

INTERNATIONAL  
ACCOUNTING SECTION  
of the



American  
Accounting  
Association

NO. 77

# FORUM

INTERNATIONAL ACCOUNTING

EDITOR: Jeannie J. Harrington  
Middle Tennessee State University

FALL 2002

## Chairperson's Message

Greetings to all members of the International Accounting Section. I am truly honored and humbled to serve as President of our Section this year. Thank you for your faith and support.

The many members who have volunteered to serve the Section in one capacity or another during the 2002–2003 year have made my task considerably easier. A list of Section officers, committee chairs, and regional coordinators can be found elsewhere in the newsletter and on our web site. If you want to get involved in any Section initiative, please feel free to contact the relevant committee chair or me directly. After all, it is member involvement that contributes to the vibrancy of the Section.

I welcome Jeannie Harrington who is taking over as our new Forum editor from Don Herrmann. Jeannie brings a lot of energy and new ideas to her role as *Forum* editor. Both Jeannie and Don have worked closely over the past few months to ensure a seamless transition. Our thanks to Don for his many years of editing the *Forum* and we look forward to working with him in his new role as IAS Program Chair for the August 2003 Meeting in Honolulu, Hawaii. The AAA's submission deadline for papers and panels is January 6, 2003 and I am sure



Ajay Adhikari

Don will make many new friends between now and Hawaii.

We will be building on the excellent program organized by David Senteney for this year's Annual Meeting. From the 60 papers submitted for this year's meeting, 21 were presented at concurrent sessions and 9 presented at forum sessions. Thanks also to

Hollis Ashbaugh for arranging a continuing professional education course, "IASB Update," presented by Mary Barth.

Congratulations to Professor Christopher Nobes, the recipient of the Section's 2002 Outstanding International Accounting Educator Award. Professor Nobes has been a trailblazer in international accounting research and education and the award is well deserved. Ole-Kristian Hope authored the 2002 Outstanding International Accounting Dissertation. I had the good fortune to be the discussant of one of Ole-Kristian's papers at the Annual Meeting and I was greatly impressed by the quality and innovativeness of his research. Undoubtedly, we can expect to hear a lot more of Ole-Kristian in the years to come.

Focusing on this year, my main goal is to improve and enhance the services that we provide to our members and to increase member involvement in the Section. Rather

than reinventing the wheel, I plan to build on several excellent initiatives started by my predecessors. Our actions this year will also be guided by the feedback we received from Section membership in two comprehensive surveys conducted by the Strategic Planning and Membership committees in recent years.

After several long years of waiting, I am happy to report that the first issue of *Journal of International Accounting Research*, the Section's new journal, is finally in production. A sneak preview of the first issue convinces me that we will be well rewarded for our patience. We owe a major debt of gratitude to the many who fought hard over the years to make this happen. Special thanks are due to Segun Wallace, founding editor, and his editorial team who have toiled hard over the last year to lay a solid foundation for the journal. This year we will be undertaking significant programming around the launch of the Section's journal. Some activities that we are planning include a publicity campaign to promote the journal, a journal fast-track option for papers submitted to the Section's Midyear Meeting, and exploring the possibility of a journal conference in conjunction with the Midyear Meeting in 2004.

With a significant number of our members residing outside the

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## **Chairperson's Message** *(continued from page 1)*

United States, one challenge we face as a Section is delivering services to and staying connected with our scattered membership. Due to time and monetary constraints, it is often difficult for many of our members to attend our Midyear and Annual Meetings regularly. One of the ways we hope to more closely connect with our members and keep them abreast of Section's activities is by using the Internet and our web site more aggressively. The Section owes a debt of gratitude to Tim Sale, who has single-handedly developed and maintained our web site over the years. This year we are committing resources to web site development and providing support to Tim as we implement a stronger web-centric approach for the Section. If you have an interest in this important initiative or have any suggestions related to our web site, please contact Tim Sale.

To more strongly reconnect with our membership we will also be taking more of our services to the grassroots. The International Relations Committee under the leadership of Hector Perera is already well underway in organizing itself with membership drawn from different regions of the world. The members of the committee will serve, as the Section's representatives in their respective regions of the world, promoting the Section's interests as well as bringing forth opportunities, suggestions, and concerns in their regions that they feel the Section should act upon. Additionally, the members of the committee will also serve as liaisons between the Section and other regional and international organizations. I am hoping that these activities will help increase the visibility of the Section internationally, promote stronger relationships and joint programming with other regional and international organizations, and allow us to better serve our international members.

Consistent with our focus on the grassroots, we will also be more aggressive in promoting international accounting programs at the AAA regional level within the United States. With international accounting becoming more mainstream, we have an opportunity to tap the growing interest in international accounting education and research. Our enthusiastic group of regional coordinators working with Mahendra Gujarathi, Chair Regional Programs, is already in conversation firming up ideas that would generate excitement in international accounting and increase our visibility at the AAA Regional Meetings.

I would be remiss if I did not put in a plug for one of our most exciting programs, the Midyear Meeting. Nancy Nichols and Donna Street, co-chairs for the Midyear Meeting, are already hard at work lining up a group of outstanding speakers for the meeting. The 2003 Midyear Meeting will be held February 7-8, 2003 in Orlando, Florida. I am happy to report that the KPMG Foundation has renewed their commitment to sponsor the Section's Midyear Meeting for another

three years. Our thanks to KPMG for their continued generosity that enables us to provide an outstanding program at a reasonable cost year after year. This year, I encourage all of you not only to attend the Midyear Meeting, but also to bring along a colleague. All of us who have attended a Midyear Meeting in the past will agree that the meeting is an excellent showcase for international accounting.

The Teaching Resources Committee chaired by Cheryl Fulkerson, Continuing Education Committee chaired by Hollis Ashbaugh, and Membership Committee chaired by Mitch McGhee will be providing significant programming support to the various initiatives that we are undertaking.

In closing, I echo the sentiment of our Section Historian, Norlin Rueschhoff, that "being active in the Section is always inspirational." In that spirit, let's work together to take our Section to even greater heights.



*David Sharp receiving a plaque of recognition from Ajay Adhikari for outstanding service to the Section.*

### **INTERNATIONAL ACCOUNTING SECTION**

#### ***Forum Deadlines and***

#### **Announcement of Change in Editor**

**Spring 2003 Issue — January 15, 2003**

**Summer 2003 Issue — May 1, 2003**

**Fall 2003 Issue — September 1, 2003**

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

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# INTERNATIONAL ACCOUNTING OBJECTIVES

The Section shall serve the following purposes:

1. To encourage, support, and promote interest in all aspects of international accounting through the American Accounting Association, both in the United States and throughout the rest of the world;
2. To provide means of communication among AAA members, other academicians, and professional accountants interested in international accounting through:
  - a. Regional and national Section meetings (held concurrently with meetings of the AAA or other organizations) as well as international meetings;
  - b. Publication of a Section membership list (with indication of special interest areas);
  - c. Publication of a newsletter (*International Accounting Forum*);
  - d. Preparation of publications relevant to international accounting;
  - e. Collection and dissemination of information about international accounting courses taught throughout the world; and
  - f. Support of international liaison activities conducted by the AAA administrative office or other AAA committees, and the encouragement of international faculty exchanges;
3. To encourage international accounting research by Section members and to provide a forum for exchange of research findings through:
  - a. Appropriate programs at annual Section Meetings and Regional Meetings;
  - b. Assisting AAA research committees and providing advisory groups for international accounting projects; and
  - c. Monitoring of important international accounting events and foreign research;
4. To facilitate, as far as feasible, special research, teaching, or information needs of Section members as they arise.

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# MINUTES OF THE IAS OUTGOING (2001-02) EXECUTIVE COMMITTEE AND COMMITTEE CHAIRS

5:40 – 6:40 P.M., SUNDAY, AUGUST 14, 2002 — SAN ANTONIO, TEXAS

## Members Present:

David J. Sharp, Chairperson; Ajay Adhikari, Vice Chairperson–Academic; Robert K. Larson, Secretary, Bruce Behn, Treasurer; David Senteney, Annual Program Chair; J. Timothy Sale, Information Technology Chair (Webmaster); John Wild, International Relations Chair; Donna Street, Midyear Meeting Chair; Jenice Prather-Kinsey, Outstanding Educator Chair; R. S. Olusegon Wallace, Editor, *Journal of International Accounting Research*; Norlin Rueschoff, Section Historian; Thomas (Mitch) McGhee, Teaching Resources Chair; Victoria Krivogorsky, Mid-Atlantic Regional Coordinator; Cheryl Fulkerson, Incoming Teaching Resources Chair

Meeting called to order by Sharp.

1. Adoption of agenda. Sharp asked that the agenda be adopted. Seconded. Agenda was approved.
2. Comments by outgoing chair. Sharp noted that we have been through an “extraordinary” year. He thanked everyone for their work. In particular, he noted that David Senteney did a wonderful job with the Annual Program and that Donna Street and Nancy Nichols did an excellent job to create a good midyear meeting.
3. Reports of previous year officers and committee chair reports (following order on agenda):

*Treasurer’s Report.* Behn reported that the Section was in good financial health. The Section has a good balance (\$122,880.72), but most of it is restricted for the journal (\$72,507.25). Behn gratefully acknowledged the receipt of \$10,000 from KPMG for support of the midyear meeting as well as a donation from the University of Illinois at Urbana–Champaign’s CIERA to support a reception at the midyear meeting. Behn also noted that the Section has changed its fiscal year in order to be in line with the national AAA’s new fiscal year, which ends on August 31.

*Annual Program.* Senteney thanked reviewers and everyone who helped with the Annual Program. The luncheon speaker will be Jim Leisenring, from the IASB. Sixty papers were submitted to the Annual Meeting for review. Twenty-one were accepted for concurrent sessions and nine were accepted for the forum. It was noted that this 50 percent acceptance rate was the same rate as reported by the financial reporting section. One concern for the future is that national is now making a lot of decisions. In regards to scheduling, the hotels are too small this year. Overall, we have a good program and the quality of the papers being presented is high.

*Information Technology.* Sale reported that the web site is up to date with postings.

*International Relations.* Wild reported that the committee decided not to pursue the opportunities it was presented with this year.

*Midyear Meeting.* Street reported that attendance was lower than we would have liked, but understandable given the events of 9/11. While we normally have 75 to 80 in attendance, this year we had between 60 and 65 in attendance. A general discussion followed about how to increase attendance at the midyear meeting. Suggestions included methods to increase paper submissions, such as a \$500 best-paper prize or a fast track to our journal. One thought was the possibility of a joint meeting with another group, such as a section or a region. This could be something that the proposed Liaison Committee could pursue. Another comment was that we need to plan farther out. Another option would be to have the journal sponsor a miniconference in conjunction with the midyear meeting. A comment was made that we need to work to change the perception by some that we are only the International “Financial” Accounting Section. The 2003 meeting will be in February in Orlando, Florida.

*Outstanding Educator.* Prather-Kinsey reported that the committee had met and that the selected individual would be announced at the Luncheon. (The winner was Christopher Nobes.)

*Section Journal.* Wallace gave a positive report about the journal. To date 49 papers have been submitted to the journal. Five have been accepted. Each paper went at least three rounds. The journal should come in late October or early November. Wallace thanked all the associate editors and reviewers for their work. Wallace was congratulated and received a round of applause.

Wallace also reported that five more papers are well along in the review process and that he expects that the papers should be accepted by February. The quality of submissions is improving. Wallace is optimistic that this trend will continue and that the Section should consider moving to two issues of the journal per year. Wallace also noted that the journal has agreed to fast-track submissions to the 2003 Midyear Meeting.

*Section Historian.* Rueschhoff reported that the historian’s webpage has been updated with a list of committee chairs.

*Teaching Resources.* McGhee stated that he had nothing to report at this time.

4. Other Business.

Adhikari thanked Sharp for all his work this past year. Sharp received a round of applause.

Sharp adjourned the meeting at 6:40 PM.

# MINUTES OF THE IAS INCOMING (2002-03) EXECUTIVE COMMITTEE AND COMMITTEE CHAIRS

6:40 – 7:50 P.M., SUNDAY, AUGUST 14, 2002 — SAN ANTONIO, TEXAS

Members Present: Ajay Adhikari, Vice Chairperson-Academic (Chairperson-Elect); Robert K. Larson, Secretary; Bruce Behn, Treasurer; Don Herrmann, Annual Program Chair; J. Timothy Sale, Information Technology Chair (Webmaster); Thomas (Mitch) McGhee, Membership Chair; Donna Street, Incoming Secretary; Nancy Nichols, Midyear Meeting Chair; Teresa Conover, Nominations Committee Chair; John Wild, Outstanding Dissertation Chair; Steve Salter, Outstanding Educator Chair; Jenice Prather-Kinsey, representing the Publications Committee; R. S. Olusegon Wallace, Editor, *Journal of International Accounting Research (JIAR)*; Jeannie Harrington, Editor, *Forum*; Mark Myring, Midwest Regional Coordinator; Michael Chatham, Ohio Regional Coordinator; Thomas Carnes, Southwest Regional Coordinator; Norlin Rueschoff, Section Historian; Cheryl Fulkerson, Teaching Resources Chair

Meeting called to order by Adhikari.

1. Adoption of agenda. Adhikari asked that the agenda be adopted. Seconded. Agenda was approved.
2. Everyone introduced themselves.
3. Comments by incoming chair.

On a procedural matter, the Executive Committee approved the appointment of Jeannie Harrington as *Forum* Editor.

Adhikari stated that we have moved forward, and we have had to ask some hard questions of ourselves as a section. We need to clearly focus and define: (1) what services we provide to our members, and (2) what benefits our members receive. We need to justify why we are members. The journal is coming into print. We need to leverage the journal and the Section in conjunction with three initiatives. First, we must promote the journal. We should consider a *JIAR* conference in conjunction with the Midyear Meeting. Second, Tim Sale has worked hard on the web site. Given the importance of the internet and web sites, we need to put more resources into the web and support Tim Sale as we move the Section web site to a new level. Third, we need to look at strategic planning and membership service. While we have a core of committed members that are actively involved, we need to reach out to our broader membership in two ways: (1) move more aggressively and promote programs at regional meetings, and (2) develop a new International Relations (or Liaison) Committee to build bridges/partnerships.

4. Preview of upcoming year (following order in agenda):

*Treasurer's Report.* Behn reported that the Section was in good financial health. The Section has a good balance (\$122,880.72), but most of it is restricted

for the journal (\$72,507.25). Behn noted three areas of donations: (1) \$10,000 from KPMG for support of the midyear meeting; (2) a donation from the University of Illinois at Urbana-Champaign's CIERA to support a reception at the 2002 midyear meeting; and (3) \$700 for gift memberships.

Behn made a number of comments about the proposed budget. Journal expenses are increased due to the publication of the journal and some money budgeted for journal promotion. Most of the expenses for the first issue of the journal will miss the current fiscal year, where it is budgeted. That money was added into the restricted (journal) account. The coming year's budget includes money for the 2002 issue and a 2003 issue. While the Section will technically run a deficit, we already have the money in the restricted (journal) account. The budget for the luncheon speaker was increased in order to be able to continue to attract great speakers. Money was budgeted to improve the website. The 2003 midyear meeting was budgeted on a break-even basis.

Adhikari raised the issue of what the Section should charge to institutions (i.e. colleges and universities) for the journal. A lively discussion followed. Everyone was requested to think on the matter and submit their ideas.

*Annual Program.* Herrmann stated that he is looking forward to working on the program next year in Hawaii.

*Information Technology.* Sale reported that he will work to improve the web site in the coming year. The *Forum* will now be available on the web in Acrobat Reader.

*Membership.* McGhee discussed the desire to increase section membership. One related thought might be to investigate web casting the plenary speakers at the 2003 midyear meeting.

*Midyear Meeting.* Nichols reported that the 2003 meeting will be February 7-8 in Orlando, Florida. The hotel will be the International Drive Embassy Suites. We have great plenary speakers lined up and we will be fast-tracking papers to the Section journal. We need to work to increase attendance. It was noted that we need to start early planning on the 2004 meeting.

*Nominations Committee.* Conover simply stated "Please Nominate!"

*Outstanding Dissertation Committee.* Wild asked us to encourage people to submit their dissertations.

*Outstanding Educator.* Salter stated that he hoped to develop a pool of excellent candidates from both inside and outside of the U.S.

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## Minutes of the IAS Incoming (2002–03) Executive Committee and Committee Chairs

(continued from page 7)

*Publications Committee.* Prather-Kinsey reported that the new committee has already been communicating by email. Initially, the committee will focus on how to handle courier and postage costs, how to advertise the journal, whether there should be one or two issues of the journal each year, whether there should be a *JJAR* conference, whether and how papers should be fast-tracked to the midyear meeting, and whether the current editor should be retained for an additional year when his three-year term expires.

*Section Journal.* Wallace gave a positive report about the journal [see minutes of outgoing meeting for recap]. In addition, Wallace noted the excellent turnaround time for reviews. The quality of most reviews has been very high. Wallace only noted three concerns: (1) the need to move to two issues per year;

(2) the issue of fast-tracking submissions; and 3) the fact that a few reviewers have either not done their requested reviews or have been tardy.

*Forum Newsletter.* Harrington asked for any comments on what people wanted in the *Forum*. Some discussion followed about having a paper vs. an electronic publication of the *Forum*. Harrington stated that she was looking forward to working as *Forum* editor.

*Teaching Resources.* Fulkerson outlined three objectives for the year: (1) development of a panel for the midyear meeting offering perspectives for undergraduate, graduate, and Ph.D. education; (2) an updating of teaching resources; and (3) development of a updated database of international accounting syllabi where one is able to sort by various topics.

Adhikari adjourned the meeting at 7:50 PM.

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## MINUTES OF THE AAA INTERNATIONAL ACCOUNTING SECTION 2002 BUSINESS MEETING

THURSDAY, AUGUST 15, 2002, 5:45 PM — SAN ANTONIO, TEXAS

David Sharp welcomed everyone to the meeting.

1. Adoption of agenda. A motion was made to approve the agenda. Seconded. Motion approved.
2. Minutes. A motion was made to approve the minutes of the 2001 Annual Business Meeting as printed in the *Forum*. Seconded. Motion approved.
3. Treasurer's Report.

*Current Year.* Bruce Behn reported that the Section was in good financial health. The Section has a good cash balance of \$122,880.72. Of the total, the amount restricted for the journal is \$72,507.25. Behn gratefully acknowledged the receipt of \$10,000 from KPMG for support of the midyear meeting (part of a three year commitment) as well as a donation from the University of Illinois at Urbana-Champaign's CIERA to support a reception at the midyear meeting. Behn also noted that the Section has changed its fiscal year in order to be in line with the national AAA's new fiscal year, which ends on August 31. A question was asked about how many members the section has. Behn stated that his latest information from national is 1,213 full members and 73 associate members.

*Proposed Budget.* Behn made a number of comments about the proposed budget. Journal expenses are increased due to the publication of the journal and \$1,000 budgeted for journal promotion. Most of the expenses for the first issue of the journal will miss the current fiscal year, where it is budgeted. That money was added into the restricted (journal) account. The coming year's budget includes money for the 2002 issue and a 2003 issue. While the Section will technically run a deficit estimated at \$9,500, the Section

already has the money in the restricted (journal) account. Printing costs for 1,500 copies of a 120-page issue of the journal is \$10,000 (per national). The budget for the luncheon speaker was increased in order to be able to continue to attract good luncheon speakers. \$500 was budgeted to improve the web site. The Midyear Meeting was budgeted on a break-even basis at \$16,000.

It was moved and seconded to approve the budget. Motion approved.

4. Presentation of Committee Reports.

*Annual Program.* Sharp thanked David Senteney for doing a good job on the Annual Program. Salter suggested that the Section consider a 30-page maximum for paper submissions.

*Continuing Education.* Sharp noted that in San Antonio there were CE sessions on international topics presented by Fred Choi and Mary Barth.

*Information Technology.* Sale reported the good news about updating and improving the web site in the coming year. He will also be working on member only access. Sale asked that any suggestions about the web site be sent to him.

*International Relations.* Sharp reported that the committee had a quiet year, but that it would be a major focus in the next year.

*Membership.* Sharp reported that there has been a slight decline that has paralleled the rest of the AAA.

*Midyear Meeting.* Sharp stated that last year's Midyear Meeting was wonderful. Nichols reported that the 2003 meeting will be February 7–8 in Orlando, Florida. The hotel will be the International Drive Embassy



## Minutes of the AAA International Accounting Section 2002 Business Meeting

(continued from page 8)

Suites. For the 2002 meeting, attendance was lower than originally anticipated due to the events of 9/11. About 65 people attended.

*Nominations.* Tim Doupnik passed out the following ballot:

Vice Chairperson–Academic	Robert K. Larson
Vice Chairperson–Practice	Patrick Edgar, KPMG
Secretary	Donna Street
Advisory Board (2) (Chair),	Belverd E. Needles, Jr. Rasoul H. Tondkar
Nominations Committee (3)	David L. Senteney, Edward P. Swanson, Wayne B. Thomas
Publications Committee (2)	Hollis Ashbaugh, Paquita Y. Davis-Friday

*Outstanding Dissertation Award.* Sharp stated that the winner was Ole-Kristian Hope.

*Outstanding Educator Award.* The winner was Christopher Nobes.

*Publications.* Sharp reported for Ran Barniv that the Publications Committee had given final approval for the journal policies during the past year.

*Section Journal.* Segun Wallace gave a positive report about the journal. To date, five papers have been accepted for publication by the journal. The journal should come out in late October or early November. The journal is now averaging about six submissions per month. Wallace is optimistic that this trend will continue and that the Section should consider moving to two issues of the journal each year. The journal has also agreed to fast-track submissions made to the 2003 Midyear Meeting. Wallace notes that the journal has advanced greatly since his appointment as editor in December, 2000. Wallace was congratulated and received a round of applause.

*Regional Programs.* Sharp reported that he had heard good things about our programs at the regional meetings.

*Section Historian.* Rueschhoff reported that the historian's webpage has been updated with a list of committee chairs.

*Strategic Planning.* Sharp discussed a long report he received from Ross Tondkar. The committee was quite active. Discussions were held with the Chair of the Advisory Board and the Chair-Elect of the Section. They obtained and reviewed the membership and the strategic planning committee surveys done last year, and membership information from the national AAA office. The committee also reviewed the proposed by-law changes.

Recommendations:

1. Adoption of all proposed bylaw changes.
2. Prepare a Mission Statement for the Section.
3. Develop an Organization Chart.

4. Establish a Liaison Committee/Group. The Committee recommends the creation of a Liaison Committee responsible for contacting and maintaining relations with other organizations (e.g., IAAER and other sections of the AAA, etc.) that promote research and education on international accounting issues. This committee would investigate the possibility of joint conferences and meetings with these organizations. The joint conferences would enhance the exposure of IAS to members of other organizations who currently are not members of IAS.
5. Enhance the Section's Exposure and Increase Membership. Section membership has dropped 13 percent during the past five years.
6. Increase the Emphasis on Teaching and Curriculum Development Activities. Greater emphasis of these issues could occur at the Mid-year Meetings. Faculty development could be facilitated through the development of a Teaching Resource Site. It could also be advanced and highlighted through an Innovative Teaching in International Accounting Award.

*Teaching Resources.* McGhee stated that he had nothing to report at this time.

5. Voting on proposed bylaw changes. Teri Conover represented the Advisory Board. A general overview of all of the proposed changes was published in the Summer 2002 issue of the *Forum*. Additional information was handed out in the meeting. An extended discussion of the proposed changes took place. The discussion followed the 15 items outlined in the *Forum*. A copy of the revised by-laws of the Section is printed elsewhere in this edition of the *Forum*.

Item 1. Approved. The titles of section Chairperson, Chairperson-Elect and Vice-Chairpersons were changed to President, President-Elect, and Vice Presidents.

Item 2. Withdrawn after discussion. Not Approved. Would have created a new position of President-Elect that was separate from Vice President–Academic.

Item 3. Approved. Past Vice Presidents–Practice will no longer automatically serve on the advisory board.

Item 4. Defeated on a 7 (Yes) to 10 (No) vote with numerous abstentions. The Chairperson of the Advisory will not be the past president of the section that is serving in his/her third year on the Advisory Board.

Item 5. Approved. Eliminated section dealing with how to ask individuals to resign from the Advisory Board.

Item 6. Approved. The Research Committee will no longer be a standing committee.

(continued on page 10)

## Minutes of the AAA International Accounting Section 2002 Business Meeting

(continued from page 9)

Item 7. Defeated. The Liaison Committee will not be a standing committee. The President may still create an *ad hoc* Liaison Committee if he/she believes it is necessary.

Item 8. Defeated on a tie vote. Would have changed wording about the relationship between the Publications Committee and the Executive Board in the selection of the Section's journal editor.

Item 9. Tabled. To be considered at the 2003 Section Business Meeting.

Item 10. Approved. Deletes the requirement that each committee chairperson provide an evaluation of the service of committee members.

Items 11 through 15. Tabled. To be considered at the 2003 Section Business Meeting.

6. Voting on Slate of Nominees. Tim Doupnik moved that the slate of nominations be approved. Seconded by Jenice Prather-Kinsey. Approved Unanimously.

7. Comments by incoming chair. Ajay Adhikari stated that given the late hour, that he would place his

prepared comments in the next issue of the *Forum*. He briefly stated his three themes for the new year: (1) Capitalize on the journal; (2) Develop further our presence on the web; (3) Increase membership involvement at the grass roots by aggressively pursuing Section involvement with both regional meetings and international meetings. We need to move beyond our core membership to the general membership of the Section.

Adhikari thanked Sharp for all his work this past year. Sharp received a round of applause.

8. Other Business.

Sharp thanked everyone who did the hard work to keep the Section running this year.

Sharp announced for Paul Pactor (of DTT) that a new book comparing IAS and US GAAP is available free of charge on the web at <http://www.IASplus.com>.

Adjournment. A Motion was made to adjourn the meeting. Seconded. Motion Passed. Sharp adjourned the meeting at 7:05 PM.

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## CALL FOR NOMINATIONS Section Officers and Other Positions

The 2002–2003 Nominations Committee of the American Accounting Association's International Accounting Section solicits nominations for the following positions: Academic Vice President and President-Elect, Practice Vice President, Treasurer, Advisory Board Members, Publication Committee Members, and Nominations Committee Members. Please specify the position for which you are nominating the individual(s). The Section Bylaws specify prior service requirements for certain positions. Please consult the Section Bylaws published on the Section's web site to see if your candidate(s) meets the specific requirements for the nominated position(s). Nominations must be received by the Nominations Committee Chair no later than **February 1, 2003**.

Please send nominations to:

Teresa L. Conover  
Department of Accounting  
PO Box 305219  
College of Business Administration  
University of North Texas  
Denton, Texas 76203-5219  
USA  
Phone: (940) 565-3867  
Fax: (940) 565-3803  
Email: [conovert@unt.edu](mailto:conovert@unt.edu)



*International Accounting Standards Board member Jim Leisenring during his luncheon presentation at the 2002 Annual Meeting.*

**INTERNATIONAL ACCOUNTING SECTION 2002-2003 BUDGET**  
**(SEPTEMBER 1, 2002 – AUGUST 31, 2003)**

**Cash Inflows**

Dues—Full Members (\$20 per member)*	24,500	
Dues—Associate Members (\$6 per member)	500	
Journal Submission Fees	1,000	
Midyear Meeting Registration	6,000	
Interest Income	1,500	
Contributions**	10,700	
Total Cash Inflow		<u>\$44,200</u>

**Cash Outflows**

Journal		
Editor Expenses	1,000	
Journal Promotion	1,000	
Copying, Printing, Mailing	20,000	
AAA Staff Support	1,000	
Total Journal		\$23,000
Newsletter		
Printing	3,500	
Mailing	2,500	
AAA Staff Support	1,000	
Total Newsletter		\$7,000
Annual Meeting		
Luncheon Speaker Expenses	1,000	
Plaque for Outgoing Chair	100	
Program Chair: Admin. Expenses	350	
Other	200	
Total Annual Meeting		\$1,650
Midyear Meeting		
AAA Staff Support	750	
Hotel—Rooms/Food/Beverage	9,500	
Speakers	3,000	
Meeting Coordinator Expenses	1,000	
Printing and Postage	750	
AAA Doctoral Scholarships	1,000	
Total Midyear Meeting		\$16,000
General/Administrative		
Postage and Printing	100	
Web Site Development	500	
Awards	700	
Council Fee	1,000	
Gift Memberships and Misc.	1,250	
Total General/Administrative		\$3,550
Committee		
Officer Travel and Committee Meetings	\$2,500	
Total Committee		\$2,500
Total Cash Outflow		<u>\$53,700</u>
Net Change in Cash		<u><u>-\$9,500</u></u>

\*Membership dues for full members include \$10 restricted for publication of the Section's journal.

\*\* \$10,000 contribution from KPMG earmarked for Midyear Meeting.

**The section's 2001-2002 cash flow statement will appear in the Spring *Forum* issue due to the change in fiscal year-end from June 30 to August 31.**

## **CALL FOR NOMINATIONS**

### **Outstanding International Accounting Dissertation Award**

The International Accounting Section of the American Accounting Association invites submissions for its Outstanding International Accounting Dissertation Award, to be presented at the Annual Meeting of the American Accounting Association in Honolulu during August 2003.

All doctoral dissertations successfully defended during the 2002 calendar year in all areas of international accounting—including topics in financial, managerial, auditing, taxation, and information systems—are eligible for this award.

Eligible individuals should submit the following materials **(by January 31, 2003)**:

1. Six (6) copies of a summary of their dissertation not exceeding 20 pages, including tables (all single-spaced, 11-point font, with one-inch margins), and
2. Six (6) copies of a letter of support from his/her dissertation committee chairperson.

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

Please send submissions (do not fax or email) to:  
Professor John J. Wild  
School of Business, Grainger Hall  
University of Wisconsin-Madison  
975 University Avenue  
Madison, WI 53706-1323  
Phone: (608) 262-8122  
Email: JWild@Bus.Wisc.Edu

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

- 1984 Trevor J. Harris, University of Washington
- 1985 (none awarded)
- 1986 Betty C. Brown, University of Louisville
- 1987 Shahrokh M. Saudagaran, University of Washington
- 1988 David Sharp, MIT
- 1989 Teresa L. Conover, University of North Texas, and Zelma Rebman-Huber, Simon Fraser University
- 1990 F. Norman Shiue, The George Washington University
- 1991 Ajay Adhikari, Virginia Commonwealth University
- 1992 Stephen B. Salter, University of South Carolina
- 1993 Patricia McQueen, New York University
- 1994 Keith Duncan, Bond University, Australia
- 1995 Mary A. Flanigan, Virginia Commonwealth University
- 1996 Wayne Thomas, Oklahoma State University
- 1997 Paquita Davis Friday, University of Michigan
- 1998 Karl Albert Muller III, University of Illinois Urbana-Champaign
- 1999 Jan Marton, The University of Alabama
- 2000 Tracy Manley, University of Arkansas
- 2001 Taskashi Yaekura, University of Illinois Urbana-Champaign
- 2002 Ole-Kristian Hope, Northwestern University

### **Make a Contribution to the IAS without Spending a Penny!**

Help the section create a searchable database of international accounting syllabi, course reading lists, cases, projects, and assignments/exercises. Send your syllabi and examples of class assignments, projects, and reading lists to Cheryl Fulkerson, Chair of the Teaching Resources Committee.

Email your items to [cfulkerson@utsa.edu](mailto:cfulkerson@utsa.edu) or, if you prefer, mail them to:

Cheryl L. Fulkerson  
Department of Accounting  
College of Business  
The University of Texas at San Antonio  
San Antonio, TX 78249-0632

Thank you!

If not indicated in the document, indicate the level at which you have used the syllabi/assignment/reading list/exercise (i.e., undergraduate, master's, Ph.D., or some combination).

## CALL FOR NOMINATIONS Outstanding International Accounting Educator Award

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

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

In addition, in 2003 we are particularly eager to reward an individual from outside of the normal ambit of nominations (U.S., U.K., Australia). As you can see below, no one outside these countries has ever won the award although a significant number of our members come from outside this block of countries.

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

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

Stephen B. Salter  
Associate Professor  
Department of Accounting  
College of Business Administration  
University of Cincinnati  
Cincinnati, OH 45221-0211, USA  
Phone: (513) 556-7056  
Fax: (513) 556-6278  
Email: <mailto:saltersb@email.uc.edu>

The DEADLINE for nomination is February 28, 2003.

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

1990 Paul Garner  
1991 Gerhard Mueller  
1992 Vernon Zimmerman  
1993 Fred Choi  
1994 Sidney Gray  
1995 Murray Wells  
1996 Belverd Needles  
1997 Gary Meek  
1998 Lee Radebaugh  
1999 Steve Zeff  
2000 Ahmed Riahi-Belkaoui  
2001 Helen Gernon  
2002 Christopher Nobes

## CALL FOR NOMINATIONS 2003 Innovation in Accounting Education Award

The American Accounting Association requests nominations for the Innovation in Accounting Education Award.

### AWARD INTENT

The intent of the award is to encourage innovation and improvement in accounting education. The award will recognize significant programmatic changes or a significant activity, concept, or set of materials. The winner may be an individual, a group of individuals, or an institution.

### AWARD CRITERIA

The primary criteria used by the Selection Committee to judge submissions include:

- innovation;
- demonstrated educational benefits; and
- adaptability by other educational institutions or to other situations.

### AWARD PROCESS

**Nominations:** Nomination letters are encouraged from individuals who are aware of innovative work done by others, as well as from those involved with the innovation. The nomination letter should include the name(s) of the individuals or institution involved and a brief description of the innovative work, and must be submitted no later than **January 15, 2003**.

**Submission of Materials:** Once nomination letters are received, the Committee will request application materials from nominees and will provide details on the submission process and deadline.

### MAILING INSTRUCTIONS

Nomination letters should be sent to Jane F. Mutchler, Ernst & Young Professor of Accountancy, Robinson College of Business, University Plaza, Georgia State University Atlanta, GA 30303-3083. **Electronic submissions are preferred and encouraged. Send electronic submissions to [jmutchler@gsu.edu](mailto:jmutchler@gsu.edu)**

### AWARD PRESENTATION

The winner will be announced in the *Accounting Education News*. The award, a plaque, and \$5,000, funded by the Ernst & Young Foundation will be presented at the 2003 AAA Annual Meeting.

Although publication is not a requirement for receiving the award, the award-winning innovation will be eligible for publication in *Issues in Accounting Education* as a scholarly article, subject to the normal manuscript review process.

## OUTSTANDING INTERNATIONAL ACCOUNTING DISSERTATION AWARD

Ole-Kristian Hope was named the recipient of the 2002 Outstanding Doctoral Dissertation Award. Dr. Hope is an Assistant Professor of Accounting at the Joseph L. Rotman School of Management, University of Toronto. Ole-Kristian has his Ph.D. from Northwestern University, M.B.A. from the University of Michigan, and Siviløkonom degree from the Norwegian School of Economics and Business Administration. In addition, he holds the CPA, CMA and CFM designations. Ole-Kristian has professional experience as a budget analyst, auditor, and controller. He currently teaches a second year M.B.A. course in Financial Reporting and Analysis. His research interests include international accounting, financial reporting, disclosure, analysts' forecasts, mergers and acquisitions, goodwill and earnings management. He has published papers or has papers forthcoming in such journals as *Contemporary Accounting Research*, *Journal of Business Finance and Accounting*, *Advances in International Accounting*, *Journal of Accounting Case Research*, and *The CPA Letter*. He also has several papers under review.

Ole-Kristian's dissertation committee consisted of Bob Magee (Chair), Beverly Walther and Larry Revsine. A brief abstract of his dissertation, "A Study of International Variations in the Financial Reporting Environment, Disclosure Practices and Analysts' Forecasts," follows. If you are interested in obtaining copies of papers based on the dissertation, please contact Ole-Kristian at [okhope@rotman.utoronto.ca](mailto:okhope@rotman.utoronto.ca).

### Abstract

This dissertation investigates the associations between variations in financial reporting environments and disclosure practices on market participants' judgments in an international setting. Variations in the financial reporting environment are potentially important to both preparers of and users of accounting reports. In this dissertation, I focus on managers' financial reporting decisions and financial analysts' earnings forecasts. In particular, I study how properties of sell-side financial analysts' earnings forecasts (accuracy and dispersion) are related to variations in the financial reporting environment as well as firm-level disclosure levels.

Many factors influence and make up the "financial reporting environment." In this study, I focus on three accounting-related factors that I consider essential elements of the financial accounting framework: the degrees of (1) flexibility in accounting standards, (2) accrual accounting prescribed in accounting standards, and (3) enforcement of accounting standards. Firms also vary significantly in their disclosure practices, both within and across countries, and I investigate the impact of variations in (4) the extent of information firms disclose in their annual report. In addition to examining each of these four characteristics, I also investigate how these factors interact, both with each other and with other variables, to affect analysts' earnings forecasts. Given managers' discretion over how much information to disclose in annual reports, I investigate the possibility that disclosure levels and the forecast properties of accuracy and dispersion are jointly determined. I also examine one particular disclosure in some detail: the amount of disclosure in the annual report about which accounting policies are followed. Although standard setters view accounting policy disclosures as essential, there have not been any prior studies on effects of the extent of such disclosures.

Investors, accounting standard setters, regulators, and accountants are interested in whether variations in financial reporting regimes, including accounting rules and how these are enforced, matter to users of financial information. For example, standard setters such as the Financial Accounting Standards Board are interested in learning whether heterogeneity in accounting practices and regulation internationally matters to investors. By using a multicountry sample, I can take advantage of differences in the reporting environment that go well beyond within-country variations. Few studies have considered the potentially important role of enforcement of accounting standards in the infrastructure of financial reporting internationally. Considerable variation persists in enforcement worldwide even as cross-country differences in accounting measurement have diminished in recent years. This lack of comparability in enforcement is of concern to the investors, regulators, and accounting standard setters.



*Ole-Kristian Hope receiving the Outstanding Dissertation Award from Paquita Davis-Friday*

## **2002 OUTSTANDING INTERNATIONAL ACCOUNTING EDUCATOR AWARD**

The 2002 recipient of the Outstanding International Accounting Educator Award is Christopher Nobes, the PricewaterhouseCoopers Professor of Accounting at the University of Reading. Professor Nobes received a B.S. in Economics and a Ph.D. from the University of Exeter. His dissertation thesis was titled, "International Classification and Harmonisation of Financial Reporting." Prior to teaching at the University of Reading, Professor Nobes taught at eight universities across the world and has taught international accounting at University of Exeter, London Business School, Strathclyde University, University of London, State University of University of New York, and University of San Diego.

Professor Nobes was Associate Editor of *British Accounting Review* from 1993–1997, and Joint Editor of *Accounting and Business Research* from 1983–1986. He has served on the editorial boards of *Abacus*, *International Journal of Accounting*, *Pacific Accounting Review*, *Accounting Business and Financial History* and the *Australian Accounting Review*. He has written 18 books including *Comparative International Accounting*, *International Classification of Financial Reporting*, *Issues in International Accounting*, *Accounting and Financial Reporting in Japan*, and *An International View of True and Fair Accounting*. He has published 14 monographs and has numerous articles in 20 journals including *The Accounting Review*, *Abacus*, *Journal of Accounting Research*, *Journal of International Business Studies*, *Journal of International Accounting*, *Auditing and Taxation*, *International Journal of Accounting*, *British Accounting Review*, *European Accounting Review*, *Australian Accounting Review*, and *Accounting Historians Journal*.

Professor Nobes has served on numerous professional committees across the world, including his role as a board member on the International Accounting Standards Committee from 1993 to 2001.

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## **THE INTERNATIONAL ACCOUNTING SECTION 2003 MIDYEAR MEETING**

**February 7–8, 2003 — Orlando, Florida**

### **Funding Provided by the KPMG Foundation**

This is the ninth Midyear Meeting of the International Section of the American Accounting Association. The conference will provide an opportunity for teachers, researchers, and practitioners interested in international accounting to exchange information, to network, and to discuss emerging issues. Jim Leisenring of the IASB will be one of the plenary speakers. Papers and panel discussions from many areas of international accounting will be presented. Ideas for panel discussions on any area of international accounting are welcome. Please send suggestions to Nancy Nichols, Co-chair of the Midyear Meeting (see below).

A special session will feature the work of doctoral students and/or new Ph.D.'s engaged in international accounting research. A limited number of \$500 scholarships for doctoral students to attend the conference will be available. Application for a scholarship must be in the form of a letter of recommendation from the Ph.D. advisor. Contact Nancy Nichols for additional information.

Nancy Nichols  
James Madison University  
School of Accounting, MSC 0203  
Harrisonburg, VA 22807  
Phone: (540) 568-8778  
Fax: (540) 568-3017  
Email: nicholnb@jmu.edu

### **Tentative Schedule:**

The conference will begin at noon on Friday, February 7, and conclude around 5:00 pm on Saturday, February 8. The registration fee covers lunch and an evening reception on Friday, and lunch and a closing reception on Saturday. The location will be the Embassy Suites Hotel, 8978 International Drive, Orlando, FL 32819; Phone: (407) 352-1400. Rates are \$145 per night plus 11% tax.

Conference updates will be posted on the AAA International Section web site at: <http://www.cba.uc.edu/cbainfo/ias>.

# HAVE YOU SEEN...?

Wayne B. Thomas, University of Oklahoma

Editorial Note: If you have an abstract or know of an abstract that would be of interest to the members of the AAA International Accounting Section, please email the reference information and abstract to Wayne Thomas at wthomas@ou.edu.

**Abdolmohammadi, M., and R. Tucker, "The Influence of Accounting and Auditing on a Country's Economic Development," *Review of Accounting and Finance* (Vol. 1 No. 3, 2002): 42-53.**

This research examines cross-country differences in accounting and auditing to assess their role in a country's economic development. We investigate the effects of the per capita number of practicing accountants, auditors, and tax preparers on economic wealth per capita. In addition, we investigate whether economic wealth results from the source of accounting standard setting (i.e., government, private sector, or both). Finally, we investigate whether the professionalism of a country's internal audit activity, as measured by its ability to achieve the status of a chapter in the Institute of Internal Auditors (IIA) relates to economic growth. The dependent variable for all tests, per capita GNP, was regressed on these variables to determine the type and strength of association between them. The results indicate that, on average, countries with larger per capita numbers of accountants and auditors, and number of chapters of the IIA had greater wealth per capita than those with smaller per capita number of accountants and auditors and number of chapters of the IIA. Also, countries that had input from both the private and public sectors in setting standards had higher per capita wealth.

**Brown, P., A. Chua, and J. Mitchell, "The Influence of Cultural Factors on Price Clustering: Evidence from Asia-Pacific Stock Markets," *Pacific-Basin Finance Journal* (Vol. 10 No. 3, 2002): 307-332.**

Price clustering is the tendency of prices to be observed more frequently at some numbers than others. It increases with haziness, or imprecision, about underlying value. Most research on price clustering has been conducted in Western financial markets, where there is manifest preference for trading at round numbers. We focus on number preferences under Chinese culture. Many Chinese believe some numbers are "unlucky" and to be avoided. For instance, the number 4 is inauspicious because the Cantonese pronunciation of 4 is similar to the phrase "to die." We first document clustering of daily closing prices on six Asia-Pacific stock markets, three with predominantly Chinese populations. Next, we fit binomial logit models within these markets to estimate the association between structural and economic factors, and culture, on price clustering. We find some support for the influence of Chinese culture and superstition on year-round number preferences of traders, but it is located solely in the Hong Kong market. Furthermore, in the Hong Kong market

Chinese culture and superstition help explain the increased avoidance of the number 4 during the auspicious Chinese New Year, Dragon Boat, and Mid-Autumn festivals.

**Campbell, J., H. Hermanson, and J. McAllister, "Obstacles to International Accounting Standards Convergence," *CPA Journal* (May 2002): 21-24.**

The convergence of GAAP and International Accounting Standards in the near future hinges on the possibility that the standards can be harmonized. The authors examine the conceptual frameworks behind the two sets of standards and conclude that they pose few intractable barriers to convergence.

**Chen, G., M. Firth, and J. Kim, "The Use of Accounting Information for the Valuation of Dual-class Shares Listed on China's Stock Markets," *Accounting and Business Research* (Vol. 32 No. 3, 2002): 123-131.**

This study examines whether accounting data are useful in helping explain the market value of listed firms in China. In particular, the investigation focuses on companies that have issued dual-class shares sold to domestic investors and foreigners. Domestic accounting standards are used for the financial statements of A-shares while the international accounting standards are used for B-shares. Results show that IAS earnings information is incorporated in the prices and returns of B-shares. In contrast, A-share investors appear to place most weight on DAS earnings and only recently has there been an association with IAS information. Book values are value relevant for B-share prices but not for A-share prices. Sensitivity tests show that accounting information is more likely to be impounded in share prices and returns for firms with high individual share ownership.

**Chow, C., G. Harrison, J. MacKinnon, and A. Wu, "The Organizational Culture of Public Accounting Firms: Evidence from Taiwanese Local and U.S. Affiliated Firms," *Accounting, Organizations and Society* (Vol. 24 No. 4/5, 2002): 347-360.**

This study examines the organizational cultures of public accounting firms with data from U.S.-affiliated international accounting firms in Taiwan and Taiwanese local firms. Hypotheses are tested about the impact of the national culture of the U.S. firms on their Taiwanese affiliates, and about cultural differences across function and rank. The study extends previous research by: (1) examining an oriental country whose  
(continued on page 17)



**Have You Seen...?** (continued from page 16)

culture is significantly different from that of the U.S.; (2) using the Hofstede, Neuijen, Ohayv, and Sanders (1990) practices-based measure of organizational culture; (3) examining the importance of the fit between employee preferences and organizational culture in influencing commitment, job satisfaction, and propensity to remain with the organization. Support is found for the cultural impact and fit hypotheses. Additionally, while culture is found to be relatively homogeneous across function, differences are found across rank.

**Dini, J., "Can One Good Man Save Accounting? Institutional Investor (Vol. 36 No. 7, 2002): 68-76.**

Having rescued—or destroyed, depending on who is talking—U.K. bookkeeping nearly single-handedly during the 1990s, Sir David Tweedie is now trying to save global accounting from the crisis of confidence that followed the collapse of U.S. energy trading giant Enron Corp. in a miasma of financial irregularities. As head of the International Accounting Standards Board, the industry rulemaker created two years ago to bring consistency to financial reporting, he is on a mission to craft a uniform set of standards that will improve transparency and logic in accounting from Seattle to Seoul to Stuttgart. His proposals are already drawing howls from corporate executives, especially in the U.S. In a global economy, the plainspoken Scot believes investors should be able to make apples-to-apples comparisons between companies no matter where they are domiciled.

**Dumonthier, P., and B. Raffournier, "Accounting and Capital Markets: A Survey of the European Evidence," The European Accounting Review (Vol. 11 No. 1, 2002).**

The relationship between accounting information and capital markets has been the subject of numerous studies, especially in the U.S. The purpose of this article is to examine the corresponding evidence in Europe. This review classifies the European literature into three groups: studies of the market reaction to newly released accounting information; studies of the long-term association between stock returns and accounting numbers; studies devoted to the use of accounting data by investors and to the impact of market pressure on accounting choices. The paper reviews and summarizes the main results related to each of these topics. It also addresses some methodological issues and provides suggestions for future research.

**Duru, A., and D. Reeb, "International Diversification and Analysts' Forecast Accuracy and Bias," The Accounting Review (Vol. 77 No. 2, 2002): 415-433.**

This paper investigates the association between corporate international diversification and the accuracy and bias of consensus analysts' earnings forecasts. This paper finds that greater corporate international

diversification is associated with less accurate and more optimistic forecasts. The results suggest that international diversification reflects unique dimensions of forecasting difficulty that are not captured in previously identified determinants. This evidence suggests that as firms become more geographically diversified, forecasting their earnings becomes more complex.

**Holz, C., "The Impact of the Liability-Asset Ratio on Profitability in China's Industrial State-owned Enterprises," China Economic Review (Vol. 13 No. 1, 2002): 1-26.**

The liability-asset ratio of China's industrial state-owned enterprises (SOEs) has increased dramatically in the course of the economic reform period. Western observers point out the inherent dangers to enterprise solvency. Chinese policy makers view today's level as exceedingly detrimental to enterprise profitability and are introducing measures to reduce it. Yet the increase in the liability-asset ratio of industrial SOEs is the inevitable result of systemic changes; since the early 1990s, the liability-asset ratio has stabilized. The perceived negative impact of the current level of the liability-asset ratio on enterprise profitability does not hold up in regression analysis. It is true that low-profitability SOEs tend to have a high liability-asset ratio, perhaps due to government-ordained support through bank loans. However, once the endogeneity of the liability-asset ratio is controlled for, a high liability-asset ratio tends to imply a high level of profitability. This suggests that current industrial SOE reforms in China that focus on debt alleviation are misguided.

**Howe, J., and K. Ragan, "Price Discovery and the International Flow of Information," Journal of International Financial Markets, Institutions & Money (Vol. 12 No. 3 2002): 201-215.**

We document that the opening volatility of American depositary receipts (ADRs) is lower when the trading of the underlying asset overlaps trading of the ADR on the New York Stock Exchange (NYSE). This lower volatility is consistent with the notion that price discovery on the NYSE is enhanced by concurrent trading in the underlying market. We also find that ADR volatility does not change when the underlying market closes, indicating that there is no significant change in the flow of public and private information at that time. This finding suggests that the NYSE becomes the dominant market during periods when both ADRs and their underlying assets are traded.

**Larson, R., "The IASC's Search for Legitimacy: An Analysis of the IASC's Standing Interpretations Committee," Advances in Accounting (Vol. 15): 79-120.**

The International Accounting Standards Committee (IASC) and its successor, the International Accounting Standard Board, greatly desire acceptance and legitimacy as an institution. Organizational legitimacy

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### **Have You Seen...?** (continued from page 17)

is the acceptance of an organization by its environment and it is often viewed as vital for an organization's survival and success. In complex structures, an institution's legitimacy should be judged by examining both the organization as a whole and its subunits. Since the U.S. Securities and Exchange Commission (SEC) has stated that acceptance of IASC standards (IASs) depends, in part, on whether the IASB develops a method for speedy, official interpretations of IASs, this study investigates the Standing Interpretations Committee (SIC) responsible for interpretations of IASs and also suggests a framework for evaluation whether the SIC has achieved effectiveness and legitimacy. The paper focuses on the SIC's due process, structure, and membership, and on constituent participation in the SIC's first 23 Draft Interpretations.

**Mande, V., and R. Ortman, "The Effect of Japanese Business Segment Reporting on Analysts' Forecasts: Implications for U.S. Investors and the SEC," *Journal of Accounting and Public Policy* (Vol. 21 No. 1 2002): 31-70.**

Japan has required that business segment data be disclosed in annual financial statements since 1990. This study examines the information content of business segment disclosures of multisegmented Japanese firms on the Nikkei 225 index. It tests whether Japanese analysts' forecast accuracy of consolidated sales and net income improves following the disclosure of segment data. The study finds that the introduction of the segment reporting standard aids analysts in forecasting sales of well-diversified firms, but there is no improvement in the forecast accuracy of earnings. It is concluded that financial analysts do not generally find Japanese segment disclosures to be useful in their equity analysis. Results have implications for U.S. investors and the U.S.'s SEC, which allows Japanese firms to list on U.S. exchanges using Japanese segment reporting standards.

**Ramcharran, H., "An Empirical Analysis of the Determinants of the P/E ratio in Emerging Markets," *Emerging Markets Review* (Vol. 3 No. 2, 2002): 165-178.**

The determinants of the P/E ratio of emerging equity markets have not been examined, despite the growing importance of these markets. This study, modifying the methodology of prior studies, empirically evaluates the importance of economic growth and credit risk as the determinants of the P/E ratio of 21 emerging markets. Annual data for the period 1992-1999 are used with seemingly unrelated regression (SUR) techniques to obtain cross-section and pooled-data estimates. The multivariate results indicate the significance of growth and the univariate results, the significance of both growth and credit risk. These results are consistent with those of studies of developed equity markets. Tests for structural differences in the equations for the eight-year period are not significant. The findings are supportive

of growth (earnings potential) as a determinant of cross-country variation of the P/E ratios in emerging markets. Growth-oriented policies are important for emerging equity markets (EEM) to function as profitable financial centers and a source of domestic capital.

**Seetharaman, A., F. Gul, and S. Lynn, "Litigation Risk and Audit Fees: Evidence from U.K. Firms Cross-listed on U.S. Markets," *Journal of Accounting & Economics* (Vol. 33 No. 1, 2002): 91-115.**

Two ingredients necessary to examine the relation between litigation risk and audit pricing are a litigious legal environment and publicly disclosed auditor remuneration. This study combines both ingredients by focusing on U.K. firms offering to sell their securities publicly in the U.S. It is found that U.K. auditors charge higher fees for their services when their clients access U.S., but not non-U.S., capital markets. It is also shown that the higher fees cannot be fully explained by the SEC's extensive disclosure requirements. Rather, these findings are consistent with audit fees reflecting risk differences across liability regimes.

**Senteney, D., C. Sigma-Mugan, and M. Bazaz, "The Impact of Geographic and Business Segment Diversification upon Investor's Perceptions of Earnings of U.S.-Based Multinational Enterprises," *Review of Accounting and Finance* (Vol. 1 No. 2, 2002): 73-88.**

This study investigates how investors perceive the impact of U.S.-based MNCs geographic and business segment diversification upon their earnings performance. Pooled cross-sectional annual earnings response regressions for the years 1993 through 1997 are used for this investigation. Our results show that geographic segment diversion is valued by investors more than the business segment diversification especially in two cases: (1) when the business segmentation is low; and (2) when geographic segmentation is high. These results imply that business segment diversification is valued only when it takes place in international markets where it is relatively more difficult for individual investors to replicate industry diversified portfolios for themselves. Our research illuminates the contextual aspects of investors' perceptions of geographic and business segment diversification for multinational corporations by explicitly controlling for one dimension of corporate diversification while examining the earning-returns impact of the other type of corporate diversification.

**Soltani, B., "Timeliness of Corporate and Audit Reports: Some Empirical Evidence in the French Context," *International Journal of Accounting* (Vol. 37 No. 2, 2002): 215-246.**

The issue of timeliness of financial reporting, an important qualitative characteristic of accounting information, has received much attention from regulatory and professional bodies in France in recent years.

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### **Have You Seen...?** (continued from page 18)

The increasing presence of international investors, particularly from the U.S., on the Paris Stock Exchange adds to the importance of this issue. The timeliness of corporate and audit reports in the French context is analyzed by examining the trend in reporting delay of companies, the effect that qualified reports have on the timeliness of corporate reporting, and the relationship between reporting behavior and types of audit reports over a ten-year period. The data are taken from more than 5,000 annual reports of French publicly held companies for the years 1986–1995. These bear witness to an improvement in timeliness of corporate and audit reports. This improvement is greater for reports from consolidated accounts of groups than those from annual accounts of companies. There is also evidence that qualified audit opinions were released later than unqualified opinions and that, in general, the more serious the qualification, the greater the delay.

**Street, D., and S. Gray, “Factors Influencing the Extent of Corporate Compliance with International Accounting Standards: Summary of a Research Monograph,” *Journal of International Accounting, Auditing and Taxation* (Vol. 11 No. 1 2002): 51–76.**

This report provides a summary of a research monograph sponsored by the ACCA (2001). The objective of the research is to examine the financial statements and footnotes of a worldwide sample of companies referring to the use of International Accounting Standards (IAS) to assess the extent of compliance and, most importantly, to provide evidence of the factors associated with compliance. The major findings are that there is a significant extent of noncompliance with IAS, especially in the case of IAS disclosure requirements. Further, as regards factors associated with compliance with IAS

disclosure requirements, there is a significant positive association with a U.S. listing/filing and/or non-regional listing; being in the commerce and transportation industry; referring exclusively to the use of IAS; being audited by a Big 5 + 2 firm; and being domiciled in China or Switzerland. Additionally, there is a significant negative association with being domiciled in France, Germany, or other Western European countries. As regards compliance with IAS measurement and presentation standards, there is a significant positive association with exclusive reference to the use of IAS; being audited by a Big 5 + 2 firm; and being domiciled in China. Additionally, there is a significant negative association with being domiciled in France or Africa.

**Zhao, R., “Relative Value Relevance of R&D reporting: An International Comparison,” *Journal of International Financial Management & Accounting* (Vol. 13 No. 2, 2002): 153–174.**

This study examines the relative value relevance of R&D reporting in France, Germany, the U.K. and the U.S. France and the U.K. allow conditional capitalization of R&D costs, whereas Germany and the U.S. require the full and immediate expensing of all R&D costs. The relative value relevance of R&D reporting under different R&D accounting standards are compared while controlling for the reporting environment. Test results suggest that the level of R&D reporting has a significant effect on the association of equity price with accounting earnings and book value. The reporting of total R&D costs provides additional information on accounting earnings and book value in Germany and the U.S., and the allocation of R&D costs between capitalization and expense further increases the value relevance of R&D reporting in France and the U.K., including firms in the U.S. software industry.

## **WANTED**

### **Paper Reviewers for 2003 Annual Meeting**

The International Accounting Section is seeking reviewers for papers submitted for possible presentation at the AAA's Annual Meeting to be held August 2003 in Honolulu, Hawaii. Each reviewer will be asked to review no more than two papers. The turnaround is fairly tight. Papers will be sent out to reviewers as soon as possible after the mid-January submission deadline. Reviews will need to be done quickly. If you are willing to serve as a reviewer, please contact me. My email address is herrmann@bus.orst.edu or you can send a message to:

Don Herrmann  
College of Business Administration  
Oregon State University  
Corvallis, OR 97331-2603  
Phone: (541) 737-6062

## BYLAWS

### International Accounting Section of the American Accounting Association

AS AMENDED THROUGH AUGUST 15, 2002

[deletions have lines through them; additions are in bold italic]

#### Section I: NAME

The association of the members of the American Accounting Association interested in International Accounting shall be known as the International Accounting Section of the American Accounting Association (herein referred to as the Section).

#### Section II: MEMBERSHIP

In accordance with AAA policy, the membership of the Section consists of:

- (1) Members,
- (2) Life members,
- (3) Emeritus members, or
- (4) Associate members of the AAA.

There shall be no company, library, or organization memberships within the Section.

#### Section III: PURPOSE

The purpose of the Section is specified in a separate statement of Objectives. The Objectives are adopted and may be changed by vote of a majority of members present at the Annual Meeting.

#### Section IV: OFFICERS

- A. The officers of the Section are the ~~chairperson~~ **president**, two ~~vice-chairpersons~~ **vice-presidents**, the secretary, and the treasurer; together they form the Executive Board. The chair of the Advisory Board shall participate in Executive Board activities in a nonvoting, advisory role.
- B. Election of Officers: The officers shall be elected at the Annual Meeting by a simple majority of the members present.
- C. Filling Vacancies: In the event the ~~chairperson~~ **president** of the Section is unable to serve, his/her duties shall be assumed by the academic ~~vice-chairperson~~ **vice-president**, who is the ~~chairperson~~ **president-elect**. In the event the ~~vice-chairpersons~~ **vice-presidents**, secretary, or treasurer are unable to serve, the ~~chairperson~~ **president** shall, in consultation with the chairs of the Nomination Committee and Advisory Board, appoint a member of the Section to complete the unexpired term until an election can be held at the next Annual Meeting.
- D. Compensation: Section officers shall not receive any compensation in the form of honoraria, professional fees, stipends, etc., from the AAA or the Section for the performance of their duties. Section officers may be reimbursed from funds under

the control of the Section for certain expenses incurred in connection with their duties.

1. Requests for reimbursement must be submitted to and approved by the treasurer before being sent to the AAA for disbursement.
2. The standard AAA expense reimbursement policy shall apply.

#### E. Terms in Office and Functions of the Officers

1. ~~Chairperson~~ **President**- The ~~chairperson~~ **president** shall serve a one-year term. The main duties of the ~~chairperson~~ **president** are:
  - a. To direct the affairs of the Section and carry out policies and programs formulated by the Section members at the Annual Meeting;
  - b. To preside at the annual Section meeting;
  - c. To preside over the meetings of the Executive Board and committee chairs;
  - d. To appoint Section committees or task forces;
  - e. Upon invitation, to work with the AAA concerning international matters at regional meetings of the Association;
  - f. When requested, to cooperate with the AAA concerning matters relating to Section activities at the AAA Annual Meeting; and
  - g. To report as needed to the AAA Executive Committee regarding Section activities.
  - h. To maintain the Section's service record of the committee activities of members.
2. ~~Vice-Chairpersons~~ **Vice-Presidents**- The Section shall have two ~~vice-chairpersons~~ **vice-presidents**; one shall be selected from the group of accounting academicians [i.e., those members of the Section at colleges and universities], the other from the group of accounting practitioners [i.e., those members of the Section not at colleges and universities]. Both ~~vice-chairpersons~~ **vice-presidents** shall be elected for a one-year term; the academic ~~vice-chairperson~~ **vice-president** shall be elected as ~~chairperson-elect~~ **president-elect**. The ~~chairperson-elect~~ **president-elect** shall automatically become the ~~chairperson~~ **president** of the Section in the following year. The practice ~~vice-chairperson~~ **vice-president** is eligible for re-election for a second one-year term.

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## Bylaws

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- a. The main duties of the academic ~~vice-chairperson~~ **vice-president** and ~~chairperson-elect~~ are:
  1. To direct the affairs of the Section in the event the chairperson is unable to serve.
  2. To preside at the annual Section meeting if the chairperson is unable to preside.
  3. To perform whatever duties the chairperson may assign.
  4. To act as the Section's archivist.
  5. To prepare a budget for the next fiscal year and a projected three-year budget in cooperation with the Section treasurer.
- b. The main duties of the practice ~~vice-chairperson~~ **president** are:
  1. To provide liaison with accounting practitioners.
  2. To direct the affairs of the Section in the event the ~~chairperson~~ **president** and the ~~chairperson-elect~~ **president-elect** are unable to serve.
  3. To preside at the annual Section meeting if the ~~chairperson~~ and the ~~chairperson-elect~~ **president and president-elect** are unable to preside.
  4. To perform whatever duties the ~~chairperson~~ **president** may assign.
3. Secretary - The secretary shall be elected for a two-year term and is eligible for re-election for two additional one-year terms. The main duties of the secretary are:
  - a. To supervise the keeping of records of the Section's annual meeting and the meetings of the Executive Board.
  - b. To send minutes of the meetings to members of the Executive Board and committee chairs, within a timely period, for their review by a specified date.
  - c. To send minutes of the meetings to the newsletter editor for publication in the newsletter after the review period has expired.
  - d. To provide information to members and others.
  - e. To work in liaison with the AAA Executive Director regarding questions of the Section membership.
- f. To maintain and distribute, as needed, a handbook describing the duties of persons holding positions in the Section and a timetable for activities and reports.
4. Treasurer - The treasurer shall be elected for a two-year term and is eligible for re-election for two additional one-year terms. The main duties of the treasurer are:
  - a. To work with the AAA Executive Director concerning questions of collection and disbursement of Section funds.
  - b. To send copies of the monthly financial reports received from AAA to the Executive Board and Advisory Board chair.
  - c. To have primary responsibility for preparing an annual and a three-year projected budget, in cooperation with the ~~chairperson-elect~~ **president-elect**, and prepare semiannual and annual financial reports for the Section. The semiannual and annual financial reports shall be sent to all members of the Executive Board, the Advisory Board chair, and committee chairs prior to the Executive Board meetings and Annual Meeting and shall be presented by the treasurer at each meeting.
  - d. To review all requests for reimbursement, based on budgetary authority, and send the approved requests to the AAA for disbursement. In the event that a reimbursement request is not provided for in the budget, the Treasurer will request review and approval by the Executive Board: unless the amount involved is less than \$1,000 and already approved by the Section chairperson.
- F. Executive Board - The main duties of the Executive Board shall include:
  1. Assisting the treasurer and the ~~chairperson-elect~~ **president-elect** in preparing an annual budget for the following year and a projected three-year budget; the annual budget shall include, among other items, the types of officers' expenses that will be reimbursed, the number of continuing education programs that will be funded by the Section, the projected costs of the Midyear and Annual Meetings, and the projected costs of publications.
  2. Appointing the editor of the newsletter.
  3. Approving special Section publications (other than the newsletter or journal) before they are published.

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## Bylaws

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4. appointing the editor of the Section's journal.

### Section V: ADVISORY BOARD

- A. The officers of the Section shall be guided in their duties by an Advisory Board. The Advisory Board will consist of ~~twelve~~ **nine** members.
  1. The immediate ~~past chairperson~~ **past-president** and the immediate ~~past practice vice-chairperson~~ of the Section automatically ~~become members~~ **becomes a member** of the Advisory Board for ~~three-year terms~~ **a three-year term**.
  2. In addition, two members are nominated each year by the Nominations Committee for three-year terms. At least one member of the Advisory Board should reside outside the United States. A member who would be concurrently serving on the Executive Board may not be nominated for Advisory Board membership.
  3. The Advisory Board candidate who receives the most votes by the Nominations Committee shall be nominated to be the Advisory Board chair.
  4. Advisory Board membership will automatically be canceled should an Advisory Board member be elected to the Executive Board.
  5. The Section ~~Chairperson~~ **president** may appoint an otherwise qualified Section member on an interim basis until the next general election to fill a vacancy created by the departure of any Section Officer, Advisory Board member, or other elected official during his/her term of office.
- B. The main duties of the Advisory Board include:
  1. Reviewing the Bylaws and Objectives annually and recommending any changes to the membership at the Annual Meeting.
  2. Acting as a Strategic Planning Committee for the Section. The Strategic Planning Committee shall develop and update a strategic plan for the Section and shall map Section activities to meet the plan.
  3. Carrying out any other activities appropriate to an oversight role, as determined by the Advisory Board chair.
  4. ~~Advisory Board members who do not respond to reasonable and timely requests by the Board chair to carry out their assigned duties may be asked by the Board chair, following consultation with the other, active, Advisory Board~~

members, to submit their resignations from the Board to the Board chair. If no response is received by the chair within 30 days, resignation will be assumed to be in effect. In case of dispute, the Chair will request the active members of the Board to convene a special Committee of the Board, which will exclude the Chair, to consider the matter. This committee will select its own chair, who will report back the findings to the Advisory Board chair, together with recommended further action.

### Section VI: COMMITTEES

- A. The ~~chairperson~~ **president** of the Section shall appoint committees and task forces to carry out specific projects that are either authorized by the Bylaws or that the ~~chairperson~~ **president** views as essential to accomplish the Objectives of the Section. The length of service on committees depends on the special task; however, the length of service shall normally be one year.
- B. Standing committees for the Section are: the Executive Board, the Nominations Committee, the Membership Committee, the Education Committee, ~~the Research Committee~~, the Publications Committee, and the Program Committee(s).
- C. Committee Responsibilities:
  1. The chairperson of each committee shall send a written report to the Executive Board prior to all scheduled meetings and at other times requested by the Executive Board or ~~Chairperson~~ **president** of the Section.
  2. The chairperson of each committee shall make an oral and/or written report to the membership at the annual business meeting.
  3. ~~The chairperson of each committee is required to provide the academic vice-chairperson with an evaluation of the service of the committee members before the end of the Section chairperson's term. The academic vice-chairperson will use the information to update the Section service record.~~
- D. The Publications Committee
  1. The committee shall consist of eight members:
    - a. four voting members appointed by the Nominations Committee for two-year terms. Two new members of the Publications Committee shall be appointed by the Nominations Committee each year.
    - b. two voting members appointed by the ~~Chairpersons~~ **president** of the Section for two-year terms. One new member shall be

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## Bylaws

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appointed by the ~~Chairperson~~ **president** of the Section each year.

- c. the journal and newsletter editors will serve as ex-officio, nonvoting members.
2. The committee shall be chaired by the member of the committee who is in his/her second year of service and who was appointed by the ~~Chairperson~~ **president** of the Section.
3. The committee is responsible for developing the editorial policies for the Section journal for approval by the Executive Board. Neither the Executive Board nor the Publications Committee has authority to make editorial decisions.
4. The committee shall nominate, by majority vote, an individual for journal editor, and forward the nomination to the Executive board in the year prior to the year the current journal editor's term expires.

### Section VII: NOMINATIONS

- A. The Nominations Committee of the Section shall consist of the two most recent past ~~chairpersons~~ **presidents**, the chairperson of the Advisory Board, and three other members to be ~~selected~~ **elected** by the membership in the regular election process. The most senior ~~past-chairperson~~ **past-president** of the Section shall chair the committee. Nominations may be submitted to the Nominations Committee by any member of the Section until February 1.
- B. The Nominations Committee must, by majority vote, recommend a single slate of nominations, by March 1, for ~~vice-chairpersons~~ **vice-presidents**, secretary, treasurer, Advisory Board members, Advisory Board chairperson, two members of the Publications Committee, and three members of the Nominations Committee for the next year at the annual Section meeting.
- C. The Nominations Committee shall request a copy of the Section's service record from the ~~academic vice-chairperson~~ **president-elect** to aid it in making the nominations.
  1. The academic ~~vice-chairperson~~ **president** must have served as secretary, treasurer, or chair of at least two Section committees in the past five years.
  2. The secretary, treasury and the at-large members of the Nominations Committee must have served as chair of at least two Section committees in the past five years.

3. Each year two members of the Advisory Board are nominated by the Nominations Committee for a three-year term.
  - a. Advisory Board nominees must be qualified to serve in an oversight and advisory capacity, based on prior, senior-level appropriate experience. This experience shall include, but not be limited to, and as a minimum, Section experience at a leadership level (for example: past Officer, committee chair, head of ad hoc project). Such qualifications should be specified in the nominations material provided to members of the Nominations Committee to assist them in the selection process.

### Section VIII: REVENUES

- A. Dues
  1. The Section shall charge dues, the amount to be approved by a majority vote of Section members present at the annual Section meeting. All members shall be notified in advance of a proposed dues increase by an announcement in the summer issue of the newsletter or other appropriate medium such as direct mail. Dues shall not exceed one-half of the national membership dues of the AAA unless prior approval is obtained from the AAA Executive Committee.
  2. Dues are payable on January 1.
  3. Section dues shall be collected by the AAA administrative office. All funds shall be kept in the AAA bank account and disbursed only upon authorization from the treasurer of the Section. Requests for reimbursements must be sent to the treasurer for approval. The treasurer will send the approved requests to the AAA for disbursement as provided for in Section IV.d.
- B. The Section may charge registration fees at any special Section or regional meetings that are not held in conjunction with the AAA Annual Meeting.
- C. The Section is authorized to receive gifts and grants for special purposes, subject to the policies and procedures of the AAA Executive Committee.
- D. Section activities funded from sources not controlled by the AAA should be disclosed in a footnote to the Section financial statements.

### Section IX: PUBLICATIONS

- A. The Section shall publish a newsletter three times per year and a journal two times per year in the

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## **Bylaws**

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long run. The printing and mailing of these publications shall be done with the assistance of the administrative office of the AAA in order to minimize expenses.

- B. The Executive Board of the Section shall be responsible for appointing an editor for the Section newsletter.
  - 1. The newsletter editor is appointed for a three-year term and is eligible to be reappointed for a second three-year term.
  - 2. The newsletter editor is responsible for the administration, content, and publication of the newsletter.
  - 3. The items published in the newsletter shall include, among others, as appropriate, and on a timely basis:
    - a. the Bylaws, Objectives, and Financial Statements of the Section;
    - b. the minutes of the annual business meeting and Executive Board meetings after they have been reviewed as specified in Section IV.3.c.
- C. The Executive Board of the Section shall be responsible for appointing an editor for the Section journal based on recommendations received from the Publications Committee.
  - 1. The journal editor is appointed for a three-year term, which may be extended by reappointment for a maximum of three additional one-year terms. If the journal editor is unable to complete a term, the Executive Board shall appoint an Acting Editor for a one-year term.
  - 2. The editor's main responsibilities include:
    - a. the administration, content, and publication of the journal;
    - b. reporting to the Executive Board and the membership as to the status and current activities of the journal;
    - c. appointing an Editorial Review Board. The members of the Editorial Review Board are

appointed for a one-year term with annual one-year reappointments limited to a maximum of three years.

- D. The Section may print special publications in the form of booklets, rosters of members, monographs, study materials, teaching aids, etc., from its own funds. These publications must be approved by the Publications Committee and the Executive Board before they are published. These publications are to be distributed free of charge to Section members. The Section Executive Board shall determine a price to be charged for publications for persons not members of the Section. Typically, a discount on that price is provided for members of the AAA who are not members of the Section.

### **Section X: ANNUAL MEETING**

- A. The Section shall hold an annual meeting, normally in conjunction with the AAA annual conference.
- B. A quorum for the conduct of business at the annual meeting shall consist of the members present.
- C. All members shall be notified of the annual meeting in advance by an announcement in the summer issue of the newsletter or other appropriate medium, such as direct mail.

### **Section XI: AMENDMENTS**

- A. The Advisory Board shall review the Bylaws and Objectives annually and shall determine if revisions will be recommended.
- B. Proposed amendments to the Bylaws and Objectives shall be prepared by the Advisory Board and presented to the Executive Board for review. Proposed amendments shall be submitted to the membership prior to the Annual Meeting through an announcement, published in the summer newsletter or other appropriate medium such as direct mail.
- C. The members present at the Annual Meeting may approve proposed amendments by a simple majority.



**PROPOSED CHANGES TO THE BYLAWS**  
**International Accounting Section of the American Accounting Association**

**TABLED AT THE AUG. 2002 BUSINESS MEETING.**  
**TO BE CONSIDERED AT THE 2003 BUSINESS MEETING**

[deletions have lines through them; additions are in bold italic]

**Section IV: OFFICERS**

- B. Election of Officers: The officers shall be elected at the annual **business** meeting, **held at the AAA Annual Meeting**, by a simple majority of the members present.
- E. Terms in Office and Functions of the Officers
1. President...
    - c. **To preside at the midyear Section meeting, if one is held;**
    - d. To appoint Section committees or task forces **and their chairpersons;**
    - i. **To serve as one of the Section's representatives at the AAA Council meetings.**
  3. Secretary ...
    - c. To send minutes of the meetings to the newsletter editor **and web master** for publication in the newsletter **and on the web page** after the review period has expired.
- F. Executive Board - The main duties of the Executive Board shall include:
5. **appointing the web master of the web page.**

**Section VI: COMMITTEES**

- D. The Publications Committee
1. The committee shall consist of ~~eight~~ **nine** members:
    - a. Four voting members ~~appointed~~ **nominated** by the Nominations Committee for two-year terms. Two new members of the Publications Committee shall be ~~appointed~~ **nominated** by the Nominations Committee each year. **The new members of the Publications Committee shall be elected at the Section's annual business meeting, held at the AAA Annual Meeting, by a simple majority of the members present.**
    - c. The journal and newsletter editors **and the webmaster** who will serve as ex-officio, nonvoting members.

**Section VII: NOMINATIONS**

- A. The Nominations Committee of the Section shall consist of the two most recent past presidents, the chairperson of the Advisory Board, and three other members to be ~~selected~~ **elected** by the membership in the regular election process. The most senior past-president of the Section **on the Nominations Committee** shall chair the committee.

Nominations may be submitted to the Nominations Committee by any member of the Section until February 1.

- C. The Nominations Committee..
3. Each year two members of the Advisory Board are nominated by the Nominations Committee for ~~a three-year term~~ **three-year terms.**
    - b. **The Nominations Committee shall contact the members of the Advisory Board who have remaining terms to determine if they will be able to continue their active involvement on the Advisory Board. If an individual cannot continue to serve in an active capacity, the Nominations Committee shall ask the individual to write a letter of resignation. The Committee shall nominate another individual to complete the term.**

**Section IX: PUBLICATIONS**

- A. The Section shall publish a newsletter three times per year and a journal two times per year in the long run. The printing and mailing of these publications shall be done with the assistance of the administrative office of the AAA in order to minimize expenses. **The Section shall also maintain a current web page.**
- B. The Executive Board of the Section shall be responsible for appointing an editor for the Section newsletter.
4. **The newsletter will be published on the Section's web page as well as in printed form.**
- E. **The Executive Board of the Section shall be responsible for appointing a web master for the web page.**
1. **The web master is appointed for a three-year term and is eligible to be reappointed for a second three-year term.**
  2. **The web master is responsible for the administration and content of the web page.**
  3. **The items published on the web page shall include, among others, as appropriate, and on a timely basis:**

*(continued on page 26)*



# ***Journal of International Accounting Research***

## **CALL FOR PAPERS**

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<b>Book Reviews Editor:</b>	<b>Wayne Thomas</b>	University of Oklahoma, USA

### **EDITORIAL POLICY**

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

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

### **SUBMISSION OF MANUSCRIPTS**

1. Manuscripts currently under consideration by another journal or other publisher should not be submitted. At the time of submission, the author must state that the work is not submitted or published elsewhere.
2. To expedite the process, an electronic submission and review process can be employed. To preserve anonymity, place the cover page and the remainder of the document in separate Microsoft® Word or PDF files. In the case of manuscripts reporting on field surveys or experiments, the instrument (e.g., questionnaire, case, interview plan) should also be submitted in a separate file, with the identity of the author(s) deleted. Email the cover page, manuscript, and, if applicable, the instrument as attached files to R. S. Olusegun Wallace, Editor, at: wallace@kfupm.edu.sa. The submission fee is \$25.00 in U.S. funds for members of the AAA International Section, or \$50.00 for others, made payable to the American Accounting Association. The submission fee is nonrefundable. To charge the fee, access the AAA web site at: <https://rarc.rutgers.edu/aaa/jiarsubmit.htm> [site forthcoming] Please indicate in the email that you have charged the fee. Alternatively, the submission fee may be paid by check to the American Accounting Association, and mailed to R. S. Olusegun Wallace, Editor, *Journal of International Accounting Research*, King Fahd University of Petroleum & Minerals, KFUPM Box 1995, Dhahran 31261, Saudi Arabia.
3. If electing to submit hard copies, four copies of manuscript should be mailed to R. S. Olusegun Wallace at the address above. In the case of manuscripts reporting on field surveys or experiments, four copies of the instrument (e.g., questionnaire, case, interview plan) should be submitted. Information that might identify the author(s) must be deleted from the instrument. The submission fee should be enclosed or charged at the AAA web site (per above).
4. Revised manuscripts must be submitted within 12 months from request; otherwise they will be considered new submissions.

Books for review should be sent to the Book Reviews Editor: Dr. Wayne Thomas, School of Accounting, Price College of Business, University of Oklahoma, 307 W. Brooks # 200, Norman, OK 73019-4004, USA. Scholars interested in reviewing books are requested to forward their names and particular interests to the Book Reviews Editor.

### **MANUSCRIPT PREPARATION STYLE**

These practices are based on *The Accounting Review*. The primary difference is the acceptability of international standard-size A4 paper and a 150-word abstract. For initial submission, any widely used style is acceptable.

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