, therefore, are more likely to detect errors and misstatements. The main results are expected to hold robust to alternative model specifications, different measures of managerial resilience and financial reporting quality, self-selection bias, omitted variable bias, and other endogeneity concerns.

Session 1.03: GENDER AND DIVERSITY ISSUES
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 12:30 PM - 1:30 PM

Auditor Masculinity, Engagement Hierarchies, and Audit Quality

Janine Maniora
Heinrich-Heine University Dusseldorf

Ludwig Hilmer
Heinrich-Heine University Dusseldorf

ABSTRACT: We examine the association between facial width-to-height ratio (fWHR) of auditors and audit quality (i.e., audit fees). We find that high-fWHR auditors charge significantly lower audit fees compared to low-fWHR auditors. Moreover, high-fWHR lead auditors outshine low-fWHR concurring auditors although concurring auditors are on a higher hierarchical engagement level. We find that the effects hold for auditors at partner and non-partner level (i.e., directors and managers). We also show that the effect on audit fees is prevalent in small audit firms but not in Big-4 or medium-sized audit firms, indicating that larger firms benefit from more rigorous quality control structures weakening the effect of individual auditor characteristics. On average, high-fWHR auditors in small audit firms charge 16.1 percent to 22.6 percent lower audit fees compared to low-fWHR auditors. Alternative measures for audit quality (e.g., abnormal accruals, restatements, going concern opinion, reporting accuracy) show mixed evidence. In sum, we find weak evidence that lead auditors' fWHR is associated with clients' income-decreasing earnings management in small firms, that clients' financial statements audited by a high-fWHR auditor are more likely to be restated in subsequent years, and that high-fWHR concurring auditors are more likely to issue less going concern opinions and more Type 2 reporting errors, indicating lower audit quality.

Session 1.03: GENDER AND DIVERSITY ISSUES
DATE: THURSDAY, JUNE 1, 2023
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Board Skill Diversity and Firm Risk

Yanru Chang
Baruch College–CUNY

Seungjoon Oh
Peking University

ABSTRACT: This study examines whether board skill diversity is associated with firm risk. Using skill-related keywords in director biographies disclosed in firms' proxy statements as measures of skill diversity, we find that board skill diversity reduces firms' idiosyncratic risk. Specifically, board skill diversity reduces idiosyncratic risk by monitoring CEO power and advising on investment policy. We further show that having more female directors, measured by the exogenous Nasdaq's diversity rule, increases board skill diversity. In addition, the association between board skill diversity and firm risk is mitigated when directors hold multiple outside board seats. Overall, this study identifies an important yet unrecognized board diversity dimension—director skills and qualifications at the acquired level and provides the first findings on how the role of board skill diversity shapes firms' risk environment.

Session 1.03: GENDER AND DIVERSITY ISSUES
DATE: THURSDAY, JUNE 1, 2023
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The Effect of Board Gender Culture on Audit Partner Selection and Audit Fee Resourcing: Females in Critical Mass

Janean Rundo
University of Cincinnati

Lingting Jiang
University of Cincinnati

ABSTRACT: In light of recent legislative requirements for female board member diversity quotas at NASDAQ and California headquartered firms, we examine audit partner selection and audit partner investment in the United States from 2016-2020. Specifically, we consider whether minority-represented female board members can impact audit partner selection decisions when they are represented in “Critical Mass,” or hold at least 3 positions on their board, defined as “Inclusive” board culture versus “Exclusive” boards without female members. Our study utilizes individual audit partner data obtained from PCAOB Form AP filings and develops board culture metrics from Institutional Shareholder Services. We find that Inclusive boards are positively associated with female audit partners, while Exclusive boards are not, suggesting that Inclusive boards may be utilizing their influence to make audit partner selection decisions. Moreover, we find that Inclusive boards involved with female audit partners are associated with higher audit fees suggestive of specific investment in female-led audit engagements by the board. We also find companies with Inclusive boards have higher financial statement quality. Collectively, our results suggest that board gender culture influences audit partner selection and audit engagement resourcing.

Session 1.04: DSFI/SE - SESSION 1 (ARCHIVAL)
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 12:30 PM - 1:30 PM

*Firm Life Cycle and Management Earnings Forecasts Behavior **

AAMVA

Tanzila Upama
Florida Atlantic University

ABSTRACT: This study examines how the voluntary disclosure practice as proxied by management earnings forecasts varies by firm's life-cycle stages. Specifically, I examine if the probability to disclose, initiate, and stop disclosing management earnings forecasts varies across life cycle stages. I also examine if the management earnings forecasts characteristics vary across life cycle stages. For a sample of U.S. firms over the 2000-2021 period, I find that firms in the growth stage have a higher likelihood of issuing guidance, whereas the likelihood that firms in the introduction stage provide earnings forecasts is lower. Moreover, growth stage firms have a higher probability of initiating earnings guidance, while there is a higher likelihood that firms in the introduction, shake-out, and decline stage may stop providing guidance. I also find that earning forecast error is higher throughout the shake-out phase and firms at this stage estimate earnings with heightened optimism, suggesting that shake-out stage firms tend to be more biased as growth slows down. Firms in the introduction stage of their life cycle tend to project earnings with a positive outlook and forecast more good news regarding future earnings. However, growth stage firms tend to be more conservative by issuing more meetable or beatable management earnings forecasts. Finally, I find that the market is reacting uniformly to management earnings forecasts at different life cycle stages, consistent with firms facing potential cost-benefit tradeoffs in their disclosure decisions. Overall, the results suggest that managements' decision to disclose earnings forecasts and the characteristics of earnings forecasts vary by life cycle stages.

Session 1.04: DSFI/SE - SESSION 1 (ARCHIVAL)
DATE: THURSDAY, JUNE 1, 2023
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Constituency Statutes and Corporate Disclosure of Major Customer Identities

Jackie Zeyang Ju
University of Kentucky

Jennifer Wu Tucker
University of Florida

Hong Xie
University of Kentucky

ABSTRACT: Corporate constituency statutes are permissive legislation that allows persons with corporate fiduciary duties to consider the interests of non-owner stakeholders (e.g., suppliers, employees, creditors, and local communities) in decision making. We examine whether the adoption of these statutes affects the information environment of non-owner stakeholders. The information item of our interest is a company's disclosure of the identities of its major customers because this information is typically desired by non-owner stakeholders, but the disclosure would incur proprietary costs to shareholders. Ex ante, the relationship is unclear because the statutes are permissive, not mandatory, and because the effects of the statutes have been debated. We find a significant increase in the disclosure of major customer identities by firms incorporated in states that have adopted constituency statutes relative to firms incorporated elsewhere. The increase starts to appear in the year after the adoption and sustains in subsequent years. The increase is more pronounced for firms that rely more upon on suppliers, employees, or creditors (especially public debtholders). Overall, our evidence suggests that a serendipitous legal nudge toward non-owner stakeholders results in increased corporate disclosure desired by these stakeholders.

Session 1.05: ORGANIZATIONAL BEHAVIOR
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 12:30 PM - 1:30 PM

Can Whistleblowing Improve Organization Effectiveness? Evidence from Whistleblowing on Financial Accounting Misconduct

Hong Kim Duong
Old Dominion University

Sadok El Ghoul
The University of Alberta

Omrane Guedhami
University of South Carolina

Emmanuel Sequeira
San Jose State University

Zuobao Eddie Wei
The University of Texas at El Paso

ABSTRACT: The theory of prosocial organizational behavior predicts that target firms' responsiveness can influence how whistleblowers perceive organizational justice. This responsiveness also affects whistleblowers' willingness to undertake what is referred to as "extra-role" citizenship behavior. In this study, we examine whether target firms respond to external whistleblowing reports by adjusting their investment in organizational capital, generally defined as investment in employee welfare, operational processes, and communications. Insufficient organizational capital can lead to lax internal controls and low worker morale, which increases the odds of financial misconduct and subsequent whistleblowing. We collect a sample of employee external whistleblowing cases related to financial reporting misconduct, obtained via a Freedom of Information Act (FOIA) request and a hand-collected sample from public media over the 1990-2018 period. Our results show strong evidence that whistleblowing target firms increase investment in organizational capital following the allegations. Further, we find that whistleblowing target firms with increased organizational capital become more productive and have a higher firm value in the post-allegation period. Our findings have important policy and managerial implications.

Session 1.05: ORGANIZATIONAL BEHAVIOR
DATE: THURSDAY, JUNE 1, 2023
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The Effect of Biases on Consideration of Co-Worker Guilt

Stephani A. Mason
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Claire Costin
University of Portland

Jason Rinaldo
Texas Tech University

ABSTRACT: Using a theft case, we explore the association between biases and perception of guilt in alleged workplace wrongdoing. We ask participants to assess the guilt of four possible suspects: two Black (male and female) and two White (male and female), and we measure explicit and implicit racial and gender biases. When we provided only minimal information about each suspect, the participants' age, education, and explicit sexism score were significantly associated with ratings of the likelihood of guilt of the Black female suspect. In contrast, only participant gender was associated with guilt ratings for the Black male suspect. When we provided additional information that produced a convergence of opinion on the White male suspect, explicit racism and sexism and their interaction were associated with the binary choice of selecting the Black female as the most likely culprit. Similarly, with the additional information, age and education remained significant predictors of Black female guilt ratings. When additional information directed most participants to the White male suspect, significant predictors of binary 'most likely culprit' were identified for all four suspects. We discuss that biases were more obscured in lower evidence conditions and were more apparent in the presence of persuasive evidence.

Session 1.06: USING SOCIAL MEDIA TO ENHANCE AN ACCOUNTING ANALYTICS COURSE
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 12:30 PM - 1:30 PM

Using Social Media to Enhance an Accounting Analytics Course

Richard S. Rand
Tennessee Tech University

ABSTRACT: Using social media to create a 24/7 accessible library of instructional technology-based videos for your students in Accounting Analytics can provide them a lifetime of resources and can add value to any Accounting Analytics course. This presentation will be a demonstration of how to create your content in a publicly accessible format as a way to enhance learning for your students in Accounting Analytics.

Session 2.02: ANALYZING THE AUDIT PROCESS
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 2:00 PM - 3:00 PM

Auditor Political Connections and SEC Oversight

Jagan Krishnan
Temple University

Meng Li
Temple University

Hyun Jong Park
Temple University

ABSTRACT: We examine whether auditors' political connections are associated with the Securities and Exchange Commission (SEC)'s oversight of their clients . Specifically, we test whether auditors' Political Action Committee (PAC) contributions (after controlling for clients' PAC contributions) affect the likelihood of the SEC issuing comment letters (CL), initiating investigations, and issuing Accounting and Auditing Enforcement Releases (AAERs) against their clients. Consistent with higher political connections inducing heightened scrutiny from the SEC, we find that the clients of auditors with higher political connections are more likely to receive CLs and face SEC investigations. Our results are more pronounced for clients with greater ex-ante fraud risk. However, conditional on being investigated by the SEC, we find no association between auditors' political connections and the issuance of AAERs. We interpret our findings as being inconsistent with regulatory capture.

Session 2.02: ANALYZING THE AUDIT PROCESS
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 2:00 PM - 3:00 PM

Engagement Order Consistency: Antecedents and Consequences

Jamie Hoelscher
Southern Illinois University Edwardsville

Michael J. Imhof
Wichita State University

Christine Porter
Wichita State University

Scott E. Seavey
Florida Atlantic University

ABSTRACT: We examine the antecedents and consequences of engagement order consistency (EOC), defined as year-to-year stability in the order in which an audit office completes the audits of its portfolio of public clients. We find that EOC is strongly associated with audit-office characteristics that may affect, or reflect, how well an office manages the audit process for its entire portfolio of clients, and only marginally associated with audit-market, institutional and client characteristics. We further document that EOC is decreasing in the number of major client events, such as CEO/CFO turnover, which could disrupt the audit process. Lastly, we show that EOC is associated with common proxies for audit quality, and that the EOC-audit quality relation is incrementally stronger for complex engagements. We conclude that EOC may be useful as an alternative proxy for audit quality in future research.

Session 2.02: ANALYZING THE AUDIT PROCESS
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 2:00 PM - 3:00 PM

iXBRL Adoption, Audit Fees, and Audit Effort

Yiyang Zhang
Youngstown State University

Stephanie Walton
Louisiana State University

Adi Masli
The University of Kansas

Mengmeng Wang
The University of North Carolina at Greensboro

ABSTRACT: This study examines how inline XBRL (iXBRL) voluntary and mandatory adoption impacts audit fees and audit efforts. While iXBRL can make financial reporting information accessible to a wide range of external stakeholders, the presentation format change should have no impact on auditor behavior. However, audit firms note that presenting non-audited XBRL metadata on top of audited financial statements could lead to an expectation gap where external stakeholders believe that the inline tags have been audited despite no procedures being required. We find that both iXBRL voluntary and mandatory adoption are associated with higher audit fees. Upon further examination, we find that the increase in audit fees reflects more of a risk premium being placed on iXBRL clients rather than increased audit effort, as audit quality does not necessarily improve following adoption. We provide timely information on how auditors respond to iXBRL adoption.

Session 2.03: UPDATING THE ACCOUNTING CURRICULUM
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 2:00 PM - 3:00 PM

Aligning the CPA Evolution Model Curriculum and the Uniform CPA Examination® Blueprints with a Competency-Based Education Framework

Susan Coomer Galbreath
Lipscomb University

Charla Long
Competency-Based Education Network

ABSTRACT: In November 2021, the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy issued the CPA Evolution Model Curriculum (CEMC), which states its purpose is to "transform the CPA licensure model to recognize the rapidly changing skills and competencies the practice of accounting requires today and will require in the future." Following the CEMC, in December 2022, the AICPA's Board of Examiners approved the Uniform CPA Examination® Blueprints with an effective date of January 2024. The blueprint provides representative tasks that are critical to a CPA's "role in protecting the public interest" (AICPA, 2022). Competency-based education (CBE) is a growing field where programs identify competencies that must be mastered and then use backward design to create curriculum that teaches and assesses learners on these competencies based on the knowledge, skills, abilities and behaviors exhibited. CBE programs hold learning constant while allowing variable time to mastery. This interactive session will explore the background of CBE and how CBE can be aligned with an accounting curriculum using the Uniform CPA Examination® Blueprints to assess demonstrated learning at the required level of competency. With the updated version of the Uniform CPA Examination launching in 2024 and accounting faculty reviewing the CEMC and blueprint frameworks to make curricular adjustments, now is a good time to consider the alignment of CBE with the goals and objectives of the AICPA and NASBA for CPAs.

Session 2.03: UPDATING THE ACCOUNTING CURRICULUM
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 2:00 PM - 3:00 PM

BeYOUtiful Bath Bombs: A Standard Costing and ESG Reporting Case

Tara M. Lambert
Whitworth University

Amy Foshee Holmes
Trinity University

ABSTRACT: In this case students are introduced to BeYOUtiful Bath Bombs, a small business located in Spokane, WA and are asked to consult on several projects. Implementation of this case study is designed for Managerial or Cost Accounting courses where students are learning job costing, standard costing and pricing theories. Environmental, Social and Governance (ESG) reporting issues are also an important component of the project. Case activities include calculating the standard cost of four top selling inventory items, analyzing gross profit margins using retail and wholesale pricings, and researching ESG matters for small businesses. Learning objectives are met through application of data analysis, research and inquiry, and written and oral communication.

Session 2.03: UPDATING THE ACCOUNTING CURRICULUM
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 2:00 PM - 3:00 PM

Integrating ESG into the Accounting Curriculum: Student Familiarity and Perceptions

Mengjiao Nancy Du
California State Polytechnic University, Pomona

Magdy S. Farag
California State Polytechnic University, Pomona

Vic Lee
California State Polytechnic University, Pomona

ABSTRACT: The growing awareness of the importance of Environmental, Social, and Governance (ESG) among the business community highlights the necessity of integrating ESG into the accounting curriculum. To properly integrate ESG into the accounting curriculum, this study examines the extant accounting students' familiarity with ESG, their perceived importance of ESG, and how their intrinsic personality characteristics play a role in determining the importance of ESG. Using a sample of 161 graduate and undergraduate accounting students, our results indicate that students who are familiar with ESG are more likely to perceive ESG as important, especially its impact on a company's financial performance and long-term value creation. Among the Big Five personality characteristics, Agreeableness and Conscientiousness are highly correlated with students' perceived importance of ESG. Additionally, the study finds a significant interaction between Openness and Familiarity on students' perceived importance of ESG, suggesting that student openness may play a role in whether increased familiarity with ESG affects its perceived importance. These results propose useful suggestions for accounting departments that attempt to integrate ESG into their curriculum.

Session 2.04: CYBERSECURITY AND ACCOUNTING SYSTEMS
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 2:00 PM - 3:00 PM

Cybersecurity Data Breaches and Internal Control

Fuzhao Zhou
Bowling Green State University

Jianning Huang
University of Manitoba

ABSTRACT: This study provides novel evidence on the effects of data breaches on firms' subsequent internal control. We find that data breaches are negatively associated with the subsequent disclosure of internal control material weakness (i.e., improved internal control). CEO dismissal is an effective mechanism to improve internal control. Furthermore, data breaches can magnify the accounting expertise effect and attenuate the complexity effect on subsequent internal control. It is also found that with an improvement in the internal control, firms are less likely to file a "Big R" restatement and less likely to face litigation.

