

INTERNATIONAL  
ACCOUNTING SECTION  
of the



American  
Accounting  
Association

# FORUM

INTERNATIONAL ACCOUNTING

NO. 94

Summer 2008

EDITOR: Jeannie J. Harrington  
Middle Tennessee State University

## PRESIDENT'S MESSAGE

Hello Colleagues,

I continue to be amazed at the vibrancy and success of our International Accounting Section (IAS). This is why I have enjoyed being president of the section during 2007-2008 and look forward to continuing my service as past president in 2008-2009. Thank you for your participation and support of our section. I am sincerely appreciative of your dedication to making this a record breaking year for IAS. We have had the largest number of midyear meeting and doctoral new faculty consortium registrants, the second largest dollars of contributions to the "Gift Membership" fund, the first midyear CPE workshop, the largest number of annual meeting paper submissions and the first annual meeting IAS mini plenary in our history. These milestones were achieved from talented professors and researchers converging from around the world for the good of the profession. Congratulations to all of you for your hard work in making these successes.

I appreciate the marvelous work of Greg Burton in Chairing the IAS Annual Meeting Committee and Eva Jermakowicz in Chairing the CPE Committee. Please go to the AAA website to learn of the numerous international forums, concurrent sessions, mini plenary panel and CPE workshops. Greg received and had to coordinate reviews for 158 paper submissions, approximately 46 more than last year. Thanks to those of you that volunteered to review papers, discuss papers and moderate sessions for the annual meeting. There were 99 papers accepted for presentation. The International Accounting Section has 40 total sessions at the annual meeting: one mini-plenary session, 6 panel sessions, and 33 concurrent paper sessions. The mini plenary session is supposed to be scheduled at a time when we have no other international accounting section meetings (i.e., concurrent paper sessions or panel sessions) and in a room with a larger capacity than most concurrent sessions. Our mini plenary session is entitled "Challenges of Regulators and Practitioners if IFRS is Adopted for Domestic Issuers." Mini plenary panel members include Robert Herz,



*Jenice Prather-Kinsey*

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

Chairman of FASB; Julie Erhardt, Deputy Chief Accountant-Office of the Chief Accountant-International of the SEC; Paul Munter, Partner with KPMG; and Paul Cherry, Chairman of the Canadian Accounting Standards Board. Our own Cheryl Linthicum, SEC Fellow and Accounting Professor at the University of Texas at San Antonio, will be the discussant. Please plan to attend this mini plenary on Tuesday, August 5, beginning at 10:15 a.m. Last but not least, Eva Jermakowicz has planned four CPE sessions: Saturday, August 2, 1:00–4:00 p.m., “IFRS–US GAAP Comparison;” Sunday, August 3, 8:00–11:30 a.m., “FASB/IASB Update – Part 1;” Sunday, August 3, 1:00–4:30 p.m., “FASB/IASB Update–Part 2;” and Sunday, August 3, 8:00 a.m.–11:30 a.m., “Incorporating International Financial Reporting Standards (IFRS) in Intermediate Financial Accounting—How to Proceed.” Between Greg and Eva, our learning and faculty development agendas are full of valuable faculty development opportunities. Greg and Eva, thank you for your untiring and loyal commitment to the section.

I invite you to join us for the Section luncheon on Monday, August 4, 2008, where you will have an opportunity to meet colleagues and learn of ways to get involved in the section. We are privileged to have Mary Barth of the International Accounting Standards Board as our luncheon speaker. At the luncheon we will be recognizing the recipients of the outstanding service award, outstanding dissertation award and outstanding educator award. Special thanks go to Paul Herz, Sidney Gray and Stephen Zeff, respectively, for chairing these selection committees. Cheryl Linthicum will succeed me as President of the section and will be announcing her agenda. Our luncheon is an event that you don't want to miss.

You should plan to attend the IAS business meeting on Monday, August 4<sup>th</sup>, from 2:00 – 3:30 p.m. At the business meeting, Robert Larson, chair of the Advisory Board, will be recommending bylaw changes and Andy Lymer will be unveiling and demonstrating our new webpage. Committee chairs, directors and coordinators will be reporting on their activities for 2007-2008. Donna Street will present the nominations for 2008-2009 officers. Moreover, Ian Hague will present the treasurer's report including midyear inflows and outflows and the 2008-2009 budget.

