

President's Message

What follows is based on my remarks at the 2004 Annual Meeting in Orlando.

Today, in light of events over the last few years, I want to give you some of my thoughts on the profession from both the practice and academic points of view. I will also share some of my thoughts on the AAA and what the future may hold.

The Practice Profession

In my comments on practice, I want to focus on the audit function and in my mind, a proactive and viable audit function requires the integration of services from external auditors, internal auditors, and the audit committee. Of all the important characteristics for the players in a proactive and viable audit function, the one receiving the most attention lately is independence. This is most evident with the implementation of the Sarbanes-Oxley regulation, which calls for greater independence for both internal and external auditors.

The general consensus is that internal auditors gain greater independence by being placed at a higher level in their organization. Achieving greater independence from management would require that the internal audit function report to the audit committee of the board of directors with the audit committee having responsibility for the hiring, evaluation, and firing of the internal auditors. There is not a lot of controversy surrounding the idea of placing the internal audit function at a higher level in the organization. This movement brings a higher level of respect to that arm of the profession and allows them to function effectively as a component of the corporate governance system.

When one looks to the external audit profession, the general consensus is that external auditors also need to achieve greater independence from management. It is believed that this can be accomplished in two ways: first by prohibiting external auditors from performing a multitude of consulting services for their audit clients, and second by requiring them to report to the audit committee with the audit committee having the responsibility of hiring, evaluating, and firing the external auditor. As with the internal audit profession, there is not a lot of controversy around the idea of having the external auditor report to the audit committee. This makes a great deal of sense and does allow the external auditor to achieve some degree of separation from management.

However, I want to challenge the idea that the external auditor should not be allowed to perform consulting services for their audit client and to set the stage, I want to look back at a bit of history. I gathered the necessary information with the help of two articles by Steve Zeff in the September and December 2003 issues of *Accounting Horizons*. Steve does an outstanding job of analyzing events that led to the point the profession is at today. If you haven't read the articles I encourage you to do so. Both are rigorous and well-reasoned analyses of watershed events in the profession.

In the 1970s and 1980s there were many scandals including cases such as Equity Funding where the quality of audits was called into question. The external audit profession was reeling because the Equity Funding scandal came on the heels of the Stirling Homex bankruptcy and the now infamous Penn Central and the National Student Marketing scandals. All of these events provided evidence

that something was wrong. Either the auditors were not doing their job or the public was expecting too much. With all of these very public failures, the regulators were beginning to show signs of concern and they focused on the amount of consulting the auditing firms were doing for their audit clients. They were inclined to believe that this was at the root of the scandals, that auditors simply could not be objective in making audit judgments when consulting dollars were at stake.

What was causing the problems? Perhaps the auditors were not well trained and did not understand the business? Perhaps auditor incentive systems were ill conceived? Perhaps auditors did not make independent, objective judgments when they did their audit work? Perhaps these companies did not have a well-functioning internal audit group? Or, perhaps these companies failed because of poor management that had nothing to do with the audit? Obviously, the problems arose from a confluence of many factors. However, the most significant factor, in my opinion, was when, beginning in the early '70s and continuing into the '80s, the profession, through the AICPA, was besieged by Federal Trade Commission and Justice Department charges that portions of the ethics code were in violation of rules against restraint of trade.

This pressure ultimately led the Institute to remove the ban on competitive bidding, to remove the prohibition of advertising, and to remove the ban on contingent fees and commissions for nonattest clients. What had been a "gentleman's profession" turned into a pure commercial pursuit with a focus on profits and growth. Because the profession was focused on revenue growth, a move to narrow the expectations gap by doing what the public expected would be far too costly. So the profession spent much of its time trying to turn the public around into thinking that it really should not expect too much from auditors. They wanted to make sure that the public realized that auditors were really not meant to find fraud, were really not meant to predict bankruptcy, nor were they meant to insist that clients use more conservative accounting.

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Jane F. Mutchler

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Now, this was a time when many corporate mergers and acquisitions were taking place. As a result of that activity, the overall number of audit clients declined. This fact and the changes in the profession's ethics code increased competition among the firms to a fierce pace and consulting began to serve as a way for the firm to grow and increase revenues. Increasing competition in the auditing profession led to the lowballing of audit fees. At the same time the auditing firm expected to offer nonauditing services to their audit clients. Offering nonauditing services to your audit clients made a great deal of sense on the face of it. You conduct the audit, find problems, and offer to fix them. So a firm gets the new client by bidding low for the audit and then gets much more lucrative consulting jobs from the same client and continues to grow, faster and bigger than the competition.

By 1978 the SEC urged caution and issued an Accounting Series Release that mandated the disclosure of the percentage relationship of audit fees to aggregate nonaudit fees and the fee for each specific nonaudit service. The release was meant to simply sensitize the profession to the possible effects on independence. Following that in 1979, the SEC issued another accounting series release noting that the increasing array of nonaudit services offered by the firms caused great concern about auditor independence. Again, just to sensitize the profession.

The AICPA itself demonstrated some concern at that time when its Public Oversight Board released a major study in 1979 expressing its opinion that the increase of consulting services to audit clients foreshadowed danger to the public interest and to the profession.

However, by the early '80s, in a climate of deregulation, both of these accounting series releases were rescinded. The SEC Chief Accountant at that time took the position that any problems with the conflict between auditing and consulting services were mainly one of perception by those "who do not understand the audit process."

Now, I actually think he was correct in his thinking, but he simply did not go far enough in his analysis. I do not believe that consulting services per se offered to audit clients led to the problems we see today. I do believe that the problem lies not in the conflict between auditing and consulting services, but at its core in the way auditing and consulting practices were managed. I believe that if the firms would have hired only those who had already been trained in accounting and auditing, that is, only those who understand the importance of being a professional, then there would not be the problems we see today. I believe that if the firms had based audit partner compensation on audit quality, there would not be the problems we see today. I believe that if the overall accounting firm culture was one focused on the public service of assuring viable and well-functioning capital markets, we would not have the problems we see today. I do not believe that prohibiting all consulting services will solve all of the problems, and in fact, this type of prohibition will surely cause problems of its own in the future.

I spoke earlier about the internal audit function and I want to talk further here about the outsourcing of internal audit services to the external auditor. In my mind, there are natural synergies between these two audit functions and I think this is one place where we missed the boat in the rush to prohibit consulting services for audit clients.

During the Senate hearings and the push for regulation after the Enron debacle and the most unfortunate downfall of Andersen, much ado was made about the fact that accounting firms were providing internal audit services to their external audit clients.

But picture this scenario. A company has an internal audit unit managed by a Chief Audit Executive reporting to the audit committee. The audit committee hires and evaluates the Chief Audit Executive, sets her compensation, conducts performance evaluations, and determines any raises. The internal audit unit conducts operational, systems, fraud, and compliance audits, and any other audit services that provide assurance that the company is operating in accordance with its strategic plan, with appropriate controls in place to assure that it will achieve its objectives and comply with all relevant laws and regulations.

This public company also has an external audit firm. To assure a high-quality financial statement audit, this external audit firm does not simply focus on the financial statements. They must "understand the business" and go far beyond simply examining the recording of the transactions that led to the financial statement numbers. Are the systems operating as they should? What is the "tone at the top"? Is there any evidence of fraud? Company management notices the redundancies in the two audit functions, conducts some analyses, and determines that there could be large cost savings without sacrificing quality if they could outsource their internal audit function to their external

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audit firm. So company management meets with the audit committee, provides the data, and proposes outsourcing the internal audit unit to their external audit firm. The audit committee, being a group of enlightened experts, agrees with the plan, especially the idea of a seamless, rigorous audit that examines every aspect of the company's operations and assures that external reporting is of high quality ... all at lower costs to the company ... and all in the interests of the public.

Unrealistic? Granted, first of all, there is only a small, but actually now, rapidly growing number of companies with the type of internal audit unit described above, and second, current regulations under the Sarbanes-Oxley Act would not allow a firm to provide internal audit services to its audit client.

However, the point here is, given the broad-based expertise required of both internal and external auditors, the above scenario could become reality if external auditors were allowed to also provide internal audit services to their audit clients. In my opinion, this would clearly serve the public interest. As it is, firms are now restricted to providing such internal audit services to their nonaudit clients at a loss to their audit clients and to the general public.

In summary, although I do believe the conflict between auditing and consulting services is a multidimensional and complex problem, I believe that consulting is a natural outgrowth of the audit process and I think the core problem that led us to where we are today was poor management of the accounting firm. As part of the audit process the auditor evaluates the "tone at the top" of a company. Well, in this case they forgot to evaluate the "tone at the top" of their own organizations.

The Academic Profession

As I was thinking about the state of practice as related to events since the Enron collapse, that naturally led me into thinking about the role of the academic profession in all of these events.

Although many of us shook our heads and said shame, shame when the Enron tragedy hit the business world and demonstrated further outrage when that was followed by WorldCom, Adelphia, etc., etc., etc., how many of us have asked what could we have done to prevent this? What was our part in the scandals? How many of us proudly wore an Arthur Andersen professorship label? How many of us eagerly went to St. Charles and gladly accepted all they had to offer? More important, how many of us sat back and took an objective look at what was happening at Andersen *before* the fact and published articles calling for reform? How many of us included ethical behavior topics (no, not a retelling of the ethics code) in our courses *before* the fact? How many of us made sure that our students knew what it means to be a professional with a responsibility to the public? How many of us actively promoted risk management, control, and ethical accounting behavior in our M.B.A. programs?

How many of us are now sitting down with the firms that recruit our students and having good, critical discussions about the state of practice? How many of us are spending our time writing articles that critically analyze the state of the profession and accounting and auditing practices for a journal like *Accounting Horizons*? How many of us are conducting rigorous research that is focused first on crucial practice issues and then only secondarily on getting a publication in a top journal such as *The Accounting Review* or one of the section journals? How many of us are evaluating and revamping our courses to deal with the realities of the world today?

I raise these questions because I worry that we are all too quick to blame all of the problems on the practitioners. But we must remember that we were the ones responsible for the education of

Call for Nominees for AAA Offices

The 2004–2005 Committee on Nominations is seeking candidates for the following offices to serve during 2005–2006:

President-Elect
Vice President
Vice President–Professional Relations
Vice President–International
Vice President-Elect–Finance
Council Members-at-Large (2)
International Council Member-at-Large

The 2004–2005 Committee on Nominations will be chaired by Joel Demski, University of Florida. Other members of the committee are Pete Wilson, Boston College; Bill Felix, The University of Arizona; Ida Robinson-Backmon, University of Baltimore; Jake Birnberg, University of Pittsburgh; Alan Reinstein, Wayne State University; and Kevin Stocks, Brigham Young University

Members of the Association who would like to suggest names for consideration as nominees should submit their nominations before December 1, 2004 to:

Joel S. Demski
Fisher School of Accounting
University of Florida
PO Box 117166
Gainesville, FL 32611-7166
Email: Joel.demski@cba.ufl.edu ■

the practitioners. And unless we analyze the issues and the questions I raised, I fear that we won't make any changes ourselves. So it is important that we examine our approaches to the classes we are teaching and ask ourselves if we are doing all we can to assure that our students are being made aware of the pressures they will face in practice and if we are helping them develop the skills they need to appropriately deal with those pressures. In my mind these issues need to be dealt with in every class we teach. It will do no good to simply mandate new stand-alone ethics courses where issues are examined in isolation.

Also, because we are Ph.D.s, trained in research methods to independently and objectively examine any given issue, we can serve as a critical force in influencing the direction of accounting and auditing practices. So I call for all of us to think a bit more about our role in the practice world and how we can work together with practice to enhance the accounting profession in general.

But if we are to work hand in hand with practice, we must have data so we can provide answers through our research and I challenge the practice world to take advantage of our research talents and provide us with data so we can provide critical input. I wonder what would have happened if information on audit partner compensation schemes had been available to us ten years ago. I like to think that our research would have pointed to problems and perhaps we could have made a difference.

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The AAA

When I was asked to take on the role of President-Elect of the American Accounting Association, I thought about it over a weekend and wondered if I really wanted to do this ... it clearly would take up a great deal of my time and I would have to forgo some other ventures and leisure time. But then I thought about the association and its role in accounting education and practice, I thought about my involvement in the association over my career, and I thought about how that involvement had enriched both my professional and personal life. So I made an affirmative decision to take on the challenge and began thinking about what I could do to give back some of the riches that I had found and how I could make a difference and lead the organization to the next level of its growth.

My first involvement with the AAA was when I went to my first Annual Meeting. I went as an eager Ph.D. student and spent most of my time interviewing for a position. It was a heady time ... I felt the world was my oyster and I could do anything and go anywhere. As I took on a faculty position, the AAA served as a vehicle through which I could build my career. It offered peer-reviewed journal opportunities so I could build my publication record for tenure and so I could serve as a referee and in associate editor positions to build both my intellectual capital and my reputation as a researcher.

The AAA also offered an outlet for my desire to make a difference ... I truly believed that my research and subsequent publications would make a difference in the practice world and I believed my referee activities helped other scholars achieve their career goals. In addition, the AAA offered meetings as a networking venue through which I could learn about other research and education best practices and grow as an accounting scholar. These meetings also afforded me the opportunity to meet those in other areas of accounting so I could continuously assess how auditing, my area of expertise, fit into the overall scheme of the accounting academic world.

I do believe the very best value offered to the AAA membership is through the journals and meetings offered by the association, and I want to discuss our meetings in a bit more detail. When I went to the first Auditing Section midyear meeting, I was absolutely blown away by the value of the meeting. Everyone was focused on auditing education, research, and practice and we all spoke the same language. We could share best practices and even the practitioners were there to interact with us.

I continue to believe that all of the section midyear meetings are very valuable for members and believe they will continue to add value for many years to come. However, and this is a very big however, if we don't take the opportunity during the Annual Meetings to break out of our section or functional mentality to think in an integrative manner about accounting as a whole and how our individual teaching and/or research expertise fits into the overall big picture, I believe we will lose relevance and we lose an opportunity to improve accounting education and practice. My goal is to ensure that the Annual Meeting becomes more and more of an integrative force and less and less of a silo or functional-oriented meeting.

Please don't misunderstand my comments on silos and functional areas. First, as I noted earlier, I sincerely believe the sections and the midyear meetings held by some are critical to the success of the AAA and are highly valuable ... and I am certainly not suggesting that we do away with any section midyear meetings nor that we do away with all section-oriented activities at the Annual Meeting. I simply want the Annual Meeting to become an integrative force not only across various areas of accounting, but also across the academic and practitioner worlds. I have asked Joe Carcello to be the program chair for the 2005 Annual Meeting in San Francisco, and he and his committee are working to provide opportunities for some sessions to be more integrative and are working on other ways to enhance the overall value of the Annual Meeting. Stay tuned for further details.

There are other things you should be aware of that are happening in the association. There is a joint APLG and AAA task force that is examining the shortage of Ph.D. students in accounting. They have developed a questionnaire that you will soon receive. Please complete the survey so we can develop action items related to this very significant issue that we are all facing.

Judy Rayburn, the President-Elect, and I are developing a long-range planning task force to work with the Executive Committee

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New...

Be sure to read all about the New Scholars Sessions that will be featured at the 2005 AAA Annual Meeting in San Francisco, California, August 7–10, 2005. Details are on page 5.

Invitation to Volunteer for Committees

President-elect Judy D. Rayburn is beginning to plan AAA committee assignments for 2005–2006. If you are interested in serving on a committee, please send contact information (name, affiliation, address, phone, fax, and email) with any specific committees of interest to:

Judy D. Rayburn
3 263 Carlson School of Management
University of Minnesota
321 19th Avenue South
Minneapolis, MN 55455-0413
Phone: (612) 624-3840
Fax: (612) 626-1335
Email: jrayburn@csom.umn.edu

If you want to suggest someone to serve on a committee, or want to suggest some type of committee activity, please feel free to do so as well. All suggestions and offers are most welcome. ■

2005 Annual Meeting

Sunday through Wednesday, August 7–10, 2005 • San Francisco, California

CALL FOR SUBMISSIONS

The Program Advisory Committee invites academic and practitioner members of the American Accounting Association to submit papers, proposals for special concurrent sessions, and to volunteer to serve as moderators or discussants for the 2005 Annual Meeting. The 2005 AAA Annual Meeting will have an explicit theme, "The Sarbanes-Oxley Act: A Three-Year Retrospective." We are particularly interested in papers that are consistent with this theme (although papers in all areas of accounting research and education will be considered). In addition, we are also interested in submissions by new scholars (individuals earning their Ph.D. in 2002 or later) and by doctoral students as we are introducing "new scholar concurrent sessions" in 2005. In order to ensure appropriate consideration of your submission, please comply with the following instructions.

Submission Deadline

Submissions of papers and concurrent session proposals are being accepted online and must be received by January 10, 2005 to be considered for inclusion in the program. To encourage earlier submissions, there will be no fee required for those papers and concurrent session proposals received before 12:00 midnight (Eastern Standard Time) on December 13, 2004. Email notification of accepted submissions will be issued no later than March 28. All submissions must be submitted electronically and can be completed online.

New Sessions in 2005 — New Scholar Concurrent Sessions

In an effort to enhance the research skills of new accounting faculty and Ph.D. students, the Program Advisory Committee will introduce "New Scholar Concurrent Sessions" at the 2005 Annual Meeting. This initiative is patterned after the highly successful "New Scholars Research Workshop" (<http://www.jisnsw.info>) that the Information Systems section introduced at their midyear meeting this year. Faculty earning their Ph.D. in 2002 or after and current Ph.D. students are eligible to submit papers for consideration. Papers submitted for consideration for the New Scholar Concurrent Sessions will be peer reviewed.

Senior researchers in each area (auditing, financial accounting, managerial accounting, etc.) will critique papers accepted for the new scholar concurrent sessions. In addition, individuals whose paper is accepted for the New Scholar Concurrent Sessions will receive one paper to review and critique (another accepted paper).

These concurrent sessions will be held in 90-minute time blocks. Tables (probably 5–10) will be placed in a large room, and two new scholars and two senior faculty will be paired at each table. Each paper will be discussed for 45 minutes. Each senior faculty member will provide 10–15 minutes of constructive feedback on the paper, and each new scholar will provide 15 minutes of feedback on the other new scholar's paper. The senior faculty will also be asked to provide written feedback for the new scholars. Many of the senior faculty providing feedback will be members of the editorial boards at AAA journals.

The goal of the New Scholar Concurrent Sessions is to help the authors improve an existing working paper for future journal submission. Therefore, submitted papers must not currently be under review at a journal.

The text of submitted papers must be less than 30 pages in length (not including references, endnotes, tables, figures, and appendices). Co-authored papers are acceptable, even if one of the co-authors is not a new scholar, but the author participating in the New Scholar Concurrent Sessions in San Francisco must be the new scholar. Papers selected for presentation at the New Scholars Concurrent Sessions will be listed in the official program of the 2005 Annual Meeting.

Online Availability of Papers

Authors will have the option of allowing their papers to be available online approximately 30 days prior to the meeting through 30 days after the meeting. The AAA has determined that online availability of papers for this period of time will not preclude subsequent publication in AAA journals. The Program Advisory Committee encourages authors to post their papers online, as such posting enables interested parties to read papers before the meeting, facilitating robust and active discussion at the concurrent sessions.

Submission Fee

A submission fee of \$50 (U.S.) must accompany each paper or special concurrent session proposal submitted after December 13, 2004. Submission fees may be paid electronically by credit card (Visa and MasterCard only) at the time of submission.

Guidelines for Online Submission of Papers

Do NOT email your submission directly to the Liaison! Your submission MUST be uploaded using the submission page at <http://aaahq.org/AM2005/submit.htm>.

Content

The body of your submission should include ONLY the title and content of the paper in PDF format. The body of your submission MUST NOT include any identifying author information.

Ancillary files, such as tables, Excel® worksheets, PowerPoint® slides, etc., should be converted to PDF and appended to the main submission PDF file, prior to submission. Only ONE FILE may be uploaded at the time of submission. Free software is available to convert documents from any application to PDF format and to consolidate multiple PDF files. Download The Pdf995 Suite at: <http://www.pdf995.com/>. For additional help on downloading pdf995 and converting to PDFs, go to <http://aaahq.org/AM2005/PDFinstructions.pdf>.

DO NOT:

- include a cover page with your submission. Information typically provided on a cover page will be entered on the online submission form.
- enter paper/panel titles, author/panelist names, and affiliations in all upper-case letters when filling out the submission form. They must be in upper and lower case with major words capitalized. In addition, affiliations should not be abbreviated.

DO INCLUDE:

- A 150-word (maximum) ABSTRACT on the online submission form only. DO NOT include the abstract with the body of your submission.
- Content of your submission in PDF format. The body of your submission MUST NOT include any identifying author information.
- Any ancillary files, such as tables, Excel® worksheets, PowerPoint® slides, etc., should be converted to PDF format and appended to the main submission PDF file prior to submission. Only ONE FILE may be uploaded at the time of submission. For assistance with multiple file submissions, please contact the appropriate Section Liaison (see below) for your submission category.
- Indication to which of the AAA Sections your submission should be directed. Choose the Section that most closely matches the topic area of your submission. In addition to AAA Sections, an "Integrative, History, and Other" submission category has been included.
- By establishing the "Integrative, History, and Other" category, we hope to encourage submissions that may not fit well within a section category or that will integrate across traditional domains. Please submit to the "Integrative, History, and Other" category if your submission deals with history research, clearly integrates across traditional Section topics, or otherwise clearly

does not pertain to a Section. Submissions to this category that are deemed to be within the purview of a Section category will be redirected to that Section for review. Papers and proposals must be designated for one, and only one, of the submission categories on the following list:

Submission Category

Section/Category Liaison

Accounting, Behavior and Organizations

Jennifer R. Joe – accjrj@langate.gsu.edu

Accounting Programs Leadership Group

Jack Ruhl – jack.ruhl@wmich.edu

American Taxation Association

Kim Key – kkey@business.auburn.edu

Artificial Intelligence/Emerging Technologies

Dan O'Leary – oleary@marshall.usc.edu

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Bryan Church – bryan.church@mgt.gatech.edu

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Vaughan Radcliffe – vradcliffe@ivey.uwo.ca

Financial Accounting and Reporting

Beverly Walther – bwalther@northwestern.edu

Gender Issues in Accounting

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Government and Nonprofit

Laurence Johnson – larryej@lamar.colostate.edu

Information Systems

Elaine Mauldin – mauldin@missouri.edu

Integrative, History, and Other

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International Accounting

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Management Accounting

Sean Pepper – speffer@uky.edu

Public Interest

Aida Sy – aida_sy@baruch.cuny.edu

Teaching and Curriculum

Alan Reinstein – a.reinstein@wayne.edu

Two-Year College

Carol Yacht – carol@carolyacht.com

Submission Limitations

- Papers should not be submitted that have been published, accepted for publication, or that will have been presented at more than one AAA Section or Regional Meeting.
- Submission of a paper implies a commitment by at least one author to register for and attend the meeting to present the paper at the appointed time.
- Presenters must provide an adequate supply of handouts or papers for distribution to session attendees.

Multiple Submissions

- The complete submission process must be repeated each time you submit a paper, panel, or volunteer to be a reviewer/moderator/discussant. Since each submission will receive a unique Submission ID, you are encouraged to use the same email address and password for each submission.
- By AAA policy, an individual is limited to one personal appearance on the program as a presenting author. This policy allows multiple submissions but precludes acceptance for more than one presentation. A presenter may be a non-presenting co-author on additional papers. If a presenting author has papers accepted in more than one Section, the confirmation process will ask the author to choose which paper he/she will present.

Submission Questions

Contact the appropriate Section Liaison from the list on the preceding page. ■

REQUEST FOR PROPOSALS Continuing Professional Education (CPE) Workshops – 2005 AAA Annual Meeting

The American Accounting Association invites proposals from individual members of the Association, Sections, and others who wish to conduct a continuing professional education workshop in conjunction with the 2005 AAA Annual Meeting in San Francisco, California. Half- and full-day workshops will be held on Saturday, August 6, and Sunday, August 7, 2005.

The CPE program provides professional development opportunities that give participants the opportunity to gain in-depth perspectives on very current issues. We encourage the submission of proposals that take advantage of the context of the CPE program and highlight critical issues for

practice or for accounting and business education. (Please be aware that the AAA considers it inappropriate for presenters of CPE workshops to implicitly or explicitly market products.)

Proposals to conduct a workshop must be submitted using the proposal form that can be obtained on the AAA web page: http://aaahq.org/am2005/CPE_form05.doc or by contacting Linda Watterworth, Education Project Manager, Email: linda@aaahq.org; Phone: (941) 556-4118; Fax: (941) 923-4093; Mail: American Accounting Association, 5717 Bessie Drive, Sarasota, FL 34233-2399. **The deadline for proposal submission is January 10, 2005.** If you have any questions, please feel free to contact Linda Watterworth using the contact information above. ■

REQUEST FOR PROPOSALS Effective Learning Strategies Forum Poster Session – 2005 AAA Annual Meeting

Submissions are invited for the Effective Learning Strategies Forum Poster Session to be held during the 2005 AAA Annual Meeting in San Francisco, California. The Effective Learning Strategies Forum Poster Session will showcase ideas, research, strategies, and innovations that support effective learning in accounting programs. During the poster session, authors will make themselves available for a specified 90-minute period to discuss their work with circulating meeting participants. The event provides an opportunity for authors and interested parties to engage in one-on-one exchange in an informal, unstructured session format.

Proposals for the poster session must be submitted using the proposal form that can be obtained on the AAA web page: http://aaahq.org/am2005/ELS_form05.doc or by contacting Linda Watterworth, Education Project Manager, at email: linda@aaahq.org, phone: (941) 556-4118, fax: (941) 923-4093, American Accounting Association, 5717 Bessie Drive, Sarasota, FL 34233-2399. **The deadline for proposal submission is April 11, 2005.** If you have any questions, please feel free to contact Linda Watterworth using the contact information above. ■

Other Calls

CALL FOR PAPERS

In 2006 ***Accounting Education: An International Journal*** plans to publish a themed issue dedicated to Continuing Professional Development (CPD)/Continuing Professional Education (CPE). Papers are sought on any aspect of CPD/CPE related to accounting. The deadline for submission is June 30, 2005. For more information, please visit the AAA website and click on the Call for Papers button, and then on *Accounting Education: An International Journal*. ■

CALL FOR PAPERS

The ***European Accounting Review*** is seeking papers for a special section on "Conservatism in Accounting." Relevant topics include the influence of accounting standards on conservatism; the relation between corporate governance and conservatism; managers and auditors' incentives to be conservative, and conservative accounting and its influence on expected earnings and their growth. The deadline for submission is July 1, 2005. For more information, please visit the AAA website and click on the Call for Papers button, and then on *European Accounting Review*. ■

CALL FOR PAPERS

Journal of Accounting and Public Policy will sponsor its second annual forum entitled "Financial Information Systems and Cyber Security: A Public Policy Perspective," on May 26, 2005. The deadline for submissions is February 1, 2005. For more information, please visit the AAA website and click on the Call for Papers button, and then on "2nd Annual Forum of the *Journal of Accounting and Public Policy*." ■

CALL FOR PAPERS

2005 GNP Midyear Meeting

The GNP Midyear Meeting, Promoting Financial Stewardship in the Public Sector, will be held April 1–2, 2005 at the Kennedy School of Government, Harvard University. The GNP section of the American Accounting Association is soliciting submissions on the subject of financial stewardship in the public sector, including both domestic and international governmental agencies and nonprofit organizations. For further information, please visit the AAA website and click on the Meetings button, and then click on Call for Papers under 2005 GNP Midyear Meeting. ■

CALL FOR NOMINATIONS

2005 Wildman Medal Award

The Deloitte Wildman Award Committee is currently accepting nominations for the 2004–2005 Wildman Award.

The Wildman Award is given annually, at the American Accounting Association Annual Meeting, to the author(s) of the article, book, monograph, or other work published during the five calendar years preceding the year of the award (2005), which is judged to have made or to be likely to make, the most significant contribution to the advancement of the practice of accounting (including audit, tax, and management services). Nominations are due by December 1, 2004. Detailed criteria and instructions are available on the AAA website. Click on the Awards button and then click on the Wildman Medal Award. ■

CALL FOR NOMINATIONS

2005 Jim Bulloch Award for Innovations in Management Accounting Education

This award recognizes an outstanding teaching or curriculum contribution to the area of management accounting. The award provides a plaque and a \$3,000 check to the recipient(s). Both individual and group submissions are invited. The deadline for completed nomination applications is April 30, 2005. More information is available on the AAA website. Click on the Awards button and then click on The Jim Bulloch Award for Innovations in Management Accounting Education. ■

CALL FOR MANUSCRIPTS

2005 AAA Competitive Manuscript Award

The American Accounting Association Competitive Manuscript Award encourages research among members of the Association and associate members who have earned their Ph.D. within the past five years. Any subject matter in the field of accounting is proper for inclusion in this contest. For more information and submission instructions please go to the AAA website and click on the Awards button and then click on Competitive Manuscript Award. Manuscripts must be received in the Association's administrative office by January 10, 2005. ■

CALL FOR NOMINATIONS

Notable Contributions to Accounting Literature Award

The Screening Committee for the Joint AICPA/AAA Notable Contributions to Accounting Literature Award invites nominations of outstanding articles, books, monographs, or other publications for consideration. Detailed criteria and instructions are available on the AAA website. Deadline for submissions is January 15, 2005. Click on the Awards button and then click on Notable Contributions to Accounting Literature Award. ■

CALL FOR NOMINATIONS

2006 Outstanding Accounting Educator Award

Nominations for the 2006 American Accounting Association Outstanding Accounting Educator Award(s) must be submitted before **June 1, 2005**. Any person or group may make nominations.

This award is funded by the PricewaterhouseCoopers Foundation. Detailed criteria and instructions are available on the AAA website. Click on the Awards button and then click on Outstanding Accounting Educator Award. ■

CALL FOR SUBMISSIONS

2004 Innovation in Accounting Education Award

The American Accounting Association requests nominations for the Innovation in Accounting Education Award. This award is funded by the Ernst & Young Foundation. All materials must be submitted by January 15, 2005. Detailed criteria and instructions are available on the AAA website. Click on the Awards button and then click on Innovation in Accounting Education Award. ■

Creating and Writing Good Teaching Cases and

The excerpts below discuss creating effective cases and teaching notes. They come from a series of articles published in the Journal of College Science Teaching by Clyde Freeman Herreid, Director of the National Center for Case Study Teaching in Science, and Professor of Biological Sciences at the State University of New York at Buffalo. Full text of the three articles excerpted here and additional resources on writing and using cases can be found on the website of the National Center for Case Study Teaching at: <http://ublib.buffalo.edu/libraries/projects/cases/teaching/teaching.html>.

What Makes a Good Case?

Some Basic Rules of Good Storytelling Help Teachers Generate Student Excitement in the Classroom

Modern storytellers are the descendants of an immense and ancient community of holy people, troubadours, bards, griots, cantadoras, cantors, traveling poets, bums, hags and crazy people ...

Stories are embedded with instructions, which guide us about the complexities of life.

—Clarissa Pinkola Estes

I wish she had mentioned teachers. Teachers should be in that lineup. Stories are their natural allies in the transmittal of the wisdom of the tribe from one generation to the next ... But not all stories are created equal. Some are better than others. And that brings us to the issue of this column, What makes a good case? Rather than begging the question or ignoring it altogether, I propose that we look at research that has been done in one of the citadels of case study instruction, Harvard University. John Bennett and Balaji Chakravarthy wrote an article for the 1978 *Harvard Business School Bulletin* presenting the results of detailed interviews and questionnaires of faculty and students. Later, Dorothy Robyn of the Kennedy School of Government wrote a note on "What makes a good case" (N15-86-673).

I have mixed and matched their conclusions and amended them for our purposes:

A good case tells a story. It must have an interesting plot that relates to the experiences of the audience. It must have a beginning, a middle, and an end. The end may not exist yet; it will be what the students need to supply once the case is discussed.

A good case focuses on an interesting issue. Malcolm McNair has written, "For the case to be a real living thing and for the student to forget that it's artificial, there must be drama, there must be suspense ... a case must have an issue."

A good case is set in the past five years. To appear real the story must have the trappings of a current problem. This is not to denigrate classical or historical cases, but unless a case deals with current issues and the student feels the problem is important, some of its power is lost. If a student has just seen the problem mentioned in the media, so much the better ...

A good case creates empathy with the central characters. We should create empathy not only to make the story line more engaging, but because the personal attributes of the characters will influence the way a decision might be made. Certain decisions are beyond the scope of the characters' personalities and powers ...

A good case includes quotations. There is no better way to understand a situation and to gain empathy for the characters than to hear them speak in their own voices. Quotations add life and drama to any case. Quotations from documents and letters should be used as well. Quotations provide realism.

A good case is relevant to the reader. Cases should be chosen that involve situations that the students know or are likely to face. This improves the empathy factor and makes the case clearly something worth studying ...

A good case must have pedagogic utility. Only an educator would use this jargon, but the point is valid. What function will the case serve? What does it do for the course and the student? What is the point of the story in the education of the student and is there a better way to do it?

A good case is conflict-provoking. Robyn argues, "Most cases are fundamentally about something controversial," if not, what is there to talk about? She goes on, "Is this an issue about which reasonable people could disagree?" If so, you have the beginning of a good case.

A good case is decision-forcing. Not all cases have to be dilemmas that need to be solved, but there is an urgency and a seriousness that is involved with such cases. We can easily second-guess the owners of the shipping lines about the Valdez oil spill in retrospect, but at the time, many of their decisions may have seemed quite reasonable. In dilemma or decision cases, students cannot duck the issue, they must face problems head on. Without a dilemma in the case, a student can sit back and "tsk tsk" at the way that a case unfolded. When they are forced to take a position, they are thrust into the action of the case.

A good case has generality. What good is a case that is so specific that one can use it only as a curiosity? Cases must be of more use than a minor or local problem; they must have general applicability ...

A good case is short. It is simply a matter of attention. It is easier to hold someone's attention for brief moments than long ones. Cases must be long enough to introduce the facts of the case, but not so long as to bore the reader or to make the analysis tedious. If one must introduce complexity, let it be done in stages. First, give some data, and then a series of questions, and perhaps a decision point before more information is introduced. After all, that is the way life plays out ... little bits at a time.

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Creating and Writing Good Teaching Cases and Teaching Notes

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So now we have the recipe, can we bake the cake? Can we take a subject that tickles our fancy and write a case that will work? Let us try an exercise for starters. Let us see how some of these ideas work out in practice. I have written two versions of an incident to emphasize the key points. Since readers of this column come from different disciplines, we will take a problem familiar to all teachers: cheating.

A CASE OF CHEATING?

Version I

A teacher was instructing 24 students in an introductory physics course during the summer. She was using a version of cooperative learning where students worked in small groups throughout the term. She gave daily quizzes, first individually and then in groups. The professor had a habit of leaving the classroom during the quizzes. All went well until the last day of class when she heard from one of her best students that cheating had occurred during the quizzes. When she gave out peer evaluation forms for the students to rank their teammates, she gained additional information. Two Asian students in adjoining groups had been cheating. Six separate students wrote about how the two friends had cheated and that they had been told to stop by their teammates but to no avail. There were no more class periods left, only the final exam. What should the teacher do?

Version II

"I couldn't stand it! I had to move. They were cheating. I study hard to get my 'A,' and they were cheating."

Physics professor Margaret Blake looked hard at the young women in front of her quietly telling her story. Paula was one of her best students. Margaret had asked her why she had suddenly moved during the daily quiz.

"Lang, the guy in the group next to us, writes his multiple choice answers in large letters on his quiz paper. He holds it up for Mengfei who is in our group to see while you are out of the room. We all told them to stop, but they keep doing it."

Margaret replied, "I wish you had told me sooner, we could have done something. Today is the last regular day of class. Friday we have the final exam. There isn't much we can do now. Well, at least today we are having the peer evaluation where you rank the contributions of the

rest of the members of your group. Be sure you write down your complaint."

"I guarantee that lots of us will complain."

Not long after the class was over, Paula's words came true. Six students had pointedly written about the cheating between the two Asian students. One student in Mengfei's group was especially angry: "Meng gets such a low mark because he is never prepared. He comes to lab whenever he feels like it, and he and his buddy cheat every single day. Did you see how badly Meng did on the quiz when you stood behind him? And he always changes his answers on his bubble sheet and pretends they were scored wrong. I HATE CHEATERS! AARRGH!"

Margaret sat there in her office stunned. She always thought that group learning prevented this sort of thing, otherwise she never would have left the room during the quizzes. Now what? Paula's last words rang in her ears, "They were cheating. What are you going to do about it?"

Most people, I believe, would find the second case more compelling than the first. Why? Both versions tell essentially the same story. Both deal with an interesting issue and are recent, relevant, pedagogically useful, conflict-provoking, decision-forcing, have generality, and are brief. But while the first version is a rather cold rendition of the facts, the second gives us a feel for the characters through their speech and thoughts. We can identify and empathize with them. They seem real, and because of this we care about the decision. If we had spent a little more time we could have even shared Margaret's anguish as she wondered about her own culpability in the situation. Had she expected too much from the students? Was this a cultural problem? Were these Asian students really aware of the rules in her classroom? What were her responsibilities to the rest of the students?

So what is the essence of a good case? It is this: A good case has ambiguities and it requires space to give a richness of texture to a story. The audience never knows how it will all come out, and that is at least half of the magic. And this half of the magic matters greatly in the classroom where the case will be "solved." No two discussions will ever be the same in a great case ...

If uncertainty, richness, and options are one half of the magic of a good case, what is the other half? I would argue it is the realism that is captured in the story line. The best cases conjure up the sounds,

and sights besetting the protagonists. It is not essential that the story line be so compelling that the reader can literally feel the deck of the Titanic as it slips beneath the waves or hear the cries of the winged monkeys as they carry Dorothy off to the castle of the Wicked Witch. But it must be real enough to make the reader believe the problem is worth solving and care what the solution should be. Given that, the battle is won. And if the storyteller is good enough that the reader can indeed close his eyes and believe the knight is there on a white charger, lance in hand, and feel the hot breath of the dragon, so much the better. It is something to strive for in case writing. Such magic is hard to find.

The excerpt above comes from the article of the same name, appearing in the December 1997/January 1998 issue of the Journal of College Science Teaching (pp. 163-165).

Cooking with Betty Crocker: A Recipe for Case Writing

... So let's suppose I decide to write a case study, what steps can I take to get the job done?

1. First, you have to **decide on a topic**. If you already have a story line that intrigues you, this isn't a problem, but let's suppose that that isn't the situation. The next best option is to think of one or more topics that are important to your course. Is there any conflict, controversy, news item, or personal experience that is associated with the topic? If so, all the better. Ask yourself: Can the topic be linked to any contemporary problem? ... This is the hook (interest-provoking item) into the case.
2. **Review and research the topic** and the hook into the material so that you can see further connections and possibilities.
3. **Rapidly write down all the possible principles that you might teach using this topic in your class**. Don't evaluate these ideas at this time; you are brainstorming. But remember that when you start writing you are going to try to slip as many of these delicacies into your dish as possible.
4. **Make a list of all the possible characters** (fictional or real) who could be affected by this topic or incident. Do

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any of these people have problems to be solved?

5. **Write a draft of a case from the viewpoint of a person caught in the thick of the case problem.** If there is a crisis looming, so much the better. The case can be written in a straightforward narrative, although techniques used by short story writers (e.g., flashback and dialogue) are welcome. If you are writing for PBL [problem-based learning] courses, then the story line must be broken into two or three parts. In PBL, the students receive a page or two of the opening, then they need to do research before receiving subsequent pages.
6. As you write these sections **look for opportunities to introduce terms or concepts that are important to your course.** Not all of these must have been covered previously. You want the students to research these items as part of their preparation for the class.
7. After you have a draft, **go through the case again and list the major and minor topics that are likely to come up in a discussion of the case.** Hopefully, you will be surprised at the number of topics that you have slipped in, some that you originally had not planned.
8. After you have a reasonable version of the case, **write a series of discussion questions to include at the end of each section.** These study questions will assist your students to recognize the important issues embedded in the case.

The excerpt above comes from the article of the same name, appearing in the December 1999/January 2000 issue of the Journal of College Science Teaching (pp. 156–158).

And All That Jazz: An Essay Extolling the Virtues of Writing Case Teaching Notes

Teaching notes are not only for [first timers]; veterans find them helpful too. Seasoned practitioners use them to explore possible angles they might have missed. They can examine any new case much more rapidly, especially unfamiliar material, if they have the author's roadmap in hand.

To see what teaching notes are all about, one can do no better than to turn to the business school approach. Cases have been used there since the early days of the century. So the headings below are derived from that venue.

OUTLINE FOR WRITING CASE TEACHING NOTES

I. Introduction/Background – All teachers are helped by knowing how the author has put a case to use in the past, in which course they have used it, where in the semester it has been used, and what types of background the students will have when they encounter the case. This information belongs in this section. It doesn't mean that the case is limited to the author's experiences, but it gives the reader a chance to understand why some topics and readings are included and why others are not. Thus, the instructor interested in using the case can adjust his style, reading list, or comments appropriately.

II. Objectives of the Case – This section is important. Seldom do instructors in traditional courses take the time to think about what they are really trying to do in the lecture classroom—except to give the students the facts, the principles of the field ... The true responsibility is not so easily discharged or evaded by case study teachers. No, they must deal directly with the meaning of the information in the context of real-life situations. Ideally, teachers should be able to list exactly what the students should know and should be able to do after they have finished the case that they didn't know and couldn't do before they went through the case ...

This isn't the place for platitudes, such as "the students will learn how to think critically" (don't we wish?). This is the place for specific statements, such as these examples: Students finishing the case will be able to: (1) take the data in Table 3 and graph it appropriately, (2) write a critical essay about the pros and cons of ..., (3) write a persuasive letter to their congressional representative about the benefits of ..., (4) solve the equation $p^2 + 2pq + q^2 = 1$ given the following information..., (5) design an experiment that will test the following proposition ..., and so on.

III. Major Issues – In business case literature this section is referred to as blocks of analysis or issues for discussion. Under

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faculty development UPDATE

SITES TO SEE

National Center for Case Study Teaching in Science

<http://ublib.buffalo.edu/libraries/projects/cases/case.html>

The National Center for Case Study Teaching in Science promotes the development and dissemination of innovative materials and sound educational practices for case teaching in the sciences. Their website provides access to an award-winning library of case materials and a variety of opportunities. The Center has been supported over the years by the National Science Foundation, The Pew Charitable Trusts, and the U.S. Department of Education.

Caseplace.org

<http://www.caseplace.org/cases/>

A service of the Aspen Institute's Business and Society Program CasePlace.org is a free, online service for business school faculty, students, and businesses including cases, references, and commentary published by and for business educators and business executives that incorporates social impact management, corporate social responsibility, and business ethics.

IMA/AAA Management Accounting Section Case Index

<http://www.imanet.org/ima/sec.asp?TRACKID=&CID=918&DID=1436#16>

Concerned with a perceived lack of interaction between management accounting practitioners and educators, the Management Accounting Section of the American Accounting Association and the then National Association of Accountants' Committee on Academic Relations (NAA) jointly established a series of symposia to increase dialogue. Cases presented became a series entitled *Cases from Management Accounting Practice*. They constitute a rich collection reflecting the current problems and complexities characteristic of today's dynamic business environment.

faculty development UPDATE

Creating and Writing Good Teaching Cases and Teaching Notes

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this heading the case author should identify the major issues in the case that the students should analyze. The case authors should clearly indicate which issues (should) come up and what information he expects to help extract from the students. There may be explicit questions that must be addressed. If so, then the author should give a synopsis of a reasonable answer. This part of the teaching notes is apt to be the most extensively developed.

IV. Classroom Management – This section is a must, for it tells the reader just how you used the case in a classroom situation. The explanation must be presented in detail. What did you do first, second, and last? How long did certain activities take, e.g., fifteen minutes for a group activity followed by a five-minute summary of each group's findings. Put it all down; what appears second nature to you will be inscrutable to others.

All cases can be run with different strategies. The traditional discussion method employed by law and business schools is only one approach. Using small groups, such as in Problem-Based Learning or other cooperative learning methods, is another favorite approach. Whatever the method, spell it out.

There may be limitations as to the length of the case and notes. For instance, the *Journal of College Science Teaching* has limits for articles in the range of 2,500 words. Many cases and notes clearly exceed this. A solution is to publish the case and a truncated version of the notes and have a more detailed description of the latter on a website such as the National-Science-Foundation-supported site at the University at Buffalo at <http://ublib.buffalo.edu/libraries/projects/cases/case.html>.

Under the heading "Classroom Management," the author must indicate what pre-class assignments she may have given before the students see the case. If the instructor is using the discussion method, it is extremely helpful to have a list of questions that may be used for study and during class. Also, this is the place to put any follow-up assignments that you might suggest be used after a discussion of the case is finished.

Study Questions. These are questions that are listed at the end of the various sections of the case to help students focus on particular issues. There should not be so many as to overwhelm the student. These questions may or may not be directly addressed in the general discussion of the case. Nonetheless, they are there to serve as signposts of important topics. The teaching notes should at least briefly state reasonable answers to these queries.

Questions in the Classroom. Teaching notes frequently provide a list of questions that can be asked in any discussion of the case. Naturally, these are chosen to get at certain prime issues in provocative ways and are designed to facilitate discussion. Sometimes they are categorized as "Introductory Questions," "Challenge Questions," "Decision Forcing Questions," and "Summary Questions" ...

Board Work. Students new to case study work often wonder what they have learned from a given case. They are apt to think that it is merely hot air they are hearing from their compatriots. There is one good way to overcome this attitude. Write important concepts on the board or overhead projector as they emerge from the discussion. The very act of writing key points says that the instructor values a student's contribution, especially if the name or initials of the contributor are jotted down next to the idea. Board work gives structure to the discussion, demonstrating it is not aimless rambling in which we are engaged. Students who are passionate about taking notes will cherish you.

If, as I am arguing, board work is essential to the success of a case and forms a pivotal part of determining how a student sees its worth, then it follows that an instructor had better give serious thought to how she is going to lay things out ahead of time. She might decide that factual points should be written on the left side of the board, perhaps developing a concept map as points are brought up. Later in the

discussion, when the conversation turns to the possible decisions that the protagonists in the case might make, the teacher might plan to list these on the right side of the board under a heading such as "Short-Term Solutions" and "Long-Term Solutions." The pros and cons of these topics can be interspersed along the way. In short, if board work is important to your case (and I am arguing it should be, especially if you are using the discussion method), then give the case reader a hint or two about how you do it here in the case teaching notes.

Closure. Most students want closure on a case. They want someone to pull together the fragments and tidbits of the discussion and ignore any silliness that happened during the hour. They don't want a canned speech so much as a true summary of what went on. This can be done by the professor or a student.

Teaching notes are often enhanced by a short summary statement about the case, including how the case impinges on other topics in the course or on problems in society. Thus, after a case on global warming, a summarizer might note how the ambiguities in the case fit the general pattern of environmental problems in that we frequently do not have enough information and still must make decisions with incomplete and often imperfect data.

Not all case writers are keen on closure. Some prefer that cases be left hanging, like an unresolved C 7th chord. They like leaving the students with the nagging problem, believing that the students will continue to ponder the question further. (Hope springs eternal!)

V. References – Everyone appreciates a list of references to follow up particular lines of thought, especially if they are annotated. Today, it is especially valuable to include Internet addresses as well. Don't leave these out of your lovingly developed teaching notes.

The excerpt above comes from the article of the same name, appearing in the February 2000 issue of the Journal of College Science Teaching (pp. 225–228).

See full text of the three articles excerpted here at the National Center for Case Study Teaching website, available at: <http://ublib.buffalo.edu/libraries/projects/cases/teaching/teaching.html>.

AICPA Honors Paula B. Thomas as Outstanding Educator

Paula Bevels Thomas, AAA member, accepted the AICPA 2004 Distinguished Achievement in Accounting Education Award in Scottsdale, Arizona, at the Spring Council meeting. She is a member of the board of examiners and is Advisory Board Distinguished Professor of Accounting and Interim Chairwoman of the Department of Accounting at Middle Tennessee State University, Murfreesboro. Paula received her Bachelor's and Master's degrees from Middle Tennessee State University and D.B.A. from Mississippi State University. She obtained her CPA certification from Tennessee.

Paula has served on many AICPA committees, including the Governing Council, the Academic and Career Development Executive Committee, and the Work/Life and Women's Initiatives Executive Committee. Granted each year by the AICPA, the citation recognizes full-time accounting educators for excellence in teaching and national prominence in the accounting profession.

Berlin/CITGO Grant

The purpose of the Berlin/CITGO Grant program will be to foster academics' understanding of the contemporary external reporting **and governance challenges** faced by preparers. Such understanding might be fostered by academics conducting field research, field studies, working in the field, or other such activities.

The AAA may award individual grants up to \$10,000. The total amount awarded from the Berlin/CITGO grant in any one year should not exceed \$25,000, ensuring that the grant will sustain such inquiry over at least a four-year period.

Proposals are being sought for funding of field work that will contribute to research papers and/or teaching cases that address issues managers face in reporting the past and anticipated future performance of their companies to **boards/audit committees and to the public. Proposals must be submitted by March 14, 2005.** Detailed instructions are available on the AAA website. Click on the Awards button and then click on Steve Berlin/CITGO Grant.

President's Message

(continued from page 4)

and Council to help move the organization to the next level.

An executive committee group, headed by Carolyn Callahan and helped by the AAA staff, is gathering benchmarking data from other organizations such as the American Finance and Marketing Association, the Academy of Management, the Association for Information Systems and the Financial Management Association. We will also gather additional data from members and nonmembers alike.

The goal is to use all of this data to help shape the organization for the future so we can be recognized as a significant force in providing valuable services to the academic and practice world.

Thanks

In closing, there are many, many people I could thank for being involved in some way in the process that led me to this point in my career. If I started listing everybody, it would take the entire issue of *AEN*.

I do want to, however, give special thanks to a few people who made a significant difference at some point in my life and career, and without their input I probably would have followed a different path and would not be here today. The first person I want to thank is *David Dennis*. David is Professor Emeritus from the School of Accountancy at the University of South Florida. I received my master's degree from USF and David taught an auditing class. Part of that class was devoted to discussing and analyzing auditors' opinions and I'll never forget one opinion that we examined. It was a going-concern opinion that had been issued to a company named Pantry Pride. If I remember right it was about 6 pages long and I thought it was just about the most wonderful thing I had ever seen and that started by career-long interest in investigating going-concern opinions.

Charles Boynton was in the Illinois Ph.D. program with me and we spent many long days and nights discussing and arguing accounting and auditing theories and working on our research and respective dissertations. I especially thank Charles for helping me believe that I really could do it.

From my experiences in David Dennis's class, I had always thought that my dissertation and later research would focus on the going-concern opinion. Once I started developing my dissertation proposal, however, it became clear that I really needed to understand bankruptcy prediction models as a component of that audit opinion. Well, I got a little carried away with that idea and decided that I would develop a new bankruptcy prediction model as a dissertation and then work on the going-concern opinion as I began my career. Well, *Jim McKeown* was on my dissertation committee and I talked with him about my new idea and he very wisely told me that if I was going to do a bankruptcy prediction model for a dissertation that he would not be on my committee.

It took me a few days ... I very naively thought that I could develop a prediction model that would be so much better than any that had been developed to date and I wondered why Jim was not as excited as I was ... but after a few days I decided it was more important to have Jim on my committee. Jim is a master of research methodology and I thank him for his guidance.

I want to thank *Carl Warren*, then editor of the *Auditing Journal*, who accepted my very first publication and *Nick Dopuch* who guided me through the process and accepted my first publication in *Journal of Accounting Research*. For all of you rookies who have yet to publish, you cannot imagine what a great feeling it is to get your research and ideas in print.

I want to thank *Felix Kollaritsch*, who at a very significant and crucial point in my career when I was at Ohio State convinced me to stay the course and to continue on the path that led me here.

Thanks to *Art Wyatt* who gave me my first significant assignment within the AAA as a member of the New Faculty Consortium Committee. That really whetted my appetite for involvement in this organization.

And finally, thanks to whoever nominated me for this office. I am honored, challenged, excited, and humbled as I begin my year as president of the American Accounting Association. I sincerely appreciate the opportunity and will do all I can to serve the AAA to the best of my ability. ■

2004 Annual Meeting Highlights . . .



The American Accounting Association held its 89th Annual Meeting from August 8–11, 2004 at the Orlando World Center Marriott Resort, with AAA President William L. Felix, Jr. (left) presiding. Over the course of the meeting attended by 2,232 AAA members, 30 Continuing Professional Education programs were offered; 113 paper presentation sessions and 22 panel sessions also took place.



Kannan Raghunandan, Florida International University, won the drawing and will enjoy a spa treatment and accommodations for four nights at the Hilton San Francisco during next year's AAA Annual Meeting. (See page 4.)



Outstanding Accounting Educator Award winner Dan S. Dahliwal (above), The University of Arizona



Competitive Manuscript Award winners Edward J. Reid (above left), Harvard Business School and Jacqueline S. Hammersley (above right), University of Georgia



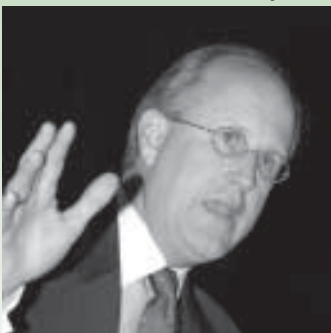
Wildman Medal Award and Notable Contributions to Accounting Literature Award winners Mark W. Nelson (below left), Cornell University; John A. Elliot (below middle), Baruch College; and Robin L. Tarpley (below right), The George Washington University



Innovation in Accounting Education Award winners Noah P. Barsky (above left), Villanova University and Anthony H. Catanach, Jr. (above right), Villanova University



Featured speakers included (above) Steve Covey, Franklin-Covey Company; (bottom row, left to right) David Walker, GAO; Don Nicolaisen, SEC; William McDonough, PCAOB; Robert Herz, FASB; James E. Copeland, Jr., Retired Chief Executive Officer, Deloitte & Touche; James Ohlson, New York University.



Deloitte Sponsors 34th AAA Doctoral Consortium

Deloitte Foundation Renews \$500,000 Commitment to Fund Future Programs

The 34th Annual American Accounting Association (AAA)/Deloitte/J. Michael Cook Doctoral Consortium, a week-long program on accounting research and education, was recently held in Tahoe City, California. The Deloitte Foundation, the nonprofit arm of the leading professional services firm, Deloitte & Touche, also announced it has renewed its support of the Consortium with a \$500,000 commitment to fund future programs.

Each year since 1971, the Consortium has brought together leading accounting doctoral students and distinguished faculty from U.S. and international universities to share their experiences, ideas, and research on important issues in accounting research and education. Students from over 70 institutions of higher education participated in this year's program.

"The annual Consortium is a valuable opportunity for top doctoral students from leading universities across the U.S. to join their peers and hear from some of the best minds in accounting education," said Mark M. Chain, President of the Deloitte Foundation. "The top-of-mind issues for doctoral students preparing to become faculty include theoretical and applied research, teaching, and career development. In the collegial environment in Tahoe City, they are engaged in these issues through presentations, small group discussions, and informal conversations."

The annual program is sponsored by the Deloitte Foundation through a contribution from Deloitte and J. Michael Cook, former Deloitte & Touche Chairman and CEO, and his wife, Mary Anne. The AAA selects a distinguished committee of accounting faculty who plan the event and invite top scholars to present perspectives from their areas of research and teaching interest.

"It was one of the most rewarding experiences for me to organize and participate in the 2004 Doctoral Consortium," said Dan S. Dhaliwal, 2004 Consortium Committee Chair and the Louis A. Myers Professor of Accounting at The University of Arizona. "The program is arguably the best accounting scholars' forum that the profession has each year. It comes at a stage of their doctoral program when they are ready to embark on their dissertation, other research projects, and develop their teaching skills. Therefore, the program has a significant impact on their development as accounting scholars." ■

The Accounting Hall of Fame Inducts Three Distinguished Accountants

Columbus, OH – Three distinguished accountants were inducted into the Accounting Hall of Fame on Monday, August 9, 2004 at the American Accounting Association Annual Meeting in Orlando, Florida. The 2004 inductees are Dennis R. Beresford, former chairman of the Financial Accounting Standards Board; Gerald A. Feltham, internationally known accounting theoretician; and, the late William J. Vatter, influential professor and writer on cost accounting and related subjects.

Honorees are selected by the Accounting Hall of Fames international board of electors. Seventy-six influential and respected accountants from academe, accounting practice, government, and business have been elected to the Accounting Hall of Fame since its establishment in 1950 at The Ohio State University. (See photo in Annual Meeting Hlghlights at left.) ■

Bill Felix and Jane Mutchler exchanging the Presidential gavel.



Members of Accounting Hall of Fame in attendance at induction ceremony on August 9, 2004:

Back Row (left to right): Charles T. Horngren (Stanford University), Arthur R. Wyatt (University of Illinois at Urbana–Champaign), Stephen A. Zeff (Rice University), James Don Edwards (University of Georgia), William H. Beaver (Stanford University); Front Row (left to right): Sidney Davidson (University of Chicago), Dennis R. Beresford (University of Georgia), Gerald A. Feltham (University of British Columbia), Joel S. Demski (University of Florida).



Seminal Contributions to Accounting Literature Award winners Ross L. Watts (below left) and Jerold L. Zimmerman, (below right) University of Rochester



Region Meetings

DATE and LOCATION CHANGE
2005 Mid-Atlantic Regional Meeting
Philadelphia Marriott, Philadelphia, PA
March 24 – 26, 2005

CALL FOR PAPERS

2005 AAA Mid-Atlantic Regional Meeting

The Mid-Atlantic AAA Steering Committee and this year's host school, Temple University, invite educators, practitioners, and doctoral students to attend and participate in the 2005 AAA Mid-Atlantic Regional Meeting, March 24–26. The location of the meeting will be Philadelphia, Pennsylvania. Completed submissions should be received in electronic form no later than January 21, 2005. For more detailed information, please go to the AAA website and click on the Meetings button, and then click on Call for Papers under 2005 Mid-Atlantic Regional Meeting. ■

CALL FOR PAPERS

2005 AAA Midwest Regional Meeting

Members of the American Accounting Association, academicians, practitioners and doctoral students are invited to participate in the 2005 AAA Midwest Regional Meeting in St Louis, Missouri, April 7–9, 2005. The program will be structured around the papers accepted for presentation. Deadline is October 29, 2004. For more detailed information, please go to the AAA website and click on the Meetings button, and then click on Call for Papers under 2005 Midwest Regional Meeting. ■

CALL FOR PAPERS

2005 Southwest Regional Meeting

Members of the American Accounting Association, academicians, practitioners, and doctoral students are invited to participate in the 2005 AAA Southwest Regional Meeting in Dallas, Texas. On March 1–5, 2005. Completed submissions should be received in electronic form no later than Tuesday, September 7, 2004. Notification of acceptance will be sent no later than Monday, November 1, 2004. Detailed information and submission guidelines are provided on the AAA website. Click on the Meetings button and then click on Call for Papers under 2005 Southwest Regional Meeting. ■

CALL FOR PAPERS

2005 Northeast Regional Meeting

Members of the American Accounting Association, academicians, practitioners, and doctoral students are invited to participate in the 2005 AAA Northeast Regional Meeting, to be hosted by St. John's University and held in Tarrytown, New York. Completed papers should be received in hard copy or by email (with the paper as a Word file attachment) no later than Friday, January 7, 2005. For more detailed information, please visit the AAA website and click on the Meetings button, and then click on Call for Papers under 2005 Northeast Regional Meeting. ■

CALL FOR PAPERS

2005 Ohio Region Meeting

The 46th Annual Meeting of the Ohio Region of the AAA will be held in Columbus, OH on April 28–30, 2005. The submission deadline is January 21, 2005, which is substantially earlier than the deadline for last year's meeting. For more meeting details and submission information, please go to the AAA website and click on the Meetings button, and then click on Call for Papers under the 46th Annual Meeting of the Ohio Region. ■

CALL FOR PAPERS

Western Region of the AAA 2005 Annual Meeting

Accounting educators, students, and professionals are invited to submit completed manuscripts, and ideas for panels or workshops, for presentation at the AAAs 2005 Annual Western Region Meeting. The 40th annual meeting will be held in Sacramento, California on April 28–30, 2005. The deadline for paper submissions is November 8, 2004. Detailed criteria and instructions are available on the AAA website. Click on the Meetings button and then click on Calls for Papers under Western Region Meeting. ■

CALL FOR PAPERS

2005 Southeast Regional Meeting

Members of the American Accounting Association, academicians, practitioners, and doctoral students are invited to participate in the AAA Southeast Regional Meeting in Charlotte, North Carolina, April 21–23, 2005. Completed submissions should be received in electronic form no later than October 31, 2004. Additional information is provided on the AAA website. Click on the Meetings button, and then click on Call for Papers under 2005 Southeast Regional Meeting. ■

COSO's ERM Framework Now Available

COSO's new Enterprise Risk Management – Integrated Framework is now available for purchase. Authored by PricewaterhouseCoopers, the framework defines essential ERM components, discusses key ERM principles and concepts, suggests a common ERM language, and provides clear direction and guidance for enterprise risk management. Download the free Executive Summary from: http://www.coso.org/Publications/ERM/COSO_ERM_ExecutiveSummary.pdf.

Order the framework and Application Techniques from: <https://www.cpa2biz.com/CS2000/Products/CPA2BIZ/Publications/COSO+Enterprise+Risk+Management+-+Integrated+Framework.htm>. ■

A Few Words from the Executive Director

The month following the Annual Meeting in Orlando was uncharacteristically exciting here in Sarasota as we found ourselves preparing for the possible landfall of four major hurricanes in the course of about five weeks. Thankfully none of the storms caused damage at the AAA headquarters offices or for staff and their families. We have appreciated email messages and calls from members expressing support and concern, and are happy to report that all is well in Sarasota.

In my travels to AAA activities I am often asked questions about how Annual Meeting locations are chosen. Since many factors are considered when deciding on future AAA Annual Meeting sites, to help provide a broader picture of the process I'll offer some answers below to "FAQs."

Frequently Asked Questions about the Locations of AAA Annual Meetings

Who decides where the meeting will be held? When does that happen?

Our goal is to have Annual Meeting hotel contracts signed four to five years in advance. Looking ahead, the Executive Committee considers the recent history of meeting locations, attendance at those meetings, and cities they believe will be appealing to members. They try to consider the varied interests of members in thinking about desirable cities. For example, members with young families may find it more interesting to attend a meeting in a city with attractions conducive to combining a family vacation with meeting plans. Other members may value a more glamorous location. Some members have more generous travel budgets so that location-related costs are not an issue, and others face more serious cost constraints in funding at their schools. After considering these issues in the context of recent locations, the committee typically asks the Executive Director to research three or four possible cities.

At that point our meeting planner and I do some research to discover whether the desired dates are available, guest room rates hotels are willing to guarantee, whether meeting space in the desired locations is adequate to our needs, and in some cases whether there may be advantages for working with a particular hotel family on a multiyear arrangement. Based on the information gathered, the Executive Committee makes a decision on the best location for future AAA meetings to be scheduled.

What cities are typically considered? Why don't we ever meet in X, Y, or Z city?

This is probably the most frequently asked question. Important considerations in making this decision are whether there are hotels in the city that can accommodate our meeting in terms of available sleeping rooms, needed meeting and exhibit space, and desired meeting dates. Important related issues are that members in general prefer meeting in one hotel rather than multiple hotels and/or use of a convention center, and that costs are typically lower overall when only one hotel is involved.

Given our size and the number of events that happen during our meeting, there are a limited number of single hotels that can accommodate the combination of guest room nights needed, food and beverage events, and meeting and exhibit space required. Surprisingly some of the cities the Executive Committee and members frequently ask about do not have hotels large enough to accommodate our meetings—for example, neither Denver, Minneapolis, nor Vancouver has hotels or even convenient pairs of hotels that will work for our meeting without use of convention center space (though Vancouver reports plans for a new hotel that may work in the future). In some cases annual city-wide events during the dates for our meeting prevent using a particular location—for example, Seattle holds its SeaFair in the early part of August and is not interested in booking academic conferences during that time.

Members report preferring meeting space that centrally locates major events so that it is easy to find colleagues for professional and personal networking, and easy to move between the many

sessions and events they want to attend. With so many events occurring over a short period of time, if sessions and events are widespread, opportunities for making contacts can be limited. Sometimes there are trade-offs to be made between a great fit for meeting space and members' general preference for nearby opportunities for other activities. For example, some cities have hotel locations much more conducive to easily walking to restaurants and other entertainments—think San Antonio, New Orleans, Philadelphia, and San Diego. Others are more self-contained—think Orlando, Nashville, and Atlanta—but have meeting space that is a very good fit for our Annual Meeting.



Tracey Sutherland

Why not use convention centers in conjunction with hotel meeting space?

While in the past we have occasionally used convention center facilities for some meeting activities (most recently in Philadelphia), typically using a convention center increases costs and decreases convenience and centrality of meeting events. It becomes less possible to take advantage of economies of scale for catering events across the meeting; often it is necessary to work with two different audiovisual companies, two different security companies, and so forth; and extra fees often apply for setup and cleanup, changing room configurations, supplying water stations, and required security. In general, use of a convention center is more costly and creates more complexity in planning and implementation for our meeting staff. Beyond issues of cost and staffing, members also report preferring central meeting space that is conducive to easily finding colleagues, moving between events, and the convenience of easy access to their rooms during the meeting. Combining hotel and convention center space is not typically a good fit for these activities.

How are dates decided for the meeting?

In recent years we have emphasized earliest possible dates in August, ideally with the meeting beginning with CPE sessions on the weekend and the opening session of the meeting on Monday morning. Typical college calendars have changed dramatically from the days when most classes started after Labor Day. Unless we complete the meeting within the first two weeks of August, members report that fall semester commitments interfere with attending the Annual Meeting.

It seems like we meet often in hot locations, why is that?

The FAQs above detail many of the issues used in making choices about meeting locations. As someone who lives in a very hot place in August, I can sympathize with this concern. And I agree that New Orleans, Dallas, and Orlando are warm locations in August. At the same time we've also recently met in San Diego and Hawaii and will meet next year in San Francisco.

I hope this information is useful to those with questions about locations for the AAA Annual Meeting. If you have ideas or suggestions about future locations or additional questions, please don't hesitate to get in touch with me. I've also included future Annual Meeting dates below.

Best regards and best wishes for a productive fall semester,

Tracey Sutherland
Executive Director

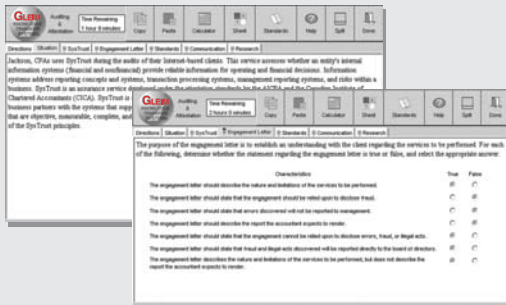
Next AAA Annual Meeting Locations:

August 7–10, 2005	San Francisco
August 6–9, 2006	Washington, D.C.
August 5–8, 2007	Chicago
August 2008	TBA
August 2–5, 2009	New York City

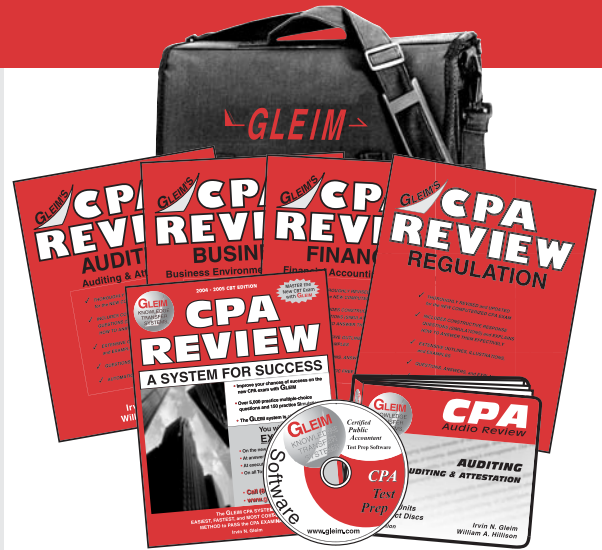
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