Session 2.04: CYBERSECURITY AND ACCOUNTING SYSTEMS
DATE: THURSDAY, JUNE 1, 2023
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Application of Accounting Software and Enterprise Productivity Evidence from Unlisted Companies

Allen Jiang
Wuhan University

ABSTRACT: The existing research on the economic consequences of accounting informatization mainly focuses on enterprise resource planning (ERP) systems, but in reality, most companies are still using relatively simple accounting software. This paper empirically analyzes the application of accounting software in unlisted companies and its impact on enterprise productivity for the first time with a large sample of tax return information. We found that 75% of unlisted companies use accounting software of varied functions, but only 6% of them use ERP systems. With other factors unchanged, it is found that the productivity of enterprises using accounting software is significantly higher than that of enterprises not using accounting software, and the performance of accounting software is significantly positively correlated with productivity. This correlation is reinforced by the ability of enterprises to utilize accounting information and their growth opportunities. This paper adopts methods such as the Granger causality test and instrumental variable regression to alleviate endogeneity problems. This paper will contribute to a more comprehensive understanding of the economic consequences of accounting information systems and provide an important decision-making reference for promoting high-quality economic development.

Session 2.04: CYBERSECURITY AND ACCOUNTING SYSTEMS
DATE: THURSDAY, JUNE 1, 2023
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Knowledge Spillovers and the Risk of Cybersecurity Breaches

Hanbing Xing
Florida Atlantic University

JiangBo HuangFu
Florida Atlantic University

ABSTRACT: Our study examines the relationship between firm knowledge spillovers to rivals and firm cybersecurity breaches. Knowledge spillovers to rivals could result in an exposure of the value of firm scientific research, information risks, eroded competitive advantage, reduced firm performance, and hence increasing the likelihood of cybersecurity breaches. We find that firms with more past knowledge spillover experience will be more likely to be breached. Further, high market competition will strengthen such a positive relationship. After the breach, firms are more likely to use their internal research in their inventions.

Session 2.05: CORPORATE SOCIAL RESPONSIBILITY
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 2:00 PM - 3:00 PM

Did COVID-19 Alter the Corporate Social Responsibility Behavior of Firms?

Lois Mahoney
Eastern Michigan University

Daniel Brickner
Eastern Michigan University

William LaGore
Eastern Michigan University

Philip A. Lewis
Eastern Michigan University

ABSTRACT: The COVID-19 pandemic has resulted in considerable economic and financial effects worldwide and is considered one of the most difficult challenges facing corporations since the Great Depression. Corporations were faced with tough decisions regarding their social and ethical behavior during this time. As shareholders and other stakeholders of corporations expect that corporations will engage in socially responsible behavior, the concern exists whether COVID-19 has a negative impact on their social responsibility behavior. This study examines the impact of COVID-19 on corporations' commitment to corporate social responsibility (CSR), both in the form of performance and disclosures. We find that COVID-19 did not negatively impact CSR and in fact, positively impacted CSR. In particular, we find that CSR performance and CSR disclosure increased after the start of the pandemic for our sample of Fortune 500 companies.

Session 2.05: CORPORATE SOCIAL RESPONSIBILITY
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 2:00 PM - 3:00 PM

Prioritizing Doing More Good or Less Bad? A Group Comparison Study on Firms' Strategic Positioning of Corporate Social (Ir)responsibility

Soonchul Hyun
The University of North Carolina at Greensboro

ABSTRACT: Firms increasingly engage in corporate social responsibility (CSR) and irresponsibility (CSIR) activities concurrently. Meanwhile, scholars have increasingly recognized CSR and CSIR are distinct corporate behaviors with differing consequences. However, it is not clear how firms can capitalize on their CSR/CSIR related strategies. That is, thus far, such questions as what strategies firms can have and which are more effective for firms to benefit from their CSR/CSIR behavioral strategies are not clear in the literature. To fill up this research gap, first, we draw on stakeholder theory and expectancy disconfirmation theory to identify firms' three strategic positioning options regarding CSR/CSIR: proactive strategy (i.e., increasing CSR, or doing more good), rectification strategy (i.e., reducing CSIR, or doing less bad), and aggressive strategy (i.e., increasing CSR and reducing CSIR, or doing more good and less bad); second, we compile a dataset comprising 12,567 firm-year observations (3,422 firms) from 1994 to 2013 and conduct group comparison analyses. Our findings evidence that the rectification strategy is more effective than the proactive strategy for firms to capitalize on their socially responsible activities, and the aggressive strategy is the most valuable strategy.

Session 2.05: CORPORATE SOCIAL RESPONSIBILITY
DATE: THURSDAY, JUNE 1, 2023
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Does Social Capital Enhance Stock Liquidity—Trading Environment Resilience During a Crisis of Trust?

Robert Faff
Bond University

Jianning Huang
University of Manitoba

Pei Shao
University of Lethbridge

Yuchao Xiao
Deakin University

Fuzhao Zhou
Bowling Green State University

ABSTRACT: We examine whether social capital and trust provide a form of liquidity/trading resilience. Specifically, can social capital play a role in speeding the stock recovery process following activations of the market-wide circuit breaker (MWCB), which occurred at the beginning of the COVID-19 pandemic in March 2020. We find that stocks rebound more quickly after the trading halt for high-social capital firms than for other firms in terms of quality of the stock trading environment and promptness with which stock liquidity improved. This finding provides new evidence that social capital and trust can safeguard firms' stocks against a potential liquidity drain and rapid deterioration in the stock trading environment under extreme market conditions.

Session 3.01: ESG REPORTING PROJECTS FOR INTRODUCTORY ACCOUNTING
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

ESG Reporting Projects for Introductory Accounting

Wendy Tietz
Kent State University

Tracie Miller
Franklin University

ABSTRACT: Environmental, social, and governance (ESG) issues are important to integrate into the introductory accounting courses. Students care about sustainability – and it is important to show how accounting supports ESG. Introductory courses are full already, so we have taken the approach that integrates ESG material into existing course frameworks. We have developed introductory ESG projects that are suitable for students to do on their own without requiring class time. We have developed company ESG reports for an industry that are based on real companies. We provide students with information about how they should find the information within those reports that is needed to prepare an ESG dashboard. We provide step-by-step video instructions about ESG and how to prepare an Excel dashboard representing the ESG information. In addition, we provide discussion questions for assessment. When students complete these projects, they gain experience in data gathering, data analysis, and ESG metric interpretation.

Session 3.02: COST BEHAVIORS
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

Asymmetric Cost Behavior and Non-Financial Firms' Risky Financial Investments

JiHoon Hwang
The University of Arizona

ABSTRACT: Owing to a lack of data, research on the determinants of industrial firms' risky financial investments has been limited despite their value-decreasing potential. Using a hand-collected sample of an industrial firm's financial portfolio, I examine whether asymmetric cost behavior (cost stickiness) affects risky financial investments. Sticky costs reduce future expected earnings because costs do not fall when sales decrease as much as they rise when sales increase. Despite the motive for 'reaching for yield,' I find that firms with sticky costs avoid risky financial investments because of expected liquidity needs and the trade-off between operating risk and financial risk. First-differencing, Oster's delta, instrumental variable analysis, difference-in-differences analysis, and synthetic control method address endogeneity concerns.

Session 3.02: COST BEHAVIORS
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

Cost Stickiness, Financial Constraints and Growth Prospects

Yakov Amihud
New York University

Tracie Frost
Hong Kong Polytechnic University

Muktak K. Tripathi
Temple University

Dan Weiss
Tel Aviv University

ABSTRACT: We study the determinants of cost stickiness behavior, whereby firms cut selling, general and administrative (SG&A) expenses to a smaller extent when revenue declines than the extent to which they raise them when revenue rises. We propose that cost stickiness is affected by economic considerations similar to those affecting investment. It is weaker in firms that are financially constrained and greater in firms with a higher Tobin's q, which reflects market's growth prospects. Our empirical cross-firm evidence supports our hypotheses. We also find that during two economic crises—the burst of the dotcom bubble in 2000 and the great financial crisis of 2008—cost stickiness declined for affected firms.

Session 3.02: COST BEHAVIORS
DATE: THURSDAY, JUNE 1, 2023
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State Culture and Cost Stickiness

Minyoung Noh
California State University, Los Angeles

Jimi Park
Hawaii Pacific University

ABSTRACT: This study examines the effect of state culture on firms' asymmetric cost reactions to sales changes (cost stickiness). Using a sample of firms across U.S. states, we find a negative association between tight state culture and cost stickiness. We also find that the negative effect of a tight state culture on cost stickiness is less pronounced with higher managerial ability. The results suggest that a tight (compared to loose) state culture provides a business environment in which managers reduce adjustment costs, their expectations of future demand, and empire-building incentives. Furthermore, competent managers are sensitive to private benefits with empire-building incentives in aligning resources, which in turn is reflected in the degree of cost stickiness, mitigating the negative impact of tight state culture on cost stickiness.

Session 3.03: TOPICS IN CORPORATE DISCLOSURE
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

Are Revenue Recognition Footnotes Informative?

Yu Ho Chi
The University of Tennessee at Martin

David A. Ziebart
University of Kentucky

ABSTRACT: To be useful, revenue recognition footnotes must adequately describe GAAP-complaint methods. They must be informative and so ambiguous to describe non-GAAP complaint revenue recognition methods. Our study investigates the patterns in the revenue recognition footnotes following financial statements in which the revenue recognition method was a problem. We analyze the changes in the revenue recognition footnote across four points in time surrounding the financial statement that had to be restated using the 10-K filings. We find that the revenue recognition footnotes may not be very useful to investors.

Session 3.03: TOPICS IN CORPORATE DISCLOSURE
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

Revenue Recognition Restatements—Do the Revenue Recognition Footnotes Also Change?

Yu Ho Chi
The University of Tennessee at Martin

David A. Ziebart
University of Kentucky

ABSTRACT: To be useful, revenue recognition footnotes must adequately describe GAAP-complaint methods. They must be informative and so ambiguous to describe non-GAAP complaint revenue recognition methods. Our study investigates the patterns in the revenue recognition footnotes following financial statements in which the revenue recognition method was a problem. We analyze the changes in the revenue recognition footnote across four points in time surrounding the financial statement that had to be restated using the 10-K filings. We find that the revenue recognition footnotes may not be very useful to investors.

Session 3.03: TOPICS IN CORPORATE DISCLOSURE
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

Voluntary Water Risk Disclosure and Accounting Implications: Evidence from Earnings Management

Melissa Nelson
University of Wisconsin–Whitewater

ABSTRACT: Water pollution and water scarcity combine to create a formidable business risk. Yet many corporations based in the United States do not disclose water risks. In partnership with the Big 4 accounting firms, the World Economic Forum (2020) produced a report outlining metrics to enable companies to measure and disclose meaningful information about their water impacts. This paper addresses the research question: What are the effects of water risk disclosure on earnings management? Investigated are corporations headquartered in the United States that responded to an annual survey regarding water security. Drawing on information, voluntary disclosure, and signaling theories, this research study hypothesizes that firms that voluntarily disclose water risks experience higher financial reporting quality than firms that do not disclose. This study proposes that water reporting supplements existing information in financial reports and leads to reduced information asymmetry between managers and stakeholders, hence decreasing earnings management. This study also hypothesizes that higher quantity and quality water risk disclosure leads to better financial reporting quality. Better performing firms publicize signals envied by firms with lower disclosure quality regarding company water initiatives. This suggests that responding to stakeholder demands for greater transparency and accountability can help make a company's reported information more complete and meaningful, leading to enhanced reporting quality. The present study further investigates the effects of top management commitment, or the "tone at the top" set by the upper echelon, and corporate ethical culture in firms' implementation of water-related initiatives and policies. Higher degrees of executive involvement and support are posited to enhance the negative association between water risk disclosure and earnings management behaviors. The strength of corporate governance is also hypothesized to enhance the negative effect between the quality of water risk disclosure and earnings management. With strong monitors in place, managers' discretion is minimized, thereby reducing earnings manipulation. Lastly, external assurance is predicted to enhance the negative relationship between water risk disclosure quality and earnings

management. Credible disclosures, assured through a third party, can legitimize the validity of a company's reported information, both financial and nonfinancial. The importance of understanding how water risk affects financial reporting quality has implications for users of corporate information, such as auditors and policymakers. Overall, this research has implications to reveal increased incentives for corporations to voluntarily disclose their water risks and mitigation efforts to investors and other stakeholders.

Session 3.04: CORPORATE RISK
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

Creditors' Bankruptcy Rights and Accounting Conservatism: Evidence from a Quasi-Natural Experiment

Nemiraja Jadiyappa
Indian Institute of Management, Kozhikode

Leila Emily Hickman
California Polytechnic State University, San Luis Obispo

ABSTRACT: Extant research has demonstrated that creditors prefer conservative accounting to safeguard their interests. We extend this literature by examining whether the strength of creditors' rights moderates their demand for accounting conservatism. To do so, we take advantage of India's recent implementation of the Insolvency and Bankruptcy Code ("IBC"), which significantly improved the efficiency of bankruptcy proceedings, thereby strengthening creditors rights. We divide our sample into control (net zero debt firms) and treatment groups and then compare the difference between the change in the conservatism of each group from the pre- to post-IBC periods. Results reveal that firms with meaningful debt exposure exhibited less conservative reporting in the post-IBC period compared to the pre-IBC period, while no significant change in conservatism was observed among the control firms. These results are consistent with our prediction that stronger creditors' rights diminish the importance of accounting conservatism in safeguarding the interests of creditors.

Session 3.04: CORPORATE RISK
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

The Life Behind the CEO: Spouse Effects and CEO Risk-Taking

Valerie Li
San Diego State University

Qianqian Du
University of Victoria

ABSTRACT: We examine how a CEO's family life affects his/her corporate decisions. Specifically, we investigate whether CEO spouse, the most influential member of a CEO's family, affects one aspect of important business decisions that CEO makes – risk-taking behavior. Examining the S&P 500 firms during 2010-2012, we find evidence that CEOs make more aggressive financial reporting decisions when their spouses are professional, defined as either working spouses or spouses holding graduate degrees. We also find some evidence that firms led by CEOs with professional spouses exhibit higher accounting return volatility. We do not find significant association between professional spouses and firms' market return volatility. Our results suggest that professional spouses influence the CEO's work life through indirect channels where CEOs with professional spouses either experience higher family-work conflict and turn to behave more aggressively or enjoy more wealth diversification that allows them to take more risk.

Session 3.04: CORPORATE RISK
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

Tracing Contagion Risk: From Crypto or Stock?

Wenwei Lin
University of Minnesota

Stephanie Dong
New York University

ABSTRACT: The increasing crypto-stock comovement has spurred concerns over digital assets' ripple effects and systemic risks. We closely examine this comovement and report two findings. First, the crypto-stock correlation hovered around zero before March 2020 but increased strikingly after. This shift appears to be fueled by the Federal Reserve's response to the COVID-19 pandemic. Second, we find little evidence of crypto shocks being transmitted to stock but observe volatility spillovers in reverse. Further evidence links the increased crypto-stock comovement post-COVID to a growing involvement of institutional investors in the crypto markets, whose trades are likely sensitive to monetary policy changes.

Session 3.05: ROUNDTABLE SESSION I
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

A Classroom Captivated

Kimberly Young
Greenville Technical College

ABSTRACT: I am passionate about creating a fun learning environment for my students. From escape rooms to Jeopardy, Jenga, and a cupcake assembly line to demonstrate the manufacturing process along with the accounting to correspond, I love to see the student's eyes light up as they become part of the learning process. I would love to relay these and many other creative teaching ideas that suit the accounting classroom perfectly. It is often hard to make such a challenging subject fun. I want to share with others how it can be done!

Session 3.05: ROUNDTABLE SESSION I
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

Cramming Antidote: How Spacing Out and Circling Back to Concepts Over Time May Help Knowledge Retention

Rodney Sauder
Messiah University

ABSTRACT: It is commonly believed that cramming techniques, which are popular among students, do not lead to long-term learning and is ineffective (Spacing Effect). One response to counter the practice of cramming is spaced learning and the effect that spacing out and circling back to concepts over time can have on knowledge retention. Pulling evidence from publications on this topic, the study will culminate in a poster session exploring the following questions. A. What are some of the research findings that support or detract from the belief that cramming is ineffective? B. What, if any, are some proven knowledge retention benefits of spaced learning and circling back to concepts over time? C. If there are proven knowledge retention benefits to spaced learning and circling back to concepts over time, how might accounting courses be structured to reap those benefits? Citation Spacing Effect. (n.d.). The Decision Lab. Retrieved February 14, 2023, from https://thedecisionlab.com/biases/spacing-effect

Session 3.05: ROUNDTABLE SESSION I
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 3:30 PM - 4:30 PM

Fostering Classroom Success in Introductory Accounting with an Embedded Peer Tutor Model

Angela M. Brown
The Pennsylvania State University

ABSTRACT: This project analyzes the impact of an imbedded peer tutor combined with intentional inclusive teaching elements to promote improved student success in ACCTG 211: Financial and Managerial Accounting for Decision Making. Historical student success rates of this class showed opportunity for improvement. Capitalizing on a campus tutor program and techniques discussed during faculty geared inclusive teaching workshops, this course was intentionally redesigned to encourage student help seeking behaviors by utilizing a peer tutor both during regular class session and outside of the classroom in the form of open study sessions and one-on-one tutoring appointment. Time of class content, exams, and assignments were strategically aligned to promote maximum student engagement between students, the tutor, and faculty. To consider this impact, I have compared class success rates both throughout and at the conclusion of the Fall 2022 semester in which this initiate was executed, with prior semesters that did not include an embedded tutor but included substantially the same content and assessment criteria. Results of this semester show a higher average grade and unsolicited positive student feedback indicating potential as a useful model in promoting success of students in introductory accounting courses with opportunity for expanded application to other classes.