I encourage each of you to view our webpage to keep updated with the developments at IAS. Andy Lymer has worked hard with his assistants to develop a more interactive and informative webpage that articulates with the AAA webpage. Further, we must thank George Gamble for the “education materials” section that includes the international accounting syllabi used by our colleagues from around the world. Moreover, I appreciate the work of Jeannie Harrington, Editor of *Forum*. Jeannie has included a copy of the annual meeting program for the International Accounting Section in this issue of the *Forum*. I sincerely appreciate the work of Ken Ferris in editing the *Journal of International Accounting Research*, Gary Meek in guest editing the Section's special issue of *Issues in Accounting Education* and Tim Doupnik for chairing the Publications Committee.

I especially want to thank Donna Street and the IAAER for jointly holding the Midyear meeting with IAS, Carolyn Callahan for coordinating the exemplary 2008 Doctoral/New Faculty consortium and Betsy Gordon and Tony Kang for coordinating the outstanding 2008 Midyear meeting. I have received many compliments from participants and registrants at these meetings. Cheryl Linthicum, President-elect, has planned our **2009 Midyear** meeting to be in St. Petersburg Beach, Florida, at the Tradewinds Grand Hotel from **February 12-14, 2009**. Mark your calendars so that you will not miss this meeting.

Finally, I appreciate the hard work of Stella Fearnley, chair of International Relations; Myungsun Kim, chair of Regional Programs; Norlin Rueschhoff, Section Historian, Patricia Poli, chair of Strategic Planning, and my Regional Chairs: Obeua Persons, John McGowan, Steven Fritsche, Ran Barniv, Lisa Owens, Murphy Smith and Meihua Koo.

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**President's Message** *(continued from page 2)*

I hope that all of you are enjoying your summer. I am from Missouri and this spring and summer have managed to stay above water. I have enjoyed how this section brings together colleagues from across the world in a forum where we learn from each other and develop close friendships along the way. I appreciate everyone for their commitment and support of the Section. Thank you for allowing me to serve as president of the International Accounting Section this past year. I hope to see all of you in Anaheim.

Cheers,

Jenice Prather-Kinsey  
President, International Accounting Section  
American Accounting Association

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**International Accounting Section  
Forum Deadlines, Suggestions, Comments for 2008/09**

**Fall 2008 Issue - September 30, 2008**  
**Spring 2009 Issue – February 28, 2009**  
**Summer 2009 Issue - June 15, 2009**

Any comments and suggestions you have to make the *Forum* more informative and enjoyable are appreciated. Please submit comments and items for publishing via email using a Microsoft Word Times New Roman 12 font format file as an attachment. Submit to Jeannie Harrington at [jharrington@mtsu.edu](mailto:jharrington@mtsu.edu). If sending materials please send to:

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***Forum Editor Jeannie Harrington***

**PRELIMINARY SCHEDULE OF ACTIVITIES  
INTERNATIONAL ACCOUNTING SECTION  
AAA ANNUAL MEETING  
ANAHEIM, CALIFORNIA - AUGUST 2-6, 2008**

**Saturday, August 2**

**CPE Session 16      1:00 p.m.–4:00 p.m.**

**IFRS – US GAAP Comparison**

Presenters: Ian P. Hague, Canadian Institute of Chartered Accountants  
Cheryl Linthicum, SEC Academic Fellow-University of Texas at San Antonio  
Paul Munter, KPMG LLP

**Sunday, August 3**

**CPE Session 22:      8:00 a.m. – 11:30 a.m.**

**FASB/IASB Update – Part 1**

Presenters: Mary E. Barth, Stanford University  
Thomas J. Linsmeier, Financial Accounting Standards Board

**CPE Session 25:      8:00 a.m. – 12:00 p.m.**

**Incorporating International Financial Reporting Standards (IFRS) in Intermediate Financial Accounting — How to Proceed**

Presenters: John A. Brozovsky, Virginia Tech  
Jennifer Edmonds, Virginia Tech  
Rebecca G. Fay, Virginia Tech  
Patty Lobingier, Virginia Tech

**CPE Session 38:      1:00 p.m. – 4:30 p.m.**

**FASB/IASB Update – Part 2**

Presenters: Mary E. Barth, Stanford University  
Thomas J. Linsmeier, Financial Accounting Standards Board