Session 4.01: A FUN ACTIVE DATA ANALYSIS PROBLEM SOLVING CASE
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 5:00 PM - 6:00 PM

A Fun Active Data Analysis Problem Solving Case

Margarita M. Lenk
Colorado State University

ABSTRACT: This case provides the opportunity for prioritizing student's data model building problem solving skills. There are many ways to approach this case, which accommodates students' different cognitive and learning styles. The context is measuring dance studio's gross profits and class strategies. The desired outcome is move the students' mindset about "what is the only right way to solve the problem?" without removing the fact that there is a correct answer, just many possible ways to get to that answer. The session format will be an active learning session where the participants will discuss how they would approach the task, as this will help them understand the diversity and nature of the approaches their students could embrace.
• No poster session as I don't believe that this case's advantages can be effectively demonstrated on a poster (so sorry, and if my case is not selected for a virtual session, my feelings will not be hurt!)

Session 4.02: DSFI/SE - SESSION 2 (EXPERIMENTAL)
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 5:00 PM - 6:00 PM

"ALEXA, AUDIT LOAN GRADES!": Does Humanizing Artificial Intelligence Enhance Auditor Reliance?

Benjamin P. Commerford
University of Kentucky

Sean Dennis
University of Central Florida

Jennifer R. Joe
University of Delaware

Jenny Ulla
University of Kentucky

ABSTRACT: Emerging research finds that, in some circumstances, auditors exhibit "algorithm aversion" and will discount their own firm's evidence more heavily when it comes from an AI system instead of a human specialist. However, little is known about the persistence of this phenomenon or factors that can exacerbate and mitigate it. In an experiment with experienced auditors, we predict and find that auditors more heavily discount audit evidence from AI systems than human specialists after specialist errors become more salient via their colleagues' observations. Thus, we identify second-hand observations of errors as a factor that amplifies auditors' algorithm aversion. Importantly though, we find that humanizing the system (e.g., using a face, name, personal pronouns) mitigates this effect, causing auditors to react less severely to system errors. Firms, therefore, can facilitate continued reliance on AI systems and mitigate auditors' algorithm aversion with a low cost and readily implemented design feature – humanization.

Session 4.02: DSFI/SE - SESSION 2 (EXPERIMENTAL)
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 5:00 PM - 6:00 PM

How Monetary Incentives for Participatory Goals Undermine a Growth Mindset

Khim Kelly
University of Central Florida

Garrison Nuttall
University of Central Florida

ABSTRACT: A growth mindset describes individuals' beliefs that human traits and abilities are changeable rather than fixed, and has been associated with better learning and performance over time. In a performance management system that uses goals, a growth mindset could be beneficial to the growth and performance of the employee who is motivated by a growth mindset to set and reach for higher performance goals. On the other hand, attaching monetary incentives to achieving these goals, as is often done in organizations, may reduce people's intrinsic motivation to grow and improve their abilities; instead prompting people to set more achievable performance goals and focus on merely meeting those goals. We conduct an experiment where participants work on multiplication problems to test our predictions that priming a growth mindset will lead to higher goals, effort, and performance in the absence of monetary incentives, but that these effects will be dampened in the presence of monetary incentives. We find marginally positive effects of a growth mindset on goals, effort, and performance in the absence of incentives. Goals are also positively associated with effort, which in turn, is positively associated with performance. Further, we find a significant negative interaction effect between growth mindset and incentives on goals, and a marginally negative interaction effect on effort, consistent with our prediction. The negative interaction effect on performance, while directionally consistent with our prediction, is insignificant. Overall, the results suggest that a growth mindset may benefit performance through its effect on goals, but that positive benefit is dampened when there are goal-based incentives.

Session 4.03: EARNINGS MANAGEMENT
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 5:00 PM - 6:00 PM

Research and Development Expenditure and Future Cash Flows: The Dual Effect of CEO Overconfidence and Board Gender Diversity

Khadija Almaghrabi
King Abdulaziz University

Richard Slack
Durham University

Yannis Tsalavoutas
University of Glasgow

Fanis Tsoligkas
University of Bath

ABSTRACT: This study examines the impact of CEOs' overconfidence on the association between both total R&D expenditure and capitalised development costs and future cash flows. Further, we reflect on prior corporate governance literature highlighting the less overconfident nature of female directors along with their strong monitoring role by examining the potential moderating effect of board gender diversity on these associations. Based on a large sample of R&D active firms within an IFRS setting, our results show that the associations between both total R&D expenditure and capitalised development costs and future cash flows, while positive, are significantly weaker for firms with higher levels of CEO overconfidence. This finding provides evidence that more overconfident CEOs overestimate the future economic benefits associated with R&D and, in particular, the amount of development costs that are capitalised. The latter implies that the signalling effect of such capitalisation is diluted. Moreover, our results indicate that board gender diversity moderates the managerial bias associated with overconfidence in the context of R&D expenditure. As such, the study makes significant contributions to the overconfidence strands of the literature in finance, accounting and corporate governance and the findings raise important policy implications.

Session 4.03: EARNINGS MANAGEMENT
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 5:00 PM - 6:00 PM

Shrink to Greatness? Evidence from Accounting-Return Based Compensation Plans

Lingling Wang
University of Connecticut

Samuel Piotrowski
University of Connecticut

ABSTRACT: Motivated by the increasing importance of accounting return (ROA or ROIC) in firm decisions and compensation design, we study the effectiveness and implication of granting CEO incentives contingent on accounting-return (AR) metrics. We find that firms' accounting return (AR) improves significantly in years with AR-based compensation grants. Supporting the influence of AR grants on firm performance, firm AR improves further in the maturing year of these grants only when the performance-to-date is near but below target performance. A disproportionately large number of firms just meet the AR target as compared to the number of firms that just miss the AR target. Firms achieve better AR by cutting the denominator (i.e., assets or investment) instead of improving the numerator (i.e. earnings). The denominator-shrinking strategies do not improve asset efficiency and are followed by weaker sales growth. Together, our analysis suggests that AR-based incentives may induce performance manipulation and managerial myopia.

Session 4.03: EARNINGS MANAGEMENT
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 5:00 PM - 6:00 PM

The Impact of Pay Disparities in the Audit Committee Compensation on Earnings Management

Justyna Skomra
The Pennsylvania State University

Trung Huy Pham
University of Illinois at Springfield

Mai Dao
The University of Toledo

Benjamin Hoffman
Cleveland State University

ABSTRACT: This paper investigates the impact of the audit committee compensation on earnings management. While prior studies concentrate on the level and/or the structure of the compensation, this paper explores how the disparities among the compensation of audit committee members affect the manipulation of earnings. Using abnormal accruals and the likelihood of meeting or beating analysts' earnings forecasts as proxies for earnings management, we find evidence that the pay disparity between the audit committee chair and other members of the committee is positively associated with firms' level of abnormal accruals as well as their likelihood to meet or beat analyst forecast. Moreover, the evidence in this paper also shows that the pay disparity is negatively associated with the likelihood that the firm misses analysts' consensus earnings forecast. These findings are consistent with the social comparison theory that pay disparities disincentivize audit committee members to cooperate and work more efficiently and effectively. Overall, the results in this paper suggest that the difference in compensation between the chair of the audit committee and other committee members is associated with a higher level of earnings manipulation. This finding contributes to the literature on the impact of audit committees on earnings management. The results also have important implications for accounting standard setters, the board of directors, investors, and creditors.

Session 4.05: CLIMATE & POLITICAL ACTIVITY
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 5:00 PM - 6:00 PM

Effects of Greenhouse Gas Emissions and Climate-Change Policy on Audit Fees

Sue A. Cooper
Salisbury University

Jared Cooper
Wicomico County Board of Education—JMB Science Dept

ABSTRACT: We examine the relationship between US firms' greenhouse gas (GHG) emissions and audit fees. Motivated by increases in the number and severity of extreme weather events that have brought GHG emissions to the forefront of social and governmental awareness, this investigation is a natural extension of prior literature linking socially irresponsible corporate behavior, audit risk, and audit fees. Using a unique sample of firms from the US Environmental Protection Agency (EPA) Greenhouse Gas Reporting Program (GHGRP), we find that increases in GHG emissions are positively associated with higher audit fees. In further analysis, we show that uncertainty surrounding the status of GHG regulation exacerbates the GHG-audit fee relationship. This paper contributes to the current body of literature examining the consequences of contributing to global climate change. Our findings provide new and significant information to regulators, business managers, and investors.

Session 4.05: CLIMATE & POLITICAL ACTIVITY
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 5:00 PM - 6:00 PM

Political Activity and the U.S. Accounting Profession: An Analysis of Political Contributions During the 2019–2020 Election Cycle

Kevin Hale
The University of North Carolina at Wilmington

Lorraine S. Lee
The University of North Carolina at Wilmington

ABSTRACT: Political Action Committees (PACs) are a means for the accounting profession to participate in the political process and to develop and sustain political connections. In the U.S., the largest accounting firms have affiliated PACs to facilitate contributions to specific political candidates, political parties, and to other PACs. In this study, we extend prior work on political activity in the accounting profession by providing an updated examination of the political contributions by the PACs associated with the Big 4 firms and the AICPA during the 116th Congress (2019-2020). We also compare these findings with political contributions from individuals within the accounting profession. Our data analysis consists of three parts. First, we provide a descriptive analysis of the contributions to the accounting PACs (incoming funds) and where those donations are directed (outgoing funds). Second, we replicate the Thornburg and Roberts (2008) data model of PAC contributions with more recent data from the 116th Congress. Third, we conduct a descriptive analysis of the political contributions by two groups of accountants: 1) those that have self-identified as accountants; and 2) those that are employed by the top ten U.S. accounting firms. Overall, our findings indicate that accounting firms make strategic political contributions that may align with their private interests, but don't perfectly align with determinants of political contributions by individuals within the profession. Our data and discoveries provide additional insights on political activity within the accounting profession, which help contextualize prior research and can motivate future work in this area.

Session 4.05: CLIMATE & POLITICAL ACTIVITY
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 5:00 PM - 6:00 PM

The Economic Consequences of Climate Risk Disclosures: A Structured Literature Review

Emily J. Zoet
Ferris State University

ABSTRACT: Given the evolving role of climate change in the economy and the building momentum for climate risk disclosure, the present study aims to understand the economic effects of climate risk disclosures by reviewing and analyzing prior literature. As such, this study presents a systematic review of the climate risk disclosure literature to 1) examine key findings of prior studies, 2) reveal future research avenues, and 3) develop a theoretical framework for climate risk disclosures.

Session 4.06: CTRL+ENGAGE: PRACTICAL AND FUN STRATEGIES TO SPARK STUDENT ENGAGEMENT IN ONLINE CLASSES
DATE: THURSDAY, JUNE 1, 2023
TIME ET: 5:00 PM - 6:00 PM

Ctrl+Engage: Practical and Fun Strategies to Spark Student Engagement in Online Classes

Wendy Tietz
Kent State University

ABSTRACT: Do you struggle with student engagement in your online synchronous classes? Do you wish your online class could use more active learning techniques, but you do not know where to start? During this session, simple, practical strategies will be shared that can be used to foster student engagement in synchronous online classes (and asynchronous too). The presenter has taught online large classes synchronously and asynchronously for more than a decade, and will share the class-tested strategies she uses to energize online classes. Many of these strategies can be applied or adapted to any size of class, including large classes. Advantages and limitations of each strategy/tool will be shared. Practical tips learned from implementing these strategies will also be shared. The strategies shared are low or no-cost solutions and do not require a high level of technology expertise. After attending this session, participants will be able to: 1. Describe engagement strategies for online classes 2. Implement selected engagement strategies in an online class

Session 5.02: AUDITOR QUALITY
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 11:00 AM - 12:00 PM

Audit Partner Education and Audit Quality

Matthew A. Notbohm
University of North Dakota

Zsófia Bárándi
University of North Dakota

Katherine Campbell
University of North Dakota

Xiaoli Guo
University of North Dakota

ABSTRACT: Research on audit engagement partner characteristics has quickly grown following the mandated disclosure of the audit engagement partner in the US. However, little research has been conducted on the effects of the audit engagement partner's education. In this study we investigate whether audit engagement partner's educational backgrounds affect their audit quality. Specifically, we investigate whether master degree and Master of Accountancy degree attainment improves the audit engagement partner's audit quality. We find that the clients audited by partners with a master's degree have lower probabilities of restatement, lower discretionary accruals, and lower probabilities of meeting or beating earning benchmarks than clients who are audited by partners without master's degrees. We also find that audit partners with Master of Accountancy degrees perform higher quality audits-their clients have lower probabilities of restatement, lower discretionary accruals, and lower probabilities of meet or beat earning behavior. Further, these results are generally robust to controls for potential selection bias, audit engagement partner age/experience, and auditor switches. Our results evidence the importance of the AICPA's early recommendations that accountants pursue graduate degrees to achieve 150 credits rather than another path.

Session 5.02: AUDITOR QUALITY
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 11:00 AM - 12:00 PM

Do Auditor-Provided Tax Services Impair Auditor Independence or Generate Knowledge Spillover? Evidence from the Tax Cuts and Jobs Act of 2017"?

Bo Ren
University of Connecticut

ABSTRACT: Regulators increasingly express concerns over auditor-provided tax services (APTS) because those services could impair auditor independence. To date, research on APTS impairing auditor independence is mixed, potentially due to endogeneity issues, providing no clear guidance to regulators. I use the Tax Cuts and Jobs Act of 2017 (TCJA), which resulted in an unexpected shock to tax complexity that increased the demand for APTS by multinational firms, and a difference-in-differences research design to provide new insight on the relation between APTS and audit quality. I document that multinational firms most likely affected by the TCJA have a significant increase in APTS fees and audit quality after the enactment of the TCJA, consistent with knowledge spillover rather than impaired independence. The effect concentrates in clients that are more complex, also suggesting knowledge spillover is a potential channel for APTS to affect audit quality. I fail to find evidence that APTS affect audit quality through independence impairment. My results are robust to several alternative research designs.

Session 5.02: AUDITOR QUALITY
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 11:00 AM - 12:00 PM

The Impact of Audit Partner Quality on Client Firms' Risk Factor Disclosures in Items 1A and 7

Han Dai
University of South Florida

ABSTRACT: This paper examines whether and how individual audit engagement partner quality is associated with client firms' risk factor disclosures (Items 1A and 7) in the annual reports (10-K filings). Specifically, I investigate whether engagement partner quality is associated with the tone and sentiment in the risk factor disclosures, as well as the disclosure of financial and tax-related risk factors. I find that clients with high-quality engagement partners use an overall negative tone in the narrative disclosures in Item 1A and Item 7. Further, I find that high-quality engagement partners are specifically associated with a "negative, litigious, or uncertain" tone, suggesting that high-quality engagement partners constrain managements' tendency to use overly positive tone in the risk disclosures. Finally, I find that engagement partner quality is positively and significantly associated with financial and tax-related risk factor disclosures. These results shed light on the critical role that audit partners play in the formation process of client firms' risk factor disclosures in 10-K filings.

Session 5.04: FOREIGN INVESTMENTS AND ENTITIES
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 11:00 AM - 12:00 PM

Exploring Limited U.S. Accounting Discourse on Cooperative Entities Through the Lens of Implicit Religion

Louella J. Moore
Washburn University

ABSTRACT: This paper addresses the limited discourse on cooperative enterprise in the U.S. business and accounting academy. Structured as a critical essay motivated in part by Professor Richard Vangeermersch's recommendation to expand accounting historians' horizons to include more discourse on left-leaning topics, the paper reviews accounting literature on the cooperative organizational form that points up sustainability challenges in relation to conventional profit computations. The author argues that the reasons for the academy's lack of attention to cooperative ventures are difficult to pinpoint but may be symptomatic of an underlying 'implicit religion' of capitalist ideology that does not welcome alternative points of view.

Session 5.04: FOREIGN INVESTMENTS AND ENTITIES
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 11:00 AM - 12:00 PM

Foreign Direct Investments and Earnings Forecast Accuracy

Danya Mi
Emporia State University

Nian Lim Lee
Georgia State University

Ma Teng
Emporia State University

Jingbo Zhang
The University of Texas at Permian Basin

ABSTRACT: We investigate the relationship between Foreign Direct Investment (FDI) and the characteristics of earnings forecasts made by both managers and financial analysts. We find that both management earnings forecasts (MEFs) and analyst earnings forecasts (AEFs) made after a larger number of FDI projects undertaken by a firm are less accurate. We also find that this negative relationship is partially mitigated by the firm's managerial ability. This suggests that FDI projects introduce uncertainty about a firm's earnings not just to external market participants, but also to the firm's management. Additional analyses suggest that the negative relationship between FDI forecast accuracy may extend over multiple years. We document that FDI projects are also associated with lower precision MEFs, higher frequency of MEF revisions, and higher dispersion of AEFs. Overall, our results suggest that FDI is an important factor in a firm's information environment and FDI disclosure may be useful to facilitate the decision- making of market participants.

Session 5.04: FOREIGN INVESTMENTS AND ENTITIES
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 11:00 AM - 12:00 PM

Impact of China's Belt & Road Initiative (BRI) on Foreign Institutional Investment: Winners and Losers among Pakistani Publicly Listed Firms

Shahid Khan
The Pennsylvania State University Berks

Waqar Ghani
St. Joseph University

Harun Rashid
California State University, Dominguez Hills

ABSTRACT: We investigate the impact of China's BRI on foreign institutional investment in Pakistani public firms. The question of interest is whether the BRI attracted foreign institutional investment in Pakistani firms in the presence of low government transparency about the BRI. We find that, on average, Pakistani public firms did not experience significant growth in foreign institutional investment between the pre- and post-BRI periods. However, we find that foreign institutional investment increased for Pakistani firms affiliated with business groups relative to non-affiliated Pakistani firms between the pre- and post-BRI periods. We note that the results become stronger with higher level of groups diversification. Our finding of increased institutional investment for affiliated Pakistani firms also holds relative to matched Indian affiliated firms. These findings suggest that foreign institutional investors prefer business groups in emerging economies as a source of opportunity to overcome the institutional voids problem.

Session 5.05: IMPACTS OF FINANCIAL FORECASTS
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 11:00 AM - 12:00 PM

Liquidity Risk, Accounting Quality, and Rewards for Beating Expectations During Periods of High Macroeconomic Uncertainty

Bokhyeon Baik
Seoul National University

Hong Kim Duong
Old Dominion University

David B. Farber
Indiana University–Purdue University Indianapolis

Ken W. Shaw
University of Missouri

ABSTRACT: This paper examines the effects of liquidity risk and accounting quality on the stock market pricing of beating analyst earnings forecasts during periods of high macroeconomic (macro) uncertainty. We rely on prior theoretical and empirical research suggesting that investors seek portfolio protection during periods of high macro uncertainty by increasing demand for firms with low liquidity risk and high accounting quality. We find that among the group of firms that beat analyst earnings forecasts, firms with lower liquidity risk receive a higher equity market premium, and that this premium increases during high macro uncertainty periods. Results also suggest that investors see through the use of discretionary accruals to beat analyst earnings forecasts and view such beats as being of lower accounting quality, as reflected in a lower premium. We also find that while high accounting quality matters for the pricing of the premium during high macro uncertainty periods, it is limited in its ability to enhance value for firms with high liquidity risk. Results from our study should be useful to analysts, investors, and others interested in understanding factors that influence firm value during high macro uncertainty periods.

Session 5.05: IMPACTS OF FINANCIAL FORECASTS
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 11:00 AM - 12:00 PM

Promotional Pricing, Earnings Persistence, and Market Outcomes: Do Analysts and Investors "Discount" Performance Backed By Coupons?

Mason Snow
California State University, Fullerton

ABSTRACT: Companies commonly offer temporary price discounts to stimulate product demand. Despite the considerable impact that such promotional strategies have on performance, firms disclose limited information regarding the extent to which they provide discounts. In this study, I evaluate whether market participants understand the implications of current period couponing activity—a special case of price discounts—for future performance. Using a sample of public manufacturers, I use transaction-level data to construct a firm-level measure of couponing activity and find that earnings are less persistent when generated with heavy reliance on couponing. Further, greater couponing in the current quarter increases analyst optimism for future periods, leading to an increased likelihood that the firm misses analyst expectations in the subsequent period (which results in predictably negative earnings announcement returns). Collectively, my findings highlight how market participants' forecasting and trading decisions can benefit from information regarding price discounting.

Session 5.05: IMPACTS OF FINANCIAL FORECASTS
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 11:00 AM - 12:00 PM

The Implications of Investments in and Realizations of Intangibles for Analysts' Forecasts of Earnings Growth

Andrew Ayimbila Anabila
The University of Texas Rio Grande Valley

ABSTRACT: The Implications of Investments in and Realizations of Intangibles for Analysts' Forecasts of Earnings Growth ABSTRACT I distinguish between investment in (R&D expenses), and realization of (patents) of intangibles, and examine their respective implications for analysts' EPS growth forecasts and forecast efficiency. I find evidence as follows: First, R&D have negative (positive) implications for short (long) term EPS growth forecasts. Second, and consistent with prior studies, R&D have negative implications for both long and short term forecasts efficiency. Third, patents have positive implications for both short and long term EPS growth forecasts. Fourth, patents have positive implications for both short term and long term forecast efficiency. Fifth, revisions of (growth) forecasts are positively associated with patents but not R&D. Sixth, I document a highly stochastic relation between patents and the past six years' investments in intangibles, whereby R&D account for a maximum of 23.50% (35.40% with other controls) of variations in patents.

Session 6.01: IF YOU CAN'T BEAT THEM, JOIN THEM: 12 WAYS TO USE CATGUT IN TEACHING
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

If You Can't Beat Them, Join Them: 12 Ways to Use ChatGPT in Teaching

Wendy Tietz
Kent State University

Rachel Gambol
University of Tampa

ABSTRACT: ChatGPT is here whether we want it or not. In this session, we discuss ways to embrace ChatGPT to improve teaching and productivity. We will talk about several ways to incorporate ChatGPT into assignments and class activities. We will also talk about ways ChatGPT can be used as a productivity tool in teaching Session

6.02: DSFI/NE - SESSION 1
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

Derivatives on Foreign Currency Exposure and Analysts' Earnings Predictability: Evidence from Automotive Industry

Phoompat Dangwung
University of Massachusetts Boston

ABSTRACT: Motivated by prior literature that users of financial statements have difficulty comprehending the earnings implications of firms' derivatives usage, we investigate foreign currency derivative usage in the automotive industry. Using a sample of the automotive industry, we find an association between the usage of foreign currency derivatives and earnings predictability. We also show that each type of derivative usages, such as hedge vs. non-hedge, also impacts earnings predictability. Overall, we find that derivatives usage improves analysts' forecast accuracy and decreases analysts' forecast dispersion. In addition, the result is more pronounced when firms use non-designated derivatives. This finding supports the notion that derivatives usage could mitigate the impact of currency fluctuation and improve the information environment of a firm's earnings.

Session 6.02: DSFI/NE - SESSION 1
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

Are Merger Proxy Filings Informative?

Todd Kravet
University of Connecticut

Jingyu Xu
University of Connecticut

ABSTRACT: This study examines the informativeness of merger proxy filings as a distinct information source about mergers and whether two fundamental disclosure determinants, proprietary costs and litigation risk, attenuate the informativeness of merger proxy filings. We find that merger proxy filings are not significant information events with respect to investors' expectations about the impact of the acquisition on the acquirer firm's value. However, merger proxy filings are significant information events with respect to decreasing uncertainty about acquirer firm value as reflected in the bid-ask spread. We find evidence that an exogenous shock that increased litigation appraisal risk caused merging firms to decrease the level and specificity of disclosure. In addition, an exogenous shock that increased proprietary costs caused merging firms to decrease the level and specificity of disclosure. Furthermore, increased proprietary costs directly caused merger proxy filings to be less informative to investors as reflected in proxy filing date absolute abnormal returns and bid-ask spread. Overall, our findings suggest that the litigation risk and proprietary costs decrease the informativeness of merger proxy filings.

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Session 6.03: ACCOUNTING PROFESSIONALS' BEHAVIORS
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

Accounting Firms' Corporate Social Responsibility Activities: Determinants and Consequences

Feng Gao
Rutgers, The State University of New Jersey

Jagan Krishnan
Temple University

Sridhar Ramamoorti
University of Dayton

Muktak K. Tripathi
Temple University

ABSTRACT: To study accounting firms' corporate social responsibility (CSR) activities, we utilize annual CSR rankings by Vault as proxies for accounting firms' CSR performance. We examine what motivates accounting firms to undertake CSR activities, and the possible benefits that might accrue to them. We identify the factors driving accounting firms to engage in CSR activities, notably firm reputation, employee intensity, clients' CSR preferences, and litigation risk exposure in their client portfolios. We also document that CSR performance benefits accounting firms by increasing their operating efficiency and market share, as well as improving audit quality.

Session 6.03: ACCOUNTING PROFESSIONALS' BEHAVIORS
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

The Impact of the Legal and Cultural Environment on Whistle-Blowing in Russia

Dina Clark
Bloomsburg University

Natalia Ermasova
Governors State University

Victoria Geyfman
Bloomsburg University

ABSTRACT: Whistle-blower protection is an effective tool for fighting fraud, mismanagement, and corruption in a marketplace. The protection is also necessary to ensure transparency and accountability of private and public sectors. This study explores legal environment and cultural factors and their impact on the propensity for whistle-blowing in Russia. The analysis is based on the survey conducted among Russian managers from diverse economic sectors and students pursuing an executive MBA degree. The study uses the principal component analysis (PCA), t-test, and ANOVA techniques to analyze the data. We found that there are significant differences in the propensity to whistle-blow and the sense of morality among Russian respondents. The findings revealed a high effect of personal relationships (blat) on work relationships and the propensity to whistle-blow. Monetary rewards had no impact on whistle-blowing in Russia. Our findings showed that older respondents felt less favorable towards whistle-blowing compared to younger respondents. The results of this study will help policy makers, managers, accountants, and other professionals who conduct business in Russia. This paper offers new insights into understanding of whistle-blowing in Russia and how the national culture, traditions, and personal relationships may influence the propensity of Russian working adults to whistle-blow.

Session 6.03: ACCOUNTING PROFESSIONALS' BEHAVIORS
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

The Objectivity of Accounting Professionals Based in India

Cristina Bailey
The University of New Mexico

Richard G. Brody
The University of New Mexico

Gaurav Gupta
The University of North Carolina at Wilmington

Jonathan Nash
University of New Hampshire

ABSTRACT: This study examines the objectivity of accounting professionals based in India. We perform an experiment using a well-established instrument from prior literature. We asked accounting professionals based in India to act as either the seller or buyer in a hypothetical acquisition scenario. Participants were asked to evaluate the obsolescence of an apparel company’s inventory, assessing both the probability of inventory obsolescence and the likelihood they would propose an inventory write-down. The results indicate external auditors and tax professionals were able to remain objective, reflected in the consistency of their assessments across the buyer and seller conditions. Internal auditors were less objective, evaluating inventory obsolescence as more likely when their client was considering buying a subsidiary than when their client was considering selling a subsidiary. Internal auditors were also more likely to recommend an inventory write-down adjustment when hired by the buyer than when hired by the seller. The study informs regulators and accounting professionals. While we do not prescribe specific actions, our study provides evidence on the decision-making process of accounting professionals based in India that regulators might use to craft policy. Further, we respond to calls for additional evidence on the decision-making process of accounting professionals based in India, and for evidence on the objectivity of internal auditors.

Session 6.05: CAPITAL, GOVERNANCE, AND THE PUBLIC INTEREST
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

Friendly Boards and Capital Allocation Efficiency

Avishek Bhandari
University of Wisconsin–Whitewater

Md Nazmul Hasan Bhuyan
North Carolina Agricultural and Technical State University

Meena Subedi
University of Wisconsin–Whitewater

ABSTRACT: This study examines the effect of friendly boards on capital allocation efficiency. We provide evidence that firms with friendly boards have a positive and statistically significant effect on capital allocation inefficiency. We find our results robust to different measures of friendly boards and capital allocation inefficiency, alternative model specifications, omitted variable bias, self-selection bias, and other endogeneity concerns. We also show that the positive association between friendly boards and capital allocation inefficiency is lower in firms with high external corporate governance quality but higher in firms with high financial constraints. The findings imply that poor board monitoring and high agency conflicts in firms with friendly boards lead to high capital allocation inefficiency.

Session 6.05: CAPITAL, GOVERNANCE, AND THE PUBLIC INTEREST
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

Board Risk Committees: Implications for Earnings Predictability

Benjamin C. Anderson
San Jose State University

Christopher Hines
Missouri State University

ABSTRACT: In this study, we investigate earnings predictability as it relates to the presence of board risk committees. We also examine whether market intermediaries revise their forecasts following board risk committee formation. Using a sample of 2,447 financial firm-year observations from 2003 through 2013, we find evidence that suggests firms with board risk committees have greater earnings predictability which results in lower analyst forecast error and dispersion. We further find that market intermediaries revise earnings forecasts upward and respond more strongly to earnings surprises when firms form a board risk committee. Overall, our findings are consistent with the notion that market intermediaries believe the presence of board risk committees results in better planning and execution of operations, which leads to lower operating uncertainty and more predictable earnings. We believe our study should interest not only academics, but also regulators and legislators as the analysis and findings have specific public policy implications.

Session 6.05: CAPITAL, GOVERNANCE, AND THE PUBLIC INTEREST
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

Native American Governments' Borrowing Costs: Evidence from Municipal Bond Markets

Serena Loftus
Kent State University

Sarah Shonka McCoy
The University of New Mexico

Rui-Zhong Zhang
Kent State University

ABSTRACT: The United States contains sovereign tribal nations that issue bonds to fund their governments' activities and economic development. This study explores a potential determinant of tribal governments' borrowing costs and investigates whether tribal governments face higher borrowing costs for their bonds than do other state and local governments. Our analysis of 362 bonds issued by 56 unique tribal issuers over the last 30 years suggests that borrowing costs are negatively related to access to revenues. To offer insights for policymakers, we then compare tribal issuances to securities issued by state and local governments. Controlling for a variety of issuance characteristics, including credit rating, offering type, and tax status, results indicate that tribal governments pay significantly higher yields than state and local governments. Overall, our findings offer insights for policymakers reviewing legislative acts intended to increase tribal governments' access to the tax-exempt bond market by offering empirical insights their borrowing costs.

Session 6.06: ROUNDTABLE SESSION II
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

Accounting Students Learning by Doing in the VITA Tax Clinic

Theresa Phipps
Slippery Rock University

ABSTRACT: “Service-learning is a teaching and learning approach that integrates community service with academic study to enrich learning, teach civic responsibility, and strengthen communities” (National Commission on Service-Learning, 2002). SRU permits students to serve as VITA tax preparers for a service-learning experience. The VITA student tax preparers learn skills that are vital for any career in business. The three major benefits identified from participation in the VITA program for students are: (1) how much the students have learned by applying their knowledge to real world situations, (2) increased self-confidence, and (3) the reward of using the knowledge acquired in their coursework to help people in their community (Rama, 1998). Also, students develop and enhance several soft skills such as problem solving, teamwork, critical thinking, and leadership, each of which is valuable to entry-level accounting and business professionals. Students enhance their marketability by developing these skills through active participation in the VITA tax clinic. This type of learning works well because the students work with real-life taxpayers who need the students’ skills and knowledge (Rama, 1998). VITA forces the students to take charge of their own learning. Each new taxpayer brings a new set of facts, issues and unstructured problems which the student tax preparer must sort through and identify.

Session 6.06: ROUNDTABLE SESSION II
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

Making Accounting Careers Appealing Through Assignments

Julia S. Frink
Tarrant County College

ABSTRACT: Many introductory accounting students are not aware of the full range of accounting careers. They seem to be trapped into the stereotypical thinking of accountants sitting alone doing taxes or that one has to be a math genius. Thus, they miss out on the opportunity to pursue a dynamic in-demand career with good income earning potential and job security. With the accounting pipeline concerns it is imperative to attract learners to the profession. Including accounting career assignments can change learners' perceptions of the career and increase awareness of the opportunities. They even have the power to entice a learner to select accounting as a major. Examples of assignments and available resources will be discussed.

Session 6.06: ROUNDTABLE SESSION II
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 12:30 PM - 1:30 PM

What Should Accounting Students Know About ESG Reporting?

Maria H. Sanchez
Rider University

Margaret O'Reilly-Allen
Rider University

ABSTRACT: In the first quarter of last year, the SEC recently proposed a new rule, The Enhancement and Standardization of Climate-Related Disclosures for Investors. There is much controversy over this proposed rule. Extensive public comments were received on the proposed rule and the SEC extended their public comment period. As we wait for the SEC to publish their final rule, we know that accountants will play an enormous role in ESG reporting. There will likely be a large demand for accountants with expertise in this area. How can we, as educators, best prepare our students for this new rule? In this session, we will describe how we are currently doing this at our university.

Session 7.01: HOW TO INCLUDE ESG IN YOUR ACCOUNTING COURSES BY REVISING EXISTING ASSIGNMENTS
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

How to Include ESG in Your Accounting Courses by Revising Existing Assignments

Marcy Binkley
Lipscomb University

Timothy S. Creel
Lipscomb University

Susan Coomer Galbreath
Lipscomb University

ABSTRACT: Environmental, social, and governance (ESG) is emerging as an important topic to the accounting profession. However, accounting faculty recognize the difficulty of incorporating ESG subject matter into an otherwise full accounting curriculum. Given the pervasive nature of data analytic concepts in all accounting courses, in this session we will discuss various use cases for incorporating ESG data into assignments in a wide range of accounting courses to provide students with exposure to ESG. For example, ESG data can be utilized in an introductory analytics course when teaching descriptive analytics. Given a sample of S&P 200 firms, students can determine various descriptive data points, including the average, median, mode, minimum and maximum values as well as other measures of central tendency of the ESG dataset for these largest firms. Students can also use the ESG dataset in Excel or Tableau to create charts and graphs that provide additional discussion points for the class material. Second, the ESG dataset can be used in a managerial accounting or auditing course to complete a time-series analysis, analyzing trends over time. Faculty can discuss the correlation between the increase in ESG activity with societal awareness of ESG priorities. Lastly, in an AIS or advanced analytics course, additional variables can be included through faculty demonstration of the ETL process to further explore relationships between ESG score and industry, firm size, and other financial accounting ratios. Students can complete a cluster analysis to further profile firms which exhibit varying degrees of ESG activity. How to access the ESG dataset as well as solution files for the assignment examples discussed in the presentation will be provided to those interested.

Session 7.02: TOPICS IN TAXATION
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

ASC842 and Deferred Tax

Yan Z. Woodard
Kent State University

ABSTRACT: Currently, the FASB is in the post-implementation review process of lease accounting standard and calls for academic research on how lease standard is performing in the capital markets. This study provide evidence via the lens of tax and capital market consequences. Specifically, I examine the impact of leasing accounting standard-ASC 842 on market participants' reactions from the tax perspective around implementation from 2016 to 2021. Using difference-in-differences analyses, I find that relative to control firms, treatment firms are reporting higher temporary book-tax differences and experience greater market uncertainty. Further analyses show that the increase in market uncertainty of treated firms is mainly driven by the increase in the book-tax differences. My study contributes to the leasing accounting literature as well as implications of the ASC 842 from the tax perspective.

Session 7.02: TOPICS IN TAXATION
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

Differential Responses to Tax Regulation: The Case of Schedule UTP

David Tree
Old Dominion University

Dilin Wang
Rochester Institute of Technology

Peter Frischmann
Oregon State University

ABSTRACT: Schedule UTP was instituted by the Internal Revenue Service to obtain more detailed information about firms' uncertain tax benefits (UTBs) that are required to be reported on a firm's financial statements. We document that the reaction of firms was not uniform. We provide evidence that post Schedule UTP, firms with higher political costs lower their UTBs more than average firms but do not increase their cash taxes paid. In addition, we look at firms reporting zero or missing UTBs before Schedule UTP was implemented. We find that these firms paid more in cash taxes after the introduction of Schedule UTP. From a policy standpoint, schedule UTP affects significant subgroups of firms in different manners.

Session 7.02: TOPICS IN TAXATION
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

The Effect of Common Ownership on Effective Tax Rate: The Moderating Role of Internal Information Environment

Lingting Jiang
University of Cincinnati

ABSTRACT: In this study, I propose the benefits of common ownership by examining the effect of common ownership on cash effective tax rates. I advance that common institutional investors have more incentives to monitor common ownership firms because (1) selling the firm is less profitable; (2) the costs of monitoring common ownership firms are lower; (3) the aggregated industry-oriented litigation risks are too high. With enhanced corporate governance, common ownership firms would avoid taxes to benefit their investors and increase their internal information environment in order to collect and process tax-related information more accurately and efficiently. Consistent with my predictions, I find a negative relation between common ownership and cash ETR and a positive relation between common ownership and internal information environment, suggesting that common ownership firms benefit shareholders by avoiding taxes and providing a higher quality of internal information environment. In addition, the higher quality of the internal information environment also provides a channel for managers to achieve their tax avoidance behavior.

Session 7.03: CAPITAL MARKETS INFORMATION
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

Fair Value Assets and Variance Risk Premiums for Financial Stocks

Thaddeus Andrew Neururer
The University of Akron

ABSTRACT: Financial firms hold large amounts of fair value assets. However, some balance sheet values are based on quoted prices while others use model-based prices and manager inputs (“opaque assets”; i.e., Level 2 and Level 3 assets). I test if financial firms’ holdings of opaque assets are associated with variance risk premiums in equity options. I find strong evidence that firms with large holdings of Level 3 assets have lower variance risk premiums and more negative straddle returns. These results hold conditional on several other factors including industry membership, option-implied risks, and a proxy of option mispricing, and option market liquidity. I also present evidence that implied volatilities are less predictive of future volatilities for financial firms with large opaque fair value asset holdings. Finally, I show that opaque fair value assets are associated with variance risk premiums for small and large financial firms.

Session 7.03: CAPITAL MARKETS INFORMATION
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

Is Information Production for the U.S. Stock Market Becoming More Concentrated?

Yang Cao
Boston College

Miao Liu
Boston College

Xi (Rachel) Zhang
National University of Singapore

ABSTRACT: The US stock market has experienced dramatic shifts in structure in the past two decades. While small firms have disappeared, large ones have increasingly gained market share. We investigate whether large firms' market dominance creates positive spillover for or shifts resources away from small firms' information production. Using a shift-share IV approach and a difference-in-difference design, our identification strategy isolates two independent sources of variation in large firms' market share plausibly exogenous to small firms' fundamentals. We find that as large firms gain market share, they attract information production resources, including the attention of financial analysts and institutional investors, away from small firms, even when the size of small firms and business fundamentals remain unchanged. Our evidence suggests that information production for the US stock market is becoming more concentrated on large firms, which is likely a consequence of increasing market share concentration.

Session 7.03: CAPITAL MARKETS INFORMATION
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

SPACs: An Examination of Acquisition Timeliness and Subsequent Performance

Atul Singh
Ball State University

Tiffany Westfall
Ball State University

ABSTRACT: Special Purpose Acquisition Companies (SPACs) are publicly traded shell companies that provide a way for private companies to become public. SPACs have tight timelines to acquire a SPAC Target, failing which they face liquidation. In this study, we examine the extent to which board characteristics affect the SPAC IPO to shareholder vote timeline. Additionally, we examine whether the ownership structure affects the SPAC Targets' valuations and their post-merger stock performance compared to traditional IPOs. Utilizing a sample of 306 SPACs that successfully acquired SPAC Targets and 1,413 traditional IPOs between 2018 and 2021, we find an association between CEO and board characteristics and the completion timeline for SPAC Target acquisition approvals. Specifically, we find that CEOs with a background in accounting or finance and younger boards take lesser time whereas boards with more powerful CEOs and bigger size take more time for a successful acquisition. Our study also suggests that higher ownership by SPAC sponsors in the merged entity results in lower valuations of the respective SPAC Targets. Finally, we find that cumulative abnormal returns of SPAC Targets are negative and significantly lower than those of traditional IPOs. This difference arises primarily because of the positive and higher CARs of traditional IPOs classified as emerging growth companies.

Session 7.04: DSFI - SESSION 3 (EXPERIMENTAL)
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

A New Wave of Talent: The Effect of Mandatory Local CPA Requirements for Big 4 Partners in China

Pietro Andrea Bianchi
Florida International University

Lin Liao
Southwestern University of Finance & Economics

Miguel A. Minutti-Meza
University of Miami

Yini Wang
University of Miami

ABSTRACT: This paper examines the effects of a recent regulatory intervention in China that affected Big 4 partners' assignments and their clients' audit quality. In 2012, the Chinese Ministry of Finance mandated that 80% of Big 4 engagement partners must have local CPA requirements by 2017, but this regulation did not affect non-Big 4 firms. During a 14-year period surrounding the implementation of the regulation, we examine various outcomes at both the partner and client levels between Big 4 and other audit firms. We document that the Big 4 complied with the requirements by promoting local talent to junior partner roles for new clients, but we do not observe any negative effects on the audit quality of the Big 4 or externalities for other audit firms. Overall, our findings suggest that the move to local CPA requirements achieved its intended objective of developing local human capital without harming audit quality.

Session 7.04: DSFI - SESSION 3 (EXPERIMENTAL)
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

The Implications of Accounting Conservatism for Income Adjustments during Economic Downturns

Evans Adu
FLORIDA INTERNATIONAL UNIVERSITY

ABSTRACT: Using four prior economic cycles, especially economic downturns, as exogenous shocks, we examine the effects of accounting conservatism on income adjustments made by firms in annual financial reporting following the onset of economic crises. We predict and find that firms with more conservative accounting practices during the economically stable period are associated with relatively less income decreasing accounting adjustments during crisis period, compared to firms with less conservative accounting. We also report that firms with conservative accounting are likely to have better financial performance suggesting that those firms are prudently prepared for future economic uncertainty. Our findings are consistent with the constraint hypothesis (Beaver and Ryan, 2005; Sunder et al. 2018)—which argues that past conservatism reduces the carrying value of assets on balance sheet which constrains future conditionally conservative write-downs.

Session 7.05: AUDIT QUALITY, DISCLOSURE, & LIABILITY
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

Is It Who Or What You Know (Or Both)? Reputation and Status Incentives for U.S. Employee Benefit Plan Audit Quality

Matthew Reidenbach
James Madison University

ABSTRACT: Extant research on audit services suggests that social factors play a significant role in the performance of external audit services. A relatively large stream of empirical literature on the peer review process provides evidence that peer review deficiencies in the financial accounting context are associated with competition and experience incentives. Given that most prior studies use data from publicly-traded companies no longer subject to peer review, this study evaluates whether these findings remain relevant in a subsector that retained peer review regulation: employee benefit plan audits. Using signaling theory and institutional theory, this study tests whether the reputation and status of public accounting firms are associated with peer review deficiencies and auditor switches. Analyzing a sample of New York public accounting firms, this study provides evidence that both the reputation and the relative status of the peer reviewer is the most critical determinant of peer review deficiencies. However, neither of these determinants is associated with changes in client mix. This study fills a call for additional research into the determinants of audit quality in the regulated employee benefit plan audit industry. While recent changes in the regulation of the employee benefit plan audit sector may enhance audit quality, the public interest will only be fully protected through more significant limitations placed on public accounting firm participation in this market or independent regulation of this audit sector.

Session 7.05: AUDIT QUALITY, DISCLOSURE, & LIABILITY
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

Capital Market Consequence of Engagement Partner Identity Disclosure

Nana Yamfo Amoah
Rollins College

Alex P. Tang
Morgan State University

Muni Kelly
Bryant University

ABSTRACT: Abstract We posit that restatement announcements that result in a downward revision of earnings signal low monitoring quality of the audit engagement partner (EP) and that can have a contagion effect on other non-restating client firms (interlocked firms) of the EP. Consequently, we predict that this contagion effect will cause investors to be skeptical about the quality of the financial reports of the interlocked firms, inducing a negative stock price reaction around the event window. Consistent with our predictions, we find that the cumulative abnormal returns of contagion firms are on average, 1.61 percent lower than that of non-contagion firms in the three days surrounding the announcement. Overall, our results are consistent with a contagion effect of restatements through shared EPs. Keywords: PCAOB, rule 3211, audit engagement partner, engagement partner interlock, restatements, audit quality, financial reporting, form AP

Session 7.05: AUDIT QUALITY, DISCLOSURE, & LIABILITY
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

The Effect of 100 Percent Population Testing on the Perception of CPA Firms with Limited Liability Exposure

Reginald Wilson
University of Southern Mississippi

Brock Revels
University of Southern Mississippi

ABSTRACT: This study investigates whether the type of evidence collected during an audit reduces retail investors concerns of CPA firms whose liability exposure is limited during an audit engagement. This study is motivated by calls for further research pertaining to the benefits and effectiveness realized by the use of big data during the audit engagement. Retail investors who responded to a 2 x 2 experiment did not perceive CPA firms' independence to be impaired, regardless of the audit methodology used to gather audit evidence (100 percent population testing versus traditional sampling). These results are useful to accounting lawmakers who previously expressed concern that a reduction of liability would impair auditors' judgement during the audit. Similarly, these results may assist accounting lawmakers in deciding whether or how to change auditing standards to reflect the benefits of big data in auditing. This study was approved by the Institutional Review Board.

Session 7.06: SPARK YOUR STUDENTS' INTEREST IN DATA ANALYTICS
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 2:00 PM - 3:00 PM

Spark Your Students' Interest in Data Analysis

Christine Kuglin
University of Denver

ABSTRACT: This proposal is for a mini-workshop presentation. Participants will learn about the 700-plus, free data sets available for educational use through the not-for-profit, educational website www.data-z.org. The site is intended to provide information for students, citizens, the press, legislators and staff, think tanks and financial analysts to better understand their state governments' financial and economic condition. The site contains state financial data and external demographic and economic data, along with tools ranging from graphs to regression. Site users can select relevant data and perform their own analysis, enabling them to make informed decisions about alternatives to address state fiscal issues. The workshop will lead participants through the process of selecting data sets, demonstrate the charting functions within the site and provide ideas on how to guide students through a written analysis of their charted findings. This is an excellent tool that allows students to pursue data comparisons in topics that interest them, thus encouraging them to further their exploration of data analytics.

Session 8.01: CHATGPT IN THE ACCOUNTING CLASSROOM: FRIEND OR FOE OR…..
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 3:30 PM - 4:30 PM

ChatGPT in the Accounting Classroom: Friend or Foe or …

Mfon Akpan
Methodist University

Scott Dell
Francis Marion University

Richard S. Barnes
Washington State University

ABSTRACT: We will present a 50-minute presentation that will use and demonstrate the integration of ChatGPT into the accounting classroom. We will suggest specific activities and questions to ask ChatGPT that will highlight the power of this tool in the classroom. Our focus will be on how educators can use this tool to inspire their students and to reinforce concepts. In the first 15 minutes of the presentation, we will provide an overview of ChatGPT and how it can be used in the classroom to help educators better engage their students. We will also explain how ChatGPT can be used as a tool for students to practice their accounting skills and to stay up to date on accounting topics. In the remaining 35 minutes, we will demonstrate how ChatGPT can be used in the classroom. We will show how educators can use ChatGPT to ask questions about accounting topics, to create interactive activities and games, and to provide personalized feedback to their students. We will also provide examples of questions that educators can ask ChatGPT in order to highlight the power of this tool in the classroom. At the end of the presentation, we will provide a summary of the key points discussed and will invite participants to ask questions and to provide feedback. This presentation will help educators to understand how ChatGPT can be used to make their accounting classes more engaging and to better reinforce concepts with students. (This abstract was generated by us using ChatGPT.)

Session 8.02: DSFI/SE - SESSION 4 (EXPERIMENTAL)
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 3:30 PM - 4:30 PM

How Do Retail Investors Evaluate the Credibility of Directionally Inconsistent Analyst Revisions? Experimental Evidence

Timothy Potsaid
Bentley University

Katarzyna K. Rupar
Georgia Institute of Technology

Shankar Venkataraman
Bentley University

ABSTRACT: A significant proportion of sell-side analysts' recommendation revisions are directionally inconsistent with their earnings forecast revisions. For example, analysts revise earnings forecasts upward (downward) while simultaneously downgrading (upgrading) the recommendation. Prior research is inconclusive on whether markets view such directionally inconsistent revisions as less credible compared to consistent revisions. We experimentally investigate whether inconsistent revisions affect retail investors' judgements of analysts' competence and trustworthiness—two components of credibility. In line with predictions from attribution theory, we find inconsistent revisions reduce perceptions of trustworthiness for unaffiliated analysts, but not for affiliated analysts. This consistency × affiliation interaction is stronger for upward recommendation revisions than for downward revisions. However, inconsistent revisions reduce investors' perceptions of analysts' competence equally for unaffiliated and affiliated analysts regardless of the direction of their recommendation. Our results suggest that retail investors' evaluation of the credibility of inconsistent revisions may differ significantly from how markets, as a whole, assess directionally inconsistent revisions.

Session 8.02: DSFI/SE - SESSION 4 (EXPERIMENTAL)
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 3:30 PM - 4:30 PM

Impact Of CEO Self-Disclosure On Investor Judgement

Peina Liu
Georgia Institute of Technology

Katarzyna K. Rupar
Georgia Institute of Technology

ABSTRACT: This study investigates whether and how CEO self-disclosure on social media influences investors' willingness to invest following a negative financial event. We conduct a 1×3 between-subjects experiment, where we manipulate a CEO's self-disclosure strategy (no self-disclosure vs. positive self-disclosure vs. positive and negative self-disclosure). Results indicate that investors react more positively to a negative financial event when the CEO offers positive personal experiences on social media than when the CEO does not offer any personal information. We also provide preliminary evidence that a CEO's negative self-disclosure may negatively impact investors' perception of the firm. In supplemental analyses, we find that the impact of CEO disclosure strategy on investment willingness depends on the follower's gender.

Session 8.03: ENVIRONMENTAL DISCLOSURES
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 3:30 PM - 4:30 PM

Audit Committee Characteristics and Environmental, Social, and Governance (ESG) Disclosure Quantity

Kimberly Walker
Virginia Polytechnic Institute and State University

Dina F. El Mahdy
Morgan State University

ABSTRACT: Audit committee (AC) members play an essential role in overseeing the company's evolving risks around ESG activities as investors and other stakeholders increase their focus on these activities. This paper examines the association between aggregate and individual Environmental, Social, and Governance (ESG) disclosure quantity scores and AC personal characteristics and structure. We find empirical evidence supporting a positive association between ESG quantity scores and AC size, tenure, the number of females on the AC board, AC busyness, and the number of meetings. We also find a negative association between ESG quantity scores and the number of shares owned by board members. We further examine whether the association between ESG quantitative measures and audit committee characteristics is driven by factors such as managerial abilities or external monitoring mechanisms such as analysts following or institutional investors. We find that the effect of audit committee expertise is observable for the individual factors of ESG, the "E" and "S" among firms with high institutional investors. Interestingly, the number of audit committee meetings is only positive and significantly associated with ESG scores among firms with low institutional investors. We also find a significant association between ESG scores and audit committee expertise and the number of meetings among firms with low analyst following. Overall, our findings suggest that AC committee characteristics influence ESG quantity metrics.

Session 8.03: ENVIRONMENTAL DISCLOSURES
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 3:30 PM - 4:30 PM

City Climate Disclosures and Municipal Bond Ratings

Emily J. Zoet
Ferris State University

ABSTRACT: Do voluntary climate disclosures affect municipal bond ratings? Cities play a critical role in determining the trajectory of climate change. The major rating agencies have affirmed their use of climate information in their credit evaluations as well as indicated their preference for cities that safeguard against climate risk. Drawing on information, voluntary disclosure, legitimacy, and signaling theories, this study investigates whether the presence of city climate disclosures and the quality of such disclosures increase the municipal bond rating. Additionally, using both legitimacy and signaling theories, this study examines the moderating effect of disclosure quality on the relationship between voluntary disclosures and municipal bond ratings. For purposes of this study, disclosure quality is defined in terms of a city's climate action, specifically mitigation and adaptation factors. The study expects to find that voluntary climate disclosures have a positive impact on municipal bond ratings. This finding suggests that rating agencies use climate information in their rating evaluations and respond to voluntary climate disclosures favorably. The study also expects to find that disclosure quality is positively associated with bond ratings, which suggests that rating agencies respond more favorably to higher quality disclosures. Finally, the study expects to find that the quality of city level climate disclosures strengthens the relationship between voluntary climate disclosures and municipal bond ratings. This finding would suggest the value relevance of disclosures to rating agencies is higher for cities with strong disclosure quality. Overall, the study contributes to the voluntary climate disclosure and municipal bond rating literature as well as assists both city officials and municipal bond investors by revealing the impact of climate information on bond ratings. Additionally, results from this study help to determine the specific climate actions and policies that affect bond rating decisions, providing valuable information to city officials, policymakers, and municipal bond market participants.

Session 8.03: ENVIRONMENTAL DISCLOSURES
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 3:30 PM - 4:30 PM

Do Peer Firm Environmental Goal Disclosures and Carbon Offset Programs Impact Managers' Environmental Disclosure Choices?

Serena Loftus
Kent State University

Wei Li
Kent State University

Yulin Zhu
Kent State University

ABSTRACT: This study explores the impact of two factors on managers disclosure of long-term environmental goals, the prevalence of such disclosures among industry peer firms and the availability of carbon offset programs. Drawing from moral reasoning theory, we expect managers to engage in greater disclosure of long-term environmental goals when such disclosures are prevalent among industry peer firms. However, when such disclosures are rare, the availability of carbon offset programs may increase managers' disclosure tendencies. To test our hypotheses, we conduct a 2 × 2 between-subjects experiment, where we manipulate the disclosure behavior of industry peer firms (a high vs. low prevalence of long-term environmental goal disclosure) and the availability of carbon offsets (present vs. absent). Results suggest that managers provide the least long-term environmental goal disclosures when these disclosures are rare among industry peers and carbon offset programs are absent. Implications for research and practice are discussed.

Session 8.04: CORPORATE GOVERNANCE AND MEDIA
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 3:30 PM - 4:30 PM

Do Analysts Facilitate Blockholder Monitoring?

Somnath Das
University of Illinois at Chicago

Shibao Liu
University of Illinois at Chicago

Paige Patrick
University of Illinois at Chicago

ABSTRACT: In this paper we investigate whether the presence of analysts improves blockholder monitoring, analysts may reduce blockholders' monitoring costs by providing or disseminating relevant information [e.g., Chen, Harford and Lin 2015]. We first show that the association between blockholder ownership and firm value is stronger in the presence of analysts, consistent with improved blockholder monitoring. We then explore three settings in which analysts may aid blockholder monitoring: CEO compensation, CEO turnover, and merger and acquisition activity. We find mixed evidence in support of improved blockholder monitoring in these analyses. Contrary to our expectations, we find that CEOs earn more compensation, even holding constant firm size, visibility, and performance, in the presence of both analysts and blockholders. We do not detect differences in the monitoring effectiveness of blockholders regarding the probability of performance-induced turnover when analysts are present. We do find that merger announcement returns are higher when blockholders monitor with analysts. Overall, our results suggest that analyst information may improve blockholder monitoring only in certain circumstances.

Session 8.04: CORPORATE GOVERNANCE AND MEDIA
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 3:30 PM - 4:30 PM

Media Sentiment and Shareholder Litigation

Richard Arnold Cazier
University of North Texas

Jianning Huang
University of Manitoba

Jeff McMullin
Indiana University

Fuzhao Zhou
Bowling Green State University

ABSTRACT: We investigate whether media sentiment influences the likelihood of securities litigation following negative corporate events. We find that negative media sentiment around firms' accounting restatement announcements increases the likelihood of a subsequent shareholder lawsuit. We document this relation develops along two distinct paths. Consistent with prior research that suggests media sentiment can influence stock prices around corporate news events, we find negative media sentiment heightens litigation risk by exacerbating the stock market response to restatement announcements (the Market Response Path). However, we also find negative media sentiment predicts shareholder litigation after controlling for the market response and other economic characteristics of the restatement announcement (the Narrative Setting Path). This latter effect is consistent with the view that media sentiment creates narratives that influence investors' assessments of the likelihood of prevailing in a lawsuit. Overall, our results suggest the influence of media sentiment in shaping real economic outcomes in financial markets extends beyond pricing effects.

Session 8.04: CORPORATE GOVERNANCE AND MEDIA
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 3:30 PM - 4:30 PM

Social Media and Classification Shifting

Peng Wu
Southeast University

Hongyu Liu
Southeast University

Liya Hou
St. Cloud State University

ABSTRACT: We study the role of social media in classification shifting. Specifically, we examine the effect of stock message board negative sentiment on classification shifting. We find that social media criticisms are positively associated with classification shifting, and the effect is more pronounced for firms with high dissemination and more clicks of posts, for non-state-owned firms, Growth Enterprise Market firms, young firms, and for firms with high management ownership, with just meet or beat zero earnings and low social responsibility. We further find that when accrual-based earnings management is constrained, firms tend to engage in classification shifting to alleviate the market pressure from social media. Our study contributes to the earnings management literature by providing novel evidence that sheds light on the market pressure of social media in shaping earnings management strategies.

Session 8.06: NEURODIVERSITY IN ACCOUNTING - THE “S” AND “G” IN ESG
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 3:30 PM - 4:30 PM

Neurodiversity in Accounting—The "S" and "G" in ESG

Christina M. Olear
The Pennsylvania State University Brandywine

Veronica Paz
Indiana University of Pennsylvania

Timothy Creel
Lipscomb University

ABSTRACT: The session will highlight how accounting firms (and other businesses) are designing programs to hire, train, and support neurodiverse populations at work. We will focus on how accounting educators can incorporate the topic in courses to facilitate understanding and pave the way for how these initiatives may impact the future workplace. The subject can be “weaved” into specific projects or technical content or included within ESG discussions or cases. The advantages of hiring and supporting neurodiverse folks can lead to better creativity and competitive advantages for firms. It also benefits neurodiverse individuals, increases company morale, and benefits society. Additionally, the topic helps generate empathy, a soft skill of vital importance for everyone.

Becker Break: HELPING YOUR STUDENTS PREPARE FOR THE NEW CPA EXAM
DATE: FRIDAY, JUNE 2, 2023
TIME ET: 4:30 PM - 5:00 PM

Helping Your Students Prepare for the New CPA Exam

Angie Brown
Becker Professional Education

ABSTRACT:

Session 9.01: THE HIGH SCHOOL PIPELINE AS A FEEDER TO ACCOUNTING MAJORS
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

NAF Panel High School Pipeline

Karen Osterheld
American Accounting Association

Veronica Paz
Indiana University of Pennsylvania

Panelists: Priscilla Davis, Hillside High School

Jennifer Glaser, Silver Creek High School

Evan Statman, Jefferson High School

ABSTRACT: This will be a panel of the NAF High school educators to provide us with how to keep the pipeline of accounting students coming. The panel will feature high school students addressing questions and attending virtually. The panel will be recorded using some video clips for the CTLA annual meeting.

Session 9.02: HISTORICAL PERSPECTIVES ON ACCOUNTING ISSUES
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

An Examination of the SEC Investigation that Led to the Passage of the Foreign Corrupt Practices Act of 1977

Richard S. Rand
Tennessee Tech University

ABSTRACT: In December 1977, President Jimmy Carter signed into law the Foreign Corrupt Practices Act of 1977. The Act was a culmination of actions that grew out of investigations into the infamous Watergate Scandal of 1972. Ultimately, the FCPA found it origins in decades of unreported activities of hundreds of US-based corporations. Those activities, obscured by confusing and misleading accounting practices, were aimed at the coercion and influencing of authorities in foreign governments world-wide. At a time when the United States was involved in a serious self-assessment of its role in world business, the revelations stemming from the SEC investigation would ultimately help to form one of the most important laws impacting the conduct of US business outside the borders of the United States.

Session 9.02: HISTORICAL PERSPECTIVES ON ACCOUNTING ISSUES
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Historical Review of Accounting Salaries and Challenges in a Tight Hiring Market

Susan Coomer Galbreath
Lipscomb University

Mark Jobe
Lipscomb University

Han-Sheng Chen
Lipscomb University

ABSTRACT: To remain competitive, accounting professionals involved in hiring decisions must be keenly aware of changes in employee salary expectations due to competitive changes in the post-COVID remote work environment and competition from comparative professions. This article analyzes national accounting salary trends for 2001-2021 as well as the national salary trends for select comparative professions and provides suggestions for firms to remain competitive in the marketplace.

Session 9.02: HISTORICAL PERSPECTIVES ON ACCOUNTING ISSUES
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Pioneer Woman: America's First Female Big 8 Partner

Tonya K. Flesher
The University of Mississippi

Dale L. Flesher
The University of Mississippi

ABSTRACT: Mary E. Lanigar became the first woman partner in a Big 8 U.S. public accounting firm in 1957, which was just a year after the local firm in which she had been a partner merged with Arthur Young & Company. This was nearly a decade before the next female was promoted to partnership status at a Big 8 firm. This distinction has gone unrecognized in the accounting literature. Lanigar was able to have a career in public accounting due to the shortage of male accountants during World War II. A study of her career highlights her achievements and adds to the literature on women in accounting. After retirement from accounting, Lanigar served on several corporate boards and was the first female director on most of those boards. Mary was also active in professional accounting organizations. Her experiences and her perspectives on gender discrimination and feminism are revealing. Lanigar opened doors in accounting and business for women of today and the future.

Session 9.03: FRAUD AND FINANCIAL MISSTATEMENT
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Financial Statement Fraud Litigation, Material Weaknesses, and Board Characteristics

David Manry
University of New Orleans

Hua-Wei Huang
National Cheng Kung University

Yun-Chia Yan
The University of Texas Rio Grande Valley

ABSTRACT: We investigate whether the likelihood that a firm will face financial statement fraud litigation is affected by the disclosure of internal control material weaknesses (MW) and the "busyness" of a firm's board of directors. We find that an MW report is strongly associated with the likelihood of subsequent financial statement fraud litigation, and that the influence of entity-level MW on litigation likelihood is stronger than that of account-level MW. Moreover, the number of outside board directorships significantly increases the influence of entity-level MW on the likelihood of litigation, indicating that board of directors busyness significantly increases the risk of litigation.

Session 9.03: FRAUD AND FINANCIAL MISSTATEMENT
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Price Contagion Effects of Fraudulent Events of Foreign Issuers: The Evidence from Taiwan

Wu-Po Paul Liu
National Cheng Kung University

Mengyu Ma
University of Central Arkansas

Hung-Wei Tseng
National Cheng Kung University

Wan-Ci Huang
National Cheng Kung University

ABSTRACT: This study investigates the market reaction of foreign issuers when a fraudulent event occurs, leading to investors casting doubt on management's integrity. Using a unique Taiwanese setting, the event study method is used to test the market reaction to the fraudulent event of Pharmally. Negative cumulative abnormal returns (CAR) are found through empirical analyses. In addition, foreign issuers using the same audit firm and audit partner as Pharmally also suffered from significant negative cumulative abnormal returns (CAR), which indicates that they were affected by price contagion effects due to low-audit quality. Finally, the impact of corporate governance on contagion effects is investigated. Significant negative cumulative abnormal returns are found among foreign issuers listed in Taiwan, which suggests these firms are affected by the fraudulent event of Pharmally.

Session 9.03: FRAUD AND FINANCIAL MISSTATEMENT
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Unveiling Hidden Problems: A Two-Stage Machine Learning Approach to Predict Financial Misstatement Using The Existence of Internal Control Material Weaknesses

Jing Sun
University of North Texas

ABSTRACT: Prior research has provided evidence that the disclosure of internal controls material weaknesses (ICMWs) is a powerful input attribute in misstatement prediction. However, the disclosure of ICMWs is imperfect in capturing internal control quality because many firms with control problems fail to disclose ICMWs on a timely basis. The purpose of this study is to examine whether the existence of ICMWs, including both the disclosed and the undisclosed ICMWs, improves misstatement prediction. I develop a two-stage machine learning model for misstatement prediction with the predicted existence of ICMWs as the intermediate concept that outperforms the model with the ICMW disclosures. I also find that the model incorporating both the predicted existence and the disclosure of ICMWs outperforms those with only the disclosure or the predicted existence of ICMWs. These results hold up across different input attributes and machine learning methods. Finally, this study shows that the two-stage models outperform the one-stage models.

Session 9.04: CORPORATE CULTURE AND STEWARDSHIP
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Does Mandatory Firm Culture Regulation Impact Management Focus and Employee Perception?

Jagan Krishnan
Temple University

Jayanthi Krishnan
Temple University

Steven Maex
George Mason University

Colin J. Tipton
Temple University

ABSTRACT: In July 2018, the UK Financial Reporting Council finalized an update to the UK Corporate Governance Code requiring that the board of directors assess and monitor firm culture to ensure alignment with firm purpose, values, and strategy, and disclose the activities taken to do so in the firm's annual report. We study the implications of this landmark requirement on management's focus on and employee perception of firm culture. We find that the Governance Code Update drives increased voluntary disclosure from management on topics related to firm culture. This finding is amplified in firms with low quality board governance indicating that management at firms with high quality board governance were focused on firm culture in advance of the Governance Code Update. However, in analyzing employee reviews of firm culture from Glassdoor, we find no evidence of improved employee perception of firm culture for affected firms subject to the Governance Code Update.

Session 9.04: CORPORATE CULTURE AND STEWARDSHIP
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Lean Implementation, Investment Inefficiency, and Performance Consequences—Empirical Evidence from U.S. Hospitals

Hassan HassabElnaby
Northern Kentucky University

Amal A. Said
Northern Kentucky University

Huilan Zhang
The Pennsylvania State University Altoona

ABSTRACT: This study empirically examines the characteristics of hospitals implementing lean thinking and the impact of investment efficiency on hospital performance. Results using a panel data set of lean adopters for hospitals across the United States indicate that service complexity, and size are positively associated with lean implementation, while competition and age of hospital are negatively associated with lean implementation. Moreover, there is a strong evidence that the lean investment inefficiency is associated with lower total profit ratio and patient satisfaction. Finally, our difference-in-difference tests confirm the causality relationship between lean implementation and financial performance measures. This study is among the first to empirically investigate lean investment inefficiency and performance consequences using a large-scale archival data in the healthcare industry. From practice point of view, managers need to evaluate their hospitals characteristics and find a good match between the characteristics and lean implementation as investment inefficiency will lead to poor performance.

Session 9.04: CORPORATE CULTURE AND STEWARDSHIP
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Stewardship Principles, Institutional Investors, and Financial Performance: Evidence from Taiwan

Wu-Po Paul Liu
National Cheng Kung University

Mengyu Ma
University of Central Arkansas

Yun-Chia Hsu
National Cheng Kung University

Wan-Ci Huang
National Cheng Kung University

ABSTRACT: This study investigates the relationship between institutional investors signing the Taiwan Stewardship Principles (TSPs) and the investee's financial performance. We find that companies with institutional investor signatories of the TSPs are positively associated with future financial performance, suggesting that institutional investors who have committed to responsible investing implement the monitoring and thus improve the performance of the investees. This study further investigates whether the corporate governance of investee companies makes a difference in the association. The results show that the companies with good corporate governance experience a relatively small increase in return than companies with poor corporate governance, indicating the substitute effect between the TSPs and the conventional governance mechanisms. This study has the following implications. First, it provides evidence for regulators to review policy promotion. Our findings offer incentives to institutional investors to engage in responsible investing. Finally, investors may refer to our study when they make investment decisions.

Session 9.05: OVERSIGHT, QUALITY, & EARNINGS
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Stakeholder Conflict and Standard-Setting Foundation Oversight

Amanda Convery
University of Delaware

Matthew Kaufman
Portland State University

Terry D. Warfield
University of Wisconsin–Madison

ABSTRACT: This study examines foundation oversight authority as a distinct tool used to manage stakeholder conflict, promote legitimacy, and maintain the autonomy of standard-setting boards. Prior literature traditionally focuses on the standard-setting boards and technical arguments surrounding proposed accounting standards. We examine whether the Financial Accounting Foundation (FAF), through exercise of its oversight role, can oblige the standard-setting boards to increase stakeholder engagement as a tool to legitimize contentious activity. The presented case is a qualitative analysis of the FAF's GASB Scope of Authority project, a rare public exercise of FAF oversight authority, in which the FAF applied its authority despite stakeholder disagreement on the line between oversight and standard setting. We conclude that the standard-setting foundation's role has evolved to primarily provide process, as opposed to content, oversight. This focus allows the FAF to navigate the blurred boundary between oversight of standard-setting due process and influence over the content of issued financial accounting standards while safeguarding the boards' autonomy and delegated authority. These conclusions provide insights to future research and practice as many stakeholders claim the Scope of Authority policy sets a broad precedent. Implications and precedence for international standard-setting bodies and environmental, social, and governance reporting are discussed.

Session 9.05: OVERSIGHT, QUALITY, & EARNINGS
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Accounting as Disciplinary and Aesthetic Practices: Financial Managers and Struggles with Quality in Danish Healthcare

Dane Pflueger
HEC Paris

Margit Malmmose
Aarhus University

ABSTRACT: This paper describes how financial and other non-medical managers engaged with accounting and other devices intended to measure and manage quality in the Danish healthcare system between 2004 and 2017. It does so with reference to two different forms of Foucauldian subject formation (disciplinary and aesthetic) and their relationship to accounting. This leads to two principal contributions. Firstly, we show that (and how) accounting operates as a practice not only for managers to know about and discipline themselves and others, but also to read and write about and develop an ethics or aesthetics of living with their constructed selves. This duality illuminates that, far from being cold and calculating agents of the state, financial managers are hybrid professionals, personally committed to determine how best to care and cure. Secondly, we show how the accounting practices enacted through different reforms reconfigure the relations between discipline and freedom. This has implications for our normative understanding of contemporary efforts to equip financial and other managers as ethical agents.

Session 9.05: OVERSIGHT, QUALITY, & EARNINGS
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 12:30 PM - 1:30 PM

Raising Questions about Regulatory Capture in Relation to Proposed Changes in Segment Disclosures under ASU Topic 280

Louella J. Moore
Washburn University

ABSTRACT: The paper provides background on regulatory capture and legitimation theory, followed by a theoretically informed response to each question in the call for comments on changes in Segment Disclosures for large U.S. companies along with a synopsis of all 34 comments received on this project. This paper illustrates how a transparent process can still have the potential for de facto capture when 1) the regulatory board uses its conceptual framework to narrow the scope of constituents served, 2) professionals find it useful to ignore practical problems inherent in joint cost allocations and boundary definitions, and 3) rationales given for Board decisions focus on expediency for insiders rather than benefits for a broad scope of external parties. Insiders have access to a library of performance quantifications but are asked to provide users with a single view as determined by management. The paper raises the question as to whether the profession's emphasis on a single standardized GAAP point of view may function as a mechanism to further legitimation rather than public interest ends.

Session 10.01: USING UDL FOR STUDENT INCLUSION AND SUCCESS
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

Using UDL for Student Inclusion and Success

Richard Walstra
Dominican University

ABSTRACT: Universal Design for Learning is an educational framework for teaching and learning that assists faculty in their efforts to improve student inclusion and success. The goal of UDL is to eliminate barriers that inhibit student learning through the design and implementation of flexible environments centered on the learner. Based on a foundation of neuroscience and learning theories, UDL focuses on the ways students learn and emphasizes the learning process. This session presents the three principles of UDL - means of representation (the ways faculty develop and present course content); action and expression (designing options for student responses); and engagement (improving faculty/student interactions in order to develop self-regulated learners). Faculty will better understand the "why" behind techniques already in use and be motivated to explore new approaches that support the success of all learners.

Session 10.02: DSFI/SE - SESSION 5 (ARCHIVAL)
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

The Audit Quality and Economic Implications of KPMG's Persistent Organization-Level Quality Control System Deficiencies

Jian Cao
Florida Atlantic University - Boca

Yun Cheng
The University of West Georgia

Divesh Sharma
Kennesaw State University

Joseph Zhang
University of Memphis

ABSTRACT: KPMG's 2014 and 2015 PCAOB Part II inspection reports, made public by the PCAOB on January 25, 2019, revealed the firm's persistent failure to address organization-level quality control (QC) system deficiencies. According to the PCAOB, a strong firm-wide QC system is paramount to setting the tone and culture at the firm, as it cascades to the conduct of the audit at the engagementlevel. Predicated on this notion, we examine the audit and economic implications of KPMG's persistent organization-level QC system deficiencies. First, our evidence does not suggest that KPMG's engagement-level audit quality differs significantly from the quality of other Big 4 audit firms over the PCAOB's inspection period pertaining to identified organization-level QC deficiencies at KPMG. Second, despite our empirical results suggesting KPMG might have responded to the adverse Part II findings, the risk of client loss to another audit firm is greater, while continuing clients face subsequently higher audit costs likely due to KPMG investing in remedial action. These findings are robust to an array of additional analyses. Third, we find evidence linking unaddressed Part II QC deficiencies to client and investor dissatisfaction, which reflects they assess the issues raised by the PCAOB. Taken together, our results suggest significant economic and audit quality consequences of failure to rectify persistent organization-level QC deficiencies for large auditors.

Session 10.02: DSFI/SE - SESSION 5 (ARCHIVAL)
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

CEO Endowed Trait and Financial Reporting Conservatism: Evidence from Pilot CEOs

Xiaohua Fang
Florida Atlantic University

Le Luo
Central University of Finance and Economics

Jeffrey Pittman
Memorial University of Newfoundland

Hong Xie
University of Kentucky

ABSTRACT: Psychological and upper echelons theories suggest that CEO personality traits, such as sensation seeking, shape corporate policies. In gauging sensation seeking with whether the CEO holds a pilot license, we examine the importance of this CEO endowed trait to firms' financial reporting decision. We find that CEO sensation seeking is inversely associated with financial reporting conservatism (i.e., timely recognition of bad news relative to good news in earnings). This result holds in extensive sensitivity analyses, including controlling for alternative CEO overconfidence measures and a series of additional CEO characteristics and confronting potential endogeneity threats with several techniques. Finally, in a series of cross-sectional tests, we find no evidence that the negative relation we document varies systematically with external monitoring and CEO power, consistent with prior research implying that intrinsic motivation from CEO endowed traits dominates potential constraints from extrinsic forces.

Session 10.03: STATISTICAL METHODS
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

The Misuse of Regression-Based x-Scores as Dependent Variables

Dmitri Byzalov
Temple University

Sudipta Basu
Temple University

ABSTRACT: Researchers often use regression-based x-Scores (e.g., conservatism C-Score, misstatement F-Score) from a stage 1 model as a dependent variable in stage 2. We argue that this x-Score analysis can cause major biases and interpretation problems because (1) x-Score cannot capture new sources of variation, and (2) the estimates often hinge on unacknowledged technical assumptions. Instead, researchers should include the test variables and the relevant controls in stage 1, obviating the need for an x-Score. In replication analyses, major published findings change after we remove the bias caused by the (mis)use of x-Score as a dependent variable.

Session 10.03: STATISTICAL METHODS
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

Why Subsample-Based Proxies Should Not Be Used as Dependent Variables

Sudipta Basu
Temple University

Dmitri Byzalov
Temple University

ABSTRACT: Researchers often use subsample-based proxies for constructs such as earnings variability, stock return skewness, and accrual persistence. To study how these distributional properties of a Y variable vary with conditioning variables X, researchers typically regress the corresponding subsample-based proxy (e.g., skewness over a firm-specific rolling-window subsample) on X. However, we show that this standard approach can cause severe biases and produce false findings. We develop alternative methods that address these biases by directly modeling the relevant conditional distributional property of Y for each observation as a function of X. Simulations confirm that our methods perform well even in scenarios in which the standard method is severely biased. Our methods are transparent, robust, and can be implemented in a few lines of code. Use of our methods changes major prior findings.

Session 10.05: ENVIRONMENTAL, SOCIAL, & GOVERNANCE
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

Do Highly Compensated Key Executives Influence ESG Performance During the COVID Pandemic?

Sunita S. Rao
Washburn University

Norma Juma
Washburn University

ABSTRACT: Huge pay-packets have been a topic of considerable controversy, especially during and the period following the COVID pandemic. Such a situation gives rise to the questions of whether the companies that give out these large pay-packets have contributed to society and general welfare by enhancing their companies' environmental, social and governance (ESG) performance. This study concentrates on ESG performance of companies with the most highly compensated key executives and its influence on firm value during the evolution and progression of the COVID pandemic.

Session 10.05: ENVIRONMENTAL, SOCIAL, & GOVERNANCE
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

The Dual Effect of Transparency on Investment Efficiency: Evidence from Environmental and Social Disclosure

Hong Kim Duong
Old Dominion University

Ying Wu
Salisbury University

Eduardo Schiehll
HEC Montréal, University of Montréal

Hong Yao
Salisbury University

ABSTRACT: While higher transparency can enhance firms' investment efficiency by reducing information asymmetry, it also incites outside monitoring and limits the discretion of self-interested entrenched agents. In a theoretical model, we show that a higher level of transparency increases capital investment efficiency if the benefits of capital accessibility are sufficiently greater than the costs of outside monitoring so that entrenchment benefits increase proportionally by more than transparency. However, managerial entrenchment attenuates the positive impact of transparency on investment efficiency. We then empirically test the theoretical predictions using a sample of 1,607 unique U.S.-listed firms for the period from 2016 to 2021. Our results provide consistent evidence that a firm's transparency, specifically firm disclosure related to environmental and social (E&S) performance, is positively associated with investment efficiency. Further, the positive impact of transparency on investment efficiency is greater for firms with lower managerial entrenchment. Finally, we show that the positive association between E&S disclosure and investment efficiency is stronger for firms exposed to E&S externalities that are more likely to affect the firm's financial performance.

Session 10.03: ENVIRONMENTAL, SOCIAL, & GOVERNANCE
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

Investors' Judgments of Vertical Pay Disparity: The Role of Executives' ESG-Based Compensation and Investor Orientation

Ling Lin Harris
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Bret Sheeley
University of Nebraska–Lincoln

ABSTRACT: To incentivize their executives to focus on environmental, social, and governance (ESG) initiatives, many companies have started to incorporate these ESG initiatives, particularly initiatives related to diversity, equity, and inclusion (DEI initiatives), into their executives' compensation plans. While advancing DEI initiatives may be favorably embraced, there is little evidence about how investors respond to increases in vertical pay disparity resulting from executives' financial incentives to advance diversity. We draw on the theories of distributive fairness and corporate hypocrisy to predict that investors will respond negatively to a diversity initiative in CEO compensation if vertical pay disparity subsequently increases. Additionally, we predict that such effects will be moderated by investors' perspective of whether companies are primarily responsible to only their shareholders or all stakeholders (i.e., shareholder versus stakeholder orientation). To test our predictions, we conduct an experiment in which we manipulate the type of initiative that the company includes in its executives' compensation (DEI initiative, business initiative, or no initiative) and the resulting year-over-year change in the vertical pay disparity (increase or no change in vertical pay disparity). We find that investors respond negatively to increases in vertical pay disparity resulting from accomplishing DEI initiatives in CEO compensation. We also find that stakeholder-oriented (compared to shareholder-oriented) investors respond more negatively to increases in vertical pay disparity resulting from DEI initiatives than business initiatives in CEO compensation. This study extends prior research on vertical pay disparity by showing that the cause of pay disparity influences investors' reactions. Our results inform companies about the unintended consequences of including ESG initiatives in executive compensation plans.

Session 10.06: ROUNDTABLE SESSION III
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

Creating Unique Risk Assessment Data Sets

Janet Lynn Souza
Saint Joseph's University

Veronica Paz
Indiana University of Pennsylvania

ABSTRACT: We have students develop risk assessment techniques for a sample company. Students first use Excel and RPA software to create their own unique data set of 10 public comparison firms. They then extract the MD&A text for use in textual analysis software. Finally, students develop a set of risk topics using the textual analysis software. The skills are flexible enough to teach students to adapt the case activity to other questions, data sources, and software.

Session 10.06: ROUNDTABLE SESSION III
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

From Brick to Tech: Enhancing Time Value of Money

Ann Boyd Davis
Tennessee Tech University

ABSTRACT: Time value of money concepts connect across many financial disciplines. It is essential to understand that a sum of money is worth more now than that same sum of money will be in the future, given the earnings potential. These concepts are critical in professional careers and making personal investment decisions, paying off student loans, and purchasing a home. Students struggle with the concept of time value of money being so nebulous. With in-class activities, the nebulous concept became tangible by using Lego bricks to visualize the difference between simple interest and compound interest; even college students loved the excuse to play with Lego bricks. The Lego bricks physically showed that compound interest is more valuable than simple interest. After the students could visualize the difference between the types of interest on just a lump sum, the class moved to using present value and future value tables with the problems. These tables were used for both lump sum and annuity problems. The exercises provided real-world examples like deciding between two investments and determining the payment on a student loan. Finally, the lesson on time value of money concepts concluded using Excel with PV and NPV formulas. Here, the same exercises were completed using Excel. The students could see how to find the answer using two different methods. The feedback showed that the students understood what the formulas in Excel were trying to accomplish after seeing the bricks and the tables. While technology is a valuable tool, making the classroom creative and fun allows the students to become more comfortable and open to learning. Using the tables and Excel to teach time value of money concepts is not new; however, engaging students in a classroom using Lego bricks is innovative. College students are not expecting interactive formats like this in accounting classes. To come full circle at the end of the lesson, citations showed that researchers found discontinued Lego sets are a better investment over time than gold. Interestingly, Dobrynskaya and Kishilova (2022) demonstrate that discontinued Lego sets appreciated 11 percent annually from 1987 to 2015 outperforming large stocks, bonds, gold, and alternative investments.

Session 10.06: ROUNDTABLE SESSION III
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 2:00 PM - 3:00 PM

Using Excel to Teach Principles of Accounting Courses

Julianna Browning
California Baptist University

ABSTRACT: This poster session showcases the value of integrating Excel into Principles of Accounting courses. Many Principles of Accounting students are freshmen or sophomores in a variety of degree programs, but just accounting or business. While they are digital natives, students usually have limited exposure to and experience with using spreadsheet software, specifically Microsoft Excel. By introducing Excel in a Principles course, students begin learning Excel early in their academic career so they can build on that knowledge throughout college and start developing a valuable and necessary skill they can bring with them to the job market. Students can have authentic experiences using basic Excel formulas and functionality. They can practice simple but essential Excel modeling techniques for calculations and financial statements, as well as what-if scenarios. Applying Excel to these fundamental concepts makes their learning relevant and directly related to the concepts covered not only in the course but also in their career. This allows students to garner the benefits of Excel as a powerful tool in helping them solve problems.

Session 11.01: CONTINUING TO BRIDGE THE GAP: SUCCESSES AND FUTURE PLANS FROM A SYMPOSIUM TO HELP TWO-YEAR STUDENTS TRANSITION TO FOUR-YEAR ACCOUNTING PROGRAMS
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 3:30 PM - 4:30 PM

Continuing to Bridge the Gap: Successes and Future Plans from a Symposium to Help Two-Year Students Transition to Four-Year Accounting Programs

Susan M. McCarthy
Loyola University Chicago

ABSTRACT: The purpose of this panel is to discuss the impact of the recent Inaugural Two-Year Bridge Symposium (Symposium) hosted by the Center for Accounting Diversity (Center) and plans for the Spring 2023 Symposium. In Fall 2023, close to 100 two-year students attended the Symposium at five regional office locations of a national public accounting firm. The panelists will review the Fall 2022 Bridge Symposium and changes to the content and format to increase outreach for the Spring 2023 Symposium. Attendees will discuss the best ways to apprise two-year college students of the opportunities in the accounting profession and leave with ways to promote the Bridge Symposium to their students.

Session 11.02: TAX AVOIDANCE
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 3:30 PM - 4:30 PM

Antitakeover Provisions and Tax Avoidance

Zhiying Hu
University of Science and Technology Beijing

Liya Hou
St. Cloud State University

ABSTRACT: We examine the effect of antitakeover provisions on corporate tax avoidance. Based on a sample of Chinese A-share listed firms with hand-collected antitakeover provisions between 2009 and 2018, we find that the strength of antitakeover provisions is positively associated with tax avoidance while controlling for endogeneity, and the positive relation is primarily driven by firms with lower monitoring mechanisms (i.e., poorer board monitoring, more dispersed ownership, fewer institutional investors, less analyst coverage, lower media attention, lower product market competition, and weaker legal environment), firms with more earnings management and higher operating risk, and state-owned enterprises. Our findings are consistent with the managerial entrenchment hypothesis and suggest that the increase in agency problem that induces self-interested behaviors of managers shielded from takeover threats is likely the mechanism through which antitakeover provisions affect tax avoidance. Our study contributes to the sparse literature on the effect of antitakeover provisions on tax planning and provides valuable insight into the governance role of antitakeover provisions in shaping tax management decisions in the largest emerging market.

Session 11.02: TAX AVOIDANCE
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 3:30 PM - 4:30 PM

Corporate Tax Avoidance and Fraud Risk

Zhonghua Cao
Southeast Missouri State University

ABSTRACT: There is mixed evidence on whether corporate tax avoidance (CTA) is positively or negatively related to aggressive financial reporting. The Public Company Accounting Oversight Board (PCAOB) requires that auditors assess fraud risks that are related to aggressive financial reporting. In this study I extend the research of CTA by examining the relationship between CTA and fraud risk. I use accrual quality related variables, performance variables, and non-financial measures (NFMs) to measure fraud risk. Drawing on agency theory and fraud risk triangle theory, I find that CTA is positively related to fraud risk. In addition, my results that fraud risk variables are associated with accounting frauds suggest that fraud risk can be used to predict accounting frauds.

Session 11.02: TAX AVOIDANCE
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 3:30 PM - 4:30 PM

Does Local Government Debt Affect Tax Avoidance of State-Owned Enterprises

Zhiying Hu
University of Science and Technology Beijing

Liya Hou
St. Cloud State University

ABSTRACT: We examine the effect of local government debt on tax avoidance of state-owned enterprises (SOEs). Based on a sample of Chinese A-share listed SOEs with hand-collected local government debt related data from various yearbooks between 2008 and 2017, we find that local government debt is positively associated with tax avoidance of SOEs, and that the positive relation is more pronounced for regional SOEs, for SOEs with shares more than 40 percentage of local government ownership, and for SOEs whose local government has severer fiscal deficits and lower percentage of the sum of administrative charges, fines and confiscation income in non-tax revenue. We also find that SOEs with more tax avoidance have more cash dividend distribution and lower firm value. Our study provides insight into the dual role of the local government as SOEs' controlling shareholder and tax claimant and has important policy implications.

Session 11.03: STUDYING THE ACCOUNTING STUDENT
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 3:30 PM - 4:30 PM

Accounting Students' Modality Choice in the Post-COVID Era

Jing-Wen Yang
California State University, East Bay

Lan Wu
California State University, East Bay

Tina Lang
California State University, East Bay

ABSTRACT: The purpose of this study is to shed light on accounting students' preference on different teaching modalities in the aftermath of the COVID-19 pandemic. Using 192 responses collected from accounting students in spring and fall of 2022, we find that, while several students prefer 100% face-to-face instruction, students overall have a stronger preference for online components in accounting courses. The preference for online component is stronger for a technology-focused course relative to a financial reporting course. The student attributes which have the greatest influence on modality preferences are group learning preference and working hours. These findings indicate a one-modality-fits-all approach may not be the best choice when scheduling future accounting courses.

Session 11.03: STUDYING THE ACCOUNTING STUDENT
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 3:30 PM - 4:30 PM

Why Did Accounting Enrollment Decline in the Last Decade? An Analysis of the Impact of Business Cycles

Thomas Bowe Hansen
Virginia Commonwealth University

Junwoo Kim
Oakland University

Jay Junghun Lee
University of Massachusetts Boston

ABSTRACT: Accounting enrollments at U.S. colleges and universities decreased substantially from 2011 to 2020. We provide a new explanation for the decrease by investigating the impact of business cycles on accounting enrollment. We hypothesize that accounting enrollments are positively associated with unemployment rates (i.e., countercyclical) because students rationally incorporate the countercyclical nature of the accounting labor market in their choice of college major. Using university-level panel data from 1983 to 2020, we find that unemployment rates are positively associated with the number of students graduating with bachelor's and master's degrees in accounting as well as the shares of accounting graduates in the business school and the entire university. Our estimates suggest that the 6.0 percentage point decrease in unemployment rates from 2009 to 2018 explains the majority of the decrease in accounting enrollment over the last decade. We also find that the sensitivity of students' choices of accounting major to unemployment rates is higher for male relative to female students, and for white relative to ethnic minority students. Further, we find some evidence that the positive association between unemployment and accounting enrollment is stronger in private relative to public universities, and in urban relative to rural universities. Our evidence sheds light on not only the primary cause of the decline in accounting enrollment, but also how to address the decline and maintain a diverse student body throughout business cycles.

Session 11.04: FINANCIAL REPORTING QUALITY
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 3:30 PM - 4:30 PM

Accounting-Employee Flows and Financial Reporting Quality

Zhiru Lin
University at Buffalo, SUNY

Michael Dambra
University at Buffalo, SUNY

Joshua Khavis
University at Buffalo, SUNY

ABSTRACT: Although many firms are concerned about the difficulty in hiring, training, and retaining qualified staff, the human capital of rank-and-file employees is difficult to measure, and its link to a firm's financial reporting quality (FRQ) thus remains largely an open question. We use novel time-series data on employee flows to examine their predictability of FRQ. We find that accounting-employee flows during the first half of the year are positively associated with firms filing annual reports late, disclosing internal control weaknesses, and restating their financials. These results are concentrated in firms with greater reporting complexity and in firms with lower workforce morale. We also find that accounting-employee flows lead to higher audit fees. We employ firm fixed effects, entropy balanced matching, and placebo tests to rule out alternative explanations. Our study provides new evidence that employee instability within a financial reporting department can be a salient indicator of FRQ as it has strong predictive ability of the quality and cost of a firm's financial reporting output.

Session 11.04: FINANCIAL REPORTING QUALITY
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 3:30 PM - 4:30 PM

Do Private Tax Disclosures Affect the Quality of Public Financial Reporting?

Juan Wu
Minnesota State University Mankato

ABSTRACT: This study investigates whether increased private tax disclosures have implications for the quality of public financial reporting in the context of Schedule UTP. In terms of the predictive value of tax reserves, I find that firms reverted from being over-reserved to being adequately reserved post-Schedule UTP. In terms of the confirmatory value of tax reserves, I find that firms report more accurate tax reserves post-Schedule UTP, as evidenced by the higher explanatory power of the UTB prediction model (Rego and Wilson 2012) and reduced tax expense management post-Schedule UTP. Overall, this study provides evidence that increased private tax disclosures have positive externalities on firms' public financial reporting, and Schedule UTP may have to some extent achieved the goal intended by the FASB.

Session 11.04: FINANCIAL REPORTING QUALITY
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 3:30 PM - 4:30 PM

Earnings Quality and the Dividend Initiation Decision

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The University of Tennessee at Martin

Donna Paul
Washington State University

Huang Wei
University of Minnesota

ABSTRACT: We examine industry and earnings quality effects on the likelihood and level of dividend initiations. Results suggest that firms incorporate industry expectations for dividend levels and growth into the initiation decision. They are in general less likely to initiate a dividend if dividend levels in the industry are high or growing. Firms that do initiate seek to match industry peers in initiation levels. We also find that announcement returns to dividend initiating firms are lower when more industry peers are dividend payers and when industry dividend growth is high. Together, these results provide support for an industry equilibrium dividend policy. Firms with higher earnings quality (lower discretionary accruals) are more likely to initiate dividends. However, the dividend initiation of peers in the industry mitigates the low likelihood of dividend initiation in these firms. As we divide the sample into three categories: high competitive, median competitive, and low competitive models, the effect of discretionary accruals is only robust for the high competitive models.

Session 11.06: TEACHING LEAN MANAGEMENT PRINCIPLES USING NASCAR RACE DATA
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 3:30 PM - 4:30 PM

Teaching Lean Management Principles Using NASCAR Race Data

Wendy Tietz
Kent State University

Jennifer M. Cainas
University of South Florida

Margaret B. Shackell
Ithaca College

ABSTRACT: This teaching case introduces students to lean management principles using NASCAR race data. Students will play the role of a new hire within the finance department of a NASCAR team and are tasked with looking for waste and unevenness in recent race results. Students will be required to clean and analyze the data, prepare visualizations, and look for insights in the data to make recommendations to management. Students will use data cleaning, analytics, and visualization software to analyze the case. The goals of this case are to: introduce students to the lean mindset, enhance students' critical thinking and data analytics skills, and improve students' data visualization and presentations skills.

Session 12.02: CRITICAL AUDIT MATTERS / AUDIT DISCLOSURES
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 5:00 PM - 6:00 PM

Disappearing Audit Disclosure: Changes in the Reporting of Critical Audit Matters

Kristyn Calabrese
University of San Diego

Mary Parlee Durkin
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Katsiaryna Suslava
Bucknell University

ABSTRACT: Beginning in 2019, the Public Company Accounting Oversight Board (PCAOB) required auditors of large accelerated filers (LAFs) to report critical audit matters (CAMs) and the audit procedures used to address them. We examine the first two years of CAM disclosures by LAFs to determine how the extensiveness of these new disclosures has changed, as well as the determinants and consequences of these changes. We find that auditors disclose fewer CAMs and audit procedures in the second year of reporting, while, on average, the length of CAM sections remains unchanged. We find that decreasing CAM disclosures are associated with changes in firm complexity, operating performance, and prior investor uncertainty. We also show that less extensive CAM disclosures are associated with lower audit fees and shorter audit report lags.

Session 12.02: CRITICAL AUDIT MATTERS / AUDIT DISCLOSURES
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 5:00 PM - 6:00 PM

The Effects of Attribution and Readability of Critical Audit Matter on Nonprofessional Investors' Perceptions of Audit Quality and Valuation Judgments

Fangjun Xiao
San Jose State University

Li Huang
Eastern Washington University

ABSTRACT: We examine how attribution of the critical audit matter (CAM) and the readability of the auditor response to the matter affect investors' perceptions of audit quality and their valuation judgments. Using a controlled experiment with nonprofessional investor participants, we find that when auditor response is more readable, attributing CAM to the management of the audit client leads to higher perceived audit quality but lower valuation judgments of the client's stock than attributing CAM to the nature of the account. However, when auditor response is less readable, CAM attribution has no effect on investors' perceptions of audit quality or their valuation judgments. Our study adds to the recent accounting literature on critical audit matter and extends the literature on management attribution and financial disclosure readability. Our findings also have practical implications for regulators, auditors, and investors.

Session 12.02: CRITICAL AUDIT MATTERS / AUDIT DISCLOSURES
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 5:00 PM - 6:00 PM

The Power of the Pen and Disclosure of Internal Control Material Weakness

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University of Manitoba

ABSTRACT: This study examines the effects of media sentiment in the (0, +3) window relative to the restatement announcement on restating firms' disclosure of ICMW (internal control material weakness). We find that negative media sentiment leads to a greater probability to disclose ICMW under SOX 404. The discipling is effective when the restatement is covered by more reputable media outlets. The effect of negative media sentiment on ICMW is driven by complex firms and more pronounced for firms with higher accounting expertise in the board and audit committee. We also find that restating firms are more likely to have fast remediation after disclosure of ICMW. When we control firms' information bundling including "positive bundling" of good news and "noise bundling" of additional bad news, we find that the negative sentiment of more reputable media outlets can still increase restating firms' probability to disclose ICMW. In addition, the discipling effect is effective on important types of ICMW including inventory-related and revenue-related ICMW. Collectively, our findings suggest that media sentiment helps to pressurize and motivate restating firms to disclose ICMW and remediate quickly.

Session 12.03: CORPORATE DISCLOSURE INFLUENCES
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 5:00 PM - 6:00 PM

Are Current Disclosures Current? Evidence from Form 8-K Impairment Filings

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Manhattan College

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ABSTRACT: Form 8-K rules require firms to disclose material asset impairments (Item 2.06) soon after an impairment conclusion is reached. However, a limited safe harbor from the filing requirement is permitted if the impairment arises in connection with financial statements for the next periodic report, i.e., a Form 10-K/Q. This study investigates how often firms disclose asset impairments through Form 8-Ks relative to periodic reports. We find that only 8% of firms that ultimately disclose impairments through periodic reports also disclose the impairment currently on a Form 8-K during the applicable quarter. An investigation of this reporting practice suggests that the likelihood of disclosing Form 8-K impairments is affected by firms' quarterly performance, opportunistic reporting incentives related to stock options and capital raising activities, as well as by their reporting environment, i.e., their analyst following and auditor type. Our findings highlight the rarity in which firms provide current impairment reports and offer novel evidence suggesting that management incentives affect the timing of Form 8-K impairment disclosures.

Session 12.03: CORPORATE DISCLOSURE INFLUENCES
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 5:00 PM - 6:00 PM

Are Firm Performance and the Quality of Corporate Governance Leading Indicators of Proactive COVID-19 Risk Disclosure

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Chima Mbagwu
Wilfrid Laurier University

ABSTRACT: This study examines whether firm financial performance and the strength of corporate governance are leading indicators of a firm's decision to proactively disclose coronavirus risk. In addition, we examine whether firms that proactively disclose this risk are more likely to provide updates to their initial risk disclosures than those that do not. We are motivated by the need to understand factors that drive the disclosure of unexpected and unusual risks caused by events over which managers have little control. We find a negative association between firm performance, measured as Return on Assets (ROA) and Return on Equity (ROE), and the proactive disclosure of COVID-19 risk. In addition, we find a negative association between the strength of corporate governance and proactive COVID-19 risk disclosure. These results suggest that firms with weaker performance, measured through ROA and ROE, and firms with weaker corporate governance, measured using a composite index of governance quality, are more likely to proactively disclose coronavirus risk. Finally, we find that firms that proactively disclose coronavirus risk in their Item 1A are more likely to update those disclosures and disclose even more coronavirus related risk compared to those that do not. These findings are robust to alternative measure for the disclosure of coronavirus risk as well as to alternative performance measures. This study provides insight into the characteristics of firms that are more forthcoming in their disclosures. The findings are also informative for regulators in terms of the need for further enforcement mechanisms as risk factor disclosures may not be sufficiently timely to inform users of the annual report.

Session 12.03: CORPORATE DISCLOSURE INFLUENCES
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 5:00 PM - 6:00 PM

Corporate Disclosure on Social Media and Stock Price Synchronicity

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ABSTRACT: This paper examines how voluntary corporate disclosure on social media platforms affects stock price synchronicity. We apply the textual analysis method to examine Chinese listed firms' disclosure on WeChat, the most popular social media site in China. The study finds that the firm's establishment of an official WeChat account is associated with decreased stock price synchronicity and a more positive disclosure tone results in an even lower stock price synchronicity. We also document that the impact of the disclosure tone on stock price synchronicity is less salient among firms with more analysts following, but more significant in non-state-owned enterprises and firms with lower earnings quality. Our additional analyses also reveal that the influence of disclosure tone on stock price synchronicity varies with disclosure contents. Overall, the paper verifies that corporations' voluntary disclosure on social media reduces information asymmetry and improves market efficiency, and the effect varies with the firm's information quality and environment.

Session 13.05: USING NANO LEARNING PROGRAMS TO CLOSE THE GAP
DATE: SATURDAY, JUNE 3, 2023
TIME ET: 5:00 PM - 6:00 PM

Using Nano Learning Programs to Close the Gap

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ABSTRACT: One of the top trends and buzzwords in education is “nano learning”. Also called “micro sessions” or “micro lessons”, these programs are touted in secondary education as a way to close learning gaps and offer mid-course remediation. But do they have a place in higher education and as CPE programs? NASBA defines a Nano Learning program as “a tutorial program designed to permit a participant to learn a given subject in a ten-minute time frame” and “without interaction with a real time instructor” that are (1) delivered electronically and (2) focus on a single learning objective. In this workshop session (or ELS poster) attendees will learn: 1. the benefits of “chunking” on attention, retention, and productivity 2. when a Nano Course might be useful 3. several sources for Nano Learning programs for accounting topics 4. how to deploy these courses as prior knowledge activities or remediation devices 5. from honest student feedback from Nano Learning programs from Sophomores, MAcc Students, and MBA Students The session will conclude with questions and anecdotal answers about the experiences the leader and participants have had with deploying these programs with their students. What seems to work and how well.