**1:30 p.m.-3:00 p.m.    Outgoing Chairs/Directors Meeting (Redondo Room, 4th Floor, Hilton)**

**3:15 p.m.-4:45 p.m.    Incoming Chairs/Directors Meeting (Redondo Room, 4th Floor, Hilton)**

**Monday, August 4**

**9:45 a.m. – 11:00 a.m.**

**Research Interaction Forum Session I**

*Board Characteristics and Overvalued Equity: Evidence from Taiwan*

Min - Jeng Shiue, National Taipei University; Chan - Jang Lin, National Taiwan University; and Yi - Pei Liu, National Taipei University

*Corporate Governance and Operating Performance of Chinese Listed Firms*

Heibatollah Sami, Lehigh University; Tsung - Yi Wang, Lehigh University; and Haiyan Zhou, University of Texas - Pan American

*(continued on page 5)*

## **International Accounting Section, AAA Annual Meeting** **Preliminary Schedule of Activities** *(continued from page 4)*

*Determinants of the Guarantee Circles in the Internal Capital Market: Evidence from Chinese Listed Firms*

Yao Ling Cheng, Nanyang Technological University; Ming Jian, Nanyang Technological University; Thanh Quy Tran Thi, Nanyang Technological University

*Do Chinese Financial Analysts Pay Close Attention to Their Reputations?*

Yiming Hu, Shanghai Jiao Tong University; Thomas W Lin, University of Southern California

*Does a Weak Shareholder Protection Limit the Impact of the Adoption of IFRS in the Value Relevance of Accounting Numbers? Evidence from the European Union*

Isabel Costa Lourenco, ISCTE Business School; Jose Curto, ISCTE Business School

*Effective Tax Strategies for Multinational Companies: Are the Six Gulf Countries Still Tax Heaven*

Wagdy Abdallah, Seton Hall University

*Is there a Size Effect in the Pricing of Stocks in the Chinese Stock Markets?: The Case of Bull versus Bear Markets*

Robert W. Rutledge, Texas State University; Zhaohui Zhang, Long Island University - C.W. Post Campus; Khondkar Karim, Rochester Institute of Technology

*Relationship Management: The Effect of IT, Organizational Contingency and Business Process on Taiwanese Manufacturers*

Chao - Hsiung Lee, Department of Finance National Chung Hsing University; Shaio Yan Huang, Feng Chia University; F. Barry Barnes, Nova Southeastern University; Li Kao, National Chung Cheng University

*Sustainable Reporting and Financial Performance in Spanish Stock Market*

Eduardo Ortas, University of Zaragoza (Spain); Jose M. Moneva, University of Zaragoza (Spain)

*The Impact of Earnings Announcements on Market Liquidity: Evidence from Japan*

Kazuhisa Otogawa, Kobe University

*The Impact of the CSRC Regulation No.12-1996 on the Credibility of Chinese IPO Earnings Forecasts*

Jerry Sun, University of Windsor; Guoping Liu, Ryerson University

*The Management and Control of UK School Private Finance Initiative (PFI) Contracts*

Iqbal Khadaroo, Queen's University Belfast

### **10:15 a.m. – 11:45 a.m.**

#### **1.02. IFRS Is Here, and What To Do About It**

Moderator: Stephen A. Zeff, Rice University

Speaker: Paul Pacter, Global IFRS Office of Deloitte Touche Tohmatsu, Hong Kong and Director of Standards for Small and Medium-Sized Entities (SMEs), IASB

#### **1.03. International Accounting Education Standards - the IFRS of the Academic World**

Moderator: Beatrice Sanders, KPMG LLP

Panelists: Charles Calhoun, University of North Florida and NASBA

Aulana Peters, Public Interest Oversight Board

Karen Pincus, University of Arkansas

Denny Reigle, American Institute of Certified Public Accountants

Gary Sundem, University of Washington

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 5)*

- 1.21. Institutional Factors I**
- Moderator: Giorgio Gotti, University of Massachusetts Boston  
*Informative Earnings Management at the Cross-listing Period: Do International Institutional Mechanisms Matter?*
- Discussant: Gordian Ndubizu, Drexel University; Yongtao Hong, Drexel University  
Giorgio Gotti, University of Massachusetts Boston  
*International Diversification, Governance Mechanism, Legal Origin, and Earnings Management: Evidence from Taiwan*
- Discussant: Chen - Lung Chin, National Chengchi University; Yu - Ju Chen, Department of Accounting And Information/Asia University; Tsun - Jui Hsieh, Department of International Business/Asia University  
Ming Jian, Nanyang Technological University  
*Is Accounting Quality Different in Economies That Are More Bank-based Financing Relative to Market-based Financing?*
- Discussant: Michael R Baird, Dalhousie University  
Giorgio Gotti, University of Massachusetts Boston
- 1.22. Value Relevance**
- Moderator: Karen Teitel, College of The Holy Cross  
*The Value Relevance of Segment Information : Industry Based vs. Management Approach Disclosures*
- Discussant: Anne Leah Jones, University of Massachusetts - Boston; Sang Kyu Lee, Western New England College  
Karen Teitel, College of The Holy Cross  
*An International Comparison of the Value Relevance of Research and Development Expenses*
- Discussant: Jianxin Gong, University of Illinois at Urbana Champaign; I - Ling Wang, University of Illinois at Urbana Champaign  
Wed E. Brownell, Southern University

**12:00 p.m.– 1:45 p.m.**

### **International Accounting Section Luncheon (Ticket Required)**

Speaker: Mary Barth, IASB and Stanford University

**2:00 p.m.-3:30 p.m.**

### **International Accounting Section Business Meeting**

**(Agenda and proposed by-law changes presented on pages 26-29)**

### **2.01. Academic Open Forum: The FASB-IASB Conceptual Framework Project**

Moderator: Stephen R. Moehrle, University of Missouri - St. Louis

Panelists: Ted Christensen, Brigham Young University  
Members of the AAA National Financial Accounting Standards Committee

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## International Accounting Section, AAA Annual Meeting

### Preliminary Schedule of Activities *(continued from page 6)*

- 2.04. Corporate Governance in Developing Nations**  
Moderator: Khondkar E. Karim, Rochester Institute of Technology  
*Shareholding Reforms and Corporate Performance: Empirical Evidence from Chinese Listed Companies*  
Simon S. Gao and Gordon Gao, both of Edinburgh Napier University; Tianxi Zhang, Shanghai Jiaotong University
- Discussant: Maureen Patricia Gowing, University of Windsor  
*Corporate Capital Structure and Firm Performance: Evidence from a Developing Country*  
Afzalur Rashid, University of Wollongong
- Discussant: Minga M. Negash, University of The Witwatersrand

**3:00 p.m.—4:30 p.m.**

### Research Interaction Forum Session II

- Accounting Year-End Dispersion and Seasonality in the Japanese Corporate Bond Market*  
Kenji Matsui, Yokohama National University
- Free Cash Flow, Over-Investment and Corporate Governance in China*  
Xiaodong Xu, Antai College of Economics & Management Shanghai Jiao Tong University; Jeong - Bon Kim, Concordia University; Steven Wang, The Hong Kong Polytechnic University Hong Kong China
- Incremental Explanatory Power of Individual Auditor's Judgment over Audit Firm Level Factors on Quality of Audited Financial Statements of Companies Listed on the Stock Exchange of Thailand*  
Junyaporn Techamontrikul, Auditor; Supol Durongwatana, Associate Professor; Aim - Orn Jaikengkit, Lecturer; Uthai Tanlamai, Professor
- Re-examining the Incentive Effects of Employee Bonus Plan: A Taiwan Experience*  
Meng - Yuh Cheng, Da Yeh University; Tzy - Yih Hsiao, Feng Chia University; Jer - Yan Lin, Feng Chia University
- The Effect of Privatization on Superior Subordinate Relations: Evidence from Malaysia*  
Sakthi Mahenthiran, Butler University; Zalina Hashim, University of Tenaga Nasional - Malaysia
- The Evaluation of Recycling Fund's Performance in Taiwan*  
Sheue - Ching Hong, Tamkang University; Kwo - Dong Wey, National Taipei University
- The Impacts of Integrated Income Tax System on Taiwanese Enterprises' Investments between Taiwan and China*  
Jui Chih Wang, Shih Chien University
- The Joint Determination of Audit Fees, Nonaudit Fees and Earnings Management in France*  
Julien Le Maux, University Paris 1 Sorbonne
- The Relation between Top Management Turnover and the Firms' Prior/Posterior Default Risk: The Evidence from Chinese Security Market*  
Wei Ting, Tamkang University; Sin-Hui Yen, Tamkang University; Chien - Liang Chiu, Tamkang University

*Continued on page 8*

**International Accounting Section, AAA Annual Meeting**  
**Preliminary Schedule of Activities** *(continued from page 7)*

**4:00 p.m. – 5:30 p.m.**

**3.15. Incorporating International Financial Reporting Standards in Intermediate Accounting**

Moderator: David B. Smith, University of Nebraska - Lincoln

Panelists: John Brozovsky, Virginia Tech  
Sam Hicks, Virginia Tech  
Patty Lobingier, Virginia Tech

**3.28. Disclosure I**

Moderator: Lisa Eiler, University of Oregon

*Does Foreign Institutional Ownership Motivate Firms in Emerging Markets to Increase Voluntary Disclosure?*

Chen-Lung Chin, National Chengchi University; Jia-Wen Liang, National Chengchi University; Mei-Feng Lin, National Yunlin University of Science And Technology

Discussant: Lisa Eiler, University of Oregon

*Product Related Disclosure Determinants: An Empirical Analysis of Australian Biotechnology Initial Public Offerings*

Inderpal Singh, Curtin University of Technology; J - L.W. Mitchell  
Van Der Zahn, Curtin University of Technology

Discussant: Filomena M. Cantoria, Professor University of Guam

**3.29. Emerging markets**

Moderator: John D. Neill, Abilene Christian University

*Mind the GAAP? Market Reaction to Accounting Principles: Evidence from Brazilian Cross-Listed Stocks*

Guilherme Kirch, Universidade Federal Do Rio Grande Do Sul - Brazil; Paulo R. S. Terra, Universidade Federal Do Rio Grande Do Sul - Brazil; Fernando Caputo Zanella, United Arab Emirates University

Discussant: Jing Lin, Saint Joseph's University

*Momentum Strategies and Sophisticated Investor Preferences in India*

Kaustav Sen, Pace University

Discussant: Sharon Simmons, University of The Virgin Islands

**3.30. iBEACON: The Frontiers of Global Accounting Research**

Special Session Coordinator: Victoria Krivogorsky, San Diego State University

Moderator: Gary Grudnitski, San Diego State University

Research papers to be presented:

*The Determinants of Benchmark Beating Behavior in Spain*

Leandro Cañibano Calvo, Beatriz García Osma\*, Ana Gisbert Clemente, Universidad Autónoma de Madrid, Spain

*Governance Reforms, Earnings Quality and the Cost of Equity Capital: Evidence from the German Market*

Jürgen Ernstberger\*, Michael Stich, Oliver Vogler, University of Regensburg, Germany

*Analyzing Analysts' Expertise: Did Analysts Fully Anticipate the Impact of IFRS*

*Adoption on Earning? The European Evidence*

François Aubert\*, Université d'Auvergne - IAE, France, Pascal

Dumontier, HEC, School of Economics, Switzerland

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## **International Accounting Section, AAA Annual Meeting** **Preliminary Schedule of Activities** *(continued from page 8)*

*Institutional Passivity and Shadow Corporate Governance: Evidence from Continental Europe*

Victoria Krivogorsky\*, Gary Grudnitski, San Diego State University, USA

\* presenter

Other iBEACON members participating in the session:

Wolfgang Dick, ESSEC Business School – Paris, France

Jose Luis Ucieda, University of Madrid, Spain

### **Tuesday, August 5**

**9:45 a.m.– 11:00 a.m.**

#### **Emerging and Innovative Research Sessions**

*Accrual Anomaly, Private Information, and Market Price Discovery Process: Evidence from Japan*

Presenters: Katsuhiko Muramiya, Kobe University; Kazuhisa Otogawa, Kobe University; Tomomi Takada, Kobe University

*Analysis and Development of an Inter-enterprise Accounting Information System in the Global Environment*

Presenter: Supattra Boonmak, Chulalongkorn University

#### **Research Interaction Forum Session III**

*Accounting of Non-Governmental Organizations in Ethiopia*

Laxmikantham Padakanti, Addis Ababa University Ethiopia

*Analysis and Development of an Inter-enterprise Accounting Information System in the Global Environment*

Supattra - Boonmak, Chulalongkorn University

*Can Formula Apportionment really avoid Profit Shifting within Multi-National Enterprises?*

Dirk M. Kiesewetter, Julius - Maximilians - Universitaet Wuerzburg - Germany; Jörg A. Mugler, Julius - Maximilians - Universitaet Wuerzburg - Germany

*Diffusion of Accounting Innovation in the National Health Service of the United Kingdom*

Louise Macniven, Cardiff Business School; Neil Marriott, University of Winchester; Howard Mellett, Cardiff Business School

*Loan Loss Provisions and Capital Management - the U.S. Evidence Under the Basel Accord*

Carol Zhou, University of Queensland

*Tax Avoidance, Debt-Substitution and Tax-Exhaustion: Korean Evidence*

Youngdeok Lim, Korea Advanced Institute of Science And Technology; Kooyul Jung, Korea Advanced Institute of Science And Technology

*The Cost of Regulation: A Comparison of Audit Fees and Their Determinants in France and UK*

Paul Andre, Essec Business School Paris; Geraldine Broyes, Ems Strasbourg;

Christopher Pong, University of Nottingham; Alain Schatt, Ems Strasbourg

*Usage of Internal Auditing Standards by Companies in the United States and Select European Countries*

Priscilla A. Burnaby, Bentley College; Mohammad Abdolmohammadi, Bentley College;

Susan Hass, Simmons College; Gerrit Sarens, Université

Catholique De Louvain; Marco Allegrin , Università Di Pisa

*(continued on page 10)*

## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 9)*

**10:15 a.m.– 11:45 a.m.**

**4.01. Challenges of Regulators and Practitioners If IFRS is Adopted for Domestic Issuers**

Moderator: Jenice Prather-Kinsey, University of Missouri

Panelists: Robert Herz, Chairman, Financial Accounting Standards Board  
Julie A. Erhardt, Deputy Chief Accountant, Office of the Chief Accountant, International Securities & Exchange Commission  
Paul Munter, Partner, KPMG  
Paul Cherry, Chairman, Canadian Accounting Standards Board

Discussant: SEC Fellow, Cheryl L. Linthicum, University of Texas at San Antonio

**4.13. How to Successfully Integrate IFRS in UG Accounting Curricula**

Moderator: Marco Trombetta, Instituto De Empresa

Panelists: D. J. Gannon, Deloitte  
Patrick Turner, The Ohio State University

**4.24. A Globally Converged Conceptual Framework**

Moderator: Ian P.N. Hague, Accounting Standards Board - Canada

Panelists: Mary Barth, International Accounting Standards Board  
Tom J. Linsmeier, Financial Accounting Standards Board

**4.25. China I**

Moderator: Fouad K. Alnajjar, Baker College Center for Graduate Studies

*Agency Costs of Socialistic Internal Capital Markets: Empirical Evidence from China*  
Jiwei Wang, Singapore Management University; Kangtao Ye, Renmin University of China

Discussant: Min Liu, Kent State University

*Investment Opportunity Sets, Relationship Endowments and Business Policies of Private Enterprises in China*

Clement Kw Chow, Lingnan University ; Michael Ky Fung, The Chinese University of Hong Kong; Kevin C. K. Lam, The Chinese University of Hong Kong; Heibatollah Sami, Lehigh University

Discussant: Rong Yang, SUNY - College at Brockport

*Political Relations and Overseas Stock Exchange Listing: Evidence from Chinese State-owned Enterprises*

Mingyi Hung, University of Southern California; T.J. Wong, The Chinese University of Hong Kong; Tianyu Zhang, City University of Hong Kong

Discussant: Albert Tsang, University of Texas at Dallas

**4.26. Corporate Governance I**

Moderator: Maureen Patricia Gowing, University of Windsor

*Asymmetric Timeliness of Earnings and Board of Directors' Profit Sharing Remuneration*  
Ann Ling - Ching Chan, University of Liverpool Management School; Audrey W-H Hsu, National Taiwan University

Discussant: Rameshwar D. Gupta, Jackson State University

*Director Pay, Ownership Structure and Director Pay for Performance*

Flora Niu, Wilfrid Laurier University

Discussant: Maureen Patricia Gowing, University of Windsor

*(continued on page 11)*

## International Accounting Section, AAA Annual Meeting

### Preliminary Schedule of Activities *(continued from page 10)*

*Staffing Independent Board Members: a Self-Selection or a Performance Enhancing Mechanism?*

Wan - Ying Lin, National Chengchi University; Yi - Ling Chen, National Chengchi University

Discussant: Birendra Mishra, University of California Riverside

#### **4.27. Earnings Management**

Moderator: Hossein Noorian, Wentworth Institute of Technology

*Detecting Earnings Management by External and Internal Corporate Governance Mechanisms: Evidence from Thailand*

Sompong Pornupatham, Chulalongkorn University

Discussant: Martin F Baumann, PCAOB

*Mandatory Transition to IFRS: Value Relevance and Earnings Management*

Vedran Capkun, HEC Paris; Anne Cazavan - Jeny, Essec Business School; Thomas Jeanjean, HEC Paris; Lawrence Weiss, Georgetown University

Discussant: James Gong, University of Illinois at Urbana Champaign

#### **4.28. Information Environment**

Moderator: Shirley A Hunter, Tufts University

*The News of No News in Stock Markets*

Oral Erdogan, Istanbul Bilgi University; Ari Yezegel, Rutgers University

Discussant: Ravi Subramaniam, Lecturer

*The Test of Investors' Differential Information and Price Limit Policy in Emerging Market: Evidence from Depository Receipt Market Reactions*

Shu - Hsing Li, National Taiwan University; Yaw Mensah, Rutgers University; Bi - Huei Tsai, National Chiao Tung University

Discussant: Shirley A Hunter, Tufts University

*Does Auditor Quality reduce Information-based Trading?*

Lee-Seok Hwang, Seoul National University; Kyung-Tae Kim, University of Seoul; Woo-Jong Lee, Seoul National University

Discussant: Pik Liew, University of Essex

#### **4.29. Regulation and Standard Setting**

Moderator: Robert K. Larson, University of Dayton

*Impact of Differential Listing Requirements on Earnings Management of Korean IPO Firms*

Soon Suk Yoon, Chonnam National University; Hyo Jin Kim, Sungkyunkwan University; Min Kyong Park, Chonnam National University

Discussant: Cynthia C. H. Chen, Providence University

*Regulating the Financial Analysis Industry: Is the European Directive Effective?*

Michel Dubois, University of Neuchatel; Pascal Dumontier, University of Geneva

Discussant: Robert K. Larson, University of Dayton

*Mandatory IFRS Adoption, Information and Market Liquidity Around Earnings Announcements*

Paulo Alves, Lancaster University; Ulf Brüggemann, Lancaster University; Peter F Pope, Lancaster University

Discussant: Robert K. Larson, University of Dayton

*(continued on page 12)*

**International Accounting Section, AAA Annual Meeting**  
**Preliminary Schedule of Activities** *(continued from page 11)*

**4.30. Valuation**

- Moderator: Ervin L Black, Brigham Young University  
*Corporate Transparency and the Valuation of Firm Cash Holdings*  
Inder Khurana, University of Missouri - Columbia; Xiumin Martin, Washington University at St. Louis; Raynolde Pereira, University of Missouri - Columbia
- Discussant: Seong Y Cho, Oakland University  
*Do the Components of Cash Flow and Accruals Enhance the Forecast of Future Cash Flows? Australian Evidence*  
Shadi Farshadfar, Griffith University; Reza Monem, Griffith University
- Discussant: Edmund Keung, National University of Singapore

**12:00 p.m.-1:45 p.m. Luncheon (Ticket required)**

**Globalization: Implications for Accounting and Accounting Education**

- Speaker: Aulana Peters

**2:00 p.m.– 3:30 p.m.**

**5.11. International Audit Markets**

- Moderator: Rani Hoitash, Bentley College  
*Auditor Incentive and Audit Size: Evidence from Chinese Audit Market*  
Jun Zhan, Concordia University; Michel Magnan, Concordia University
- Discussant: To Be Announced  
*Auditor Choice in Privatized Firms: Empirical Evidence on the Role of State and Foreign Owners*  
Omrane Guedhami, University of South Carolina ; Jeffrey A Pittman, Hong Kong University of Science and Technology; Walid Saffar, HEC Montreal
- Discussant: Jong - Hag Choi, Seoul National University  
*The Function of Audit Opinion on Earnings Management — Evidence from Manufacturing Industry in Chinese Listed Companies*  
Yuedong Li, Southwestern University of Finance & Economics
- Discussant: Cynthia C. H. Chen, Providence University

**5.22. SEC Update — Regulators Discussion of International Accounting Issues**

- Moderator: Scott Taub, Financial Reporting Advisors
- Panelists: Julie Erhardt, U.S. Securities And Exchange Commission  
James Kroeker, U.S. Securities And Exchange Commission  
Zoe - Vanna Palmore, U.S. Securities And Exchange Commission

**5.26. Analysts**

- Moderator: Gia Chevis, Baylor University  
*Does the Distance Enhance Analyst Forecast Accuracy?: Evidence from Group Analysts in Korea*  
Youngdeok Lim, Korea Advanced Institute of Science And Technology; Kooyul Jung, Korea Advanced Institute of Science And Technology
- Discussant: Gia Chevis, Baylor University

*(continued on page 13)*

**International Accounting Section, AAA Annual Meeting**  
**Preliminary Schedule of Activities** *(continued from page 12)*

*International Evidence on Analyst Stock Recommendations, Valuations, and Returns*  
Ran Barniv, Kent State University; Ole - Kristian Hope, University of Toronto; Mark Myring, Ball State University; Wayne Thomas, University of Oklahoma

Discussant: Gia Chevis, Baylor University

*Politically Connected Firms, Legal Enforcement, and Analyst Forecast Attributes around the World*

Charles Chen, City University of Hong Kong; Yuan Ding, China Europe International Business School (CEIBS); Chansog (Francis) Kim, City University of Hong Kong

Discussant: Fatima A. Alali, California State University Fullerton

**5.27. Auditing I**

Moderator: Linda V. Ditchkus, Bank For International Settlements

*Audit Pricing and Auditor Industry Specialization in an Emerging Market: Evidence from China*

Kun Wang, Texas Southern University; Sewon O, Texas Southern University; Zahid Iqbal, Professor Department of Accounting & Finance Texas Southern University

Discussant: Michael M. Grayson, Texas A& M International University

*Aggregate Quasi Rents and Auditor Independence: Evidence from Audit Firm Mergers in China*

K. Hung Chan, Lingnan University; Donghui Wu, The Hong Kong Polytechnic University

Discussant: Yan Jiang, Broward County Auditor's Office

**5.28. Cross Listing I**

Moderator: Elaine Henry, University of Miami

*Disclosure vs. Legal Bonding: Can Increased disclosure substitute for Cross-Listing?*

Irene Karamanou, University of Cyprus; George Nishiotis, University of Cyprus

Discussant: Thomas D. Schultz, Miami University

*The Effect of U.S. GAAP Compliance on Non-U.S. Firms' Cross-Listing Decisions, Listing Choices and Their Valuations*

Jing Lin, Saint Joseph's University

Discussant: Wendy Wilson, Southern Methodist University

*Why Do Cross-listed Firms in the U.S. Voluntarily Release Management Earnings Forecasts?*

Yaqi Shi, University of Western Ontario; Michel Magnan, Concordia University; Jeong-Bon Kim, Concordia University and The Hong Kong Polytechnic University

Discussant: Elaine Henry, University of Miami

**5.29. Financial Issues**

Moderator: Heibatollah Sami, Lehigh University

*Goodwill Impairment: A Comparative Country Analysis*

Zane L. Swanson, Emporia State University; Robert Singer, Quincy University; Alexis Downs, Emporia State University

Discussant: Ahmed Ebrahim, SUNY New Paltz

*The Cost of Pride: Why Do Firms from Developing Countries Bid Higher?*

Ole-Kristian Hope, University of Toronto; Wayne Thomas,

University of Oklahoma; Dushyant Vyas, University of Toronto

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 13)*

Discussant: Andy Kim, University of Minnesota  
*Perceptions of Financial Statement Users in an Emerging Economy: The Case of Egypt*  
Khaled M. Dahawy, The American University In Cairo; Khaled Samaha, The American University In Cairo

Discussant: Mostafa M. Maksy, Northeastern Illinois University

#### **5.30. History/Criticism**

Moderator: Jim Osayande Obazee, Nigerian Accounting Standards Board  
*Accounting in Iraq Babylon: A Historical Perspective*  
Fouad K. Alnajjar, Baker College Center for Graduate Studies

Discussant: Brigitte W. Muehlmann, Suffolk University  
*Constituent Lobbying on an IASB Exposure Draft: An Examination of ED 8 Operating Segments*  
Jacqueline Louise Birt, Australian National University; Dean Katselas, Australian National University

Discussant: Barry R Marks, University of Houston - Clear Lake  
*Why Consistency of Accounting Standards Matters — Normative Evidence from the U.S. and Germany as Related to IFRS*  
Jens Wüstemann, University of Mannheim; Sonja Kierzek, Johann Wolfgang Goethe University am Main

Discussant: Jim Osayande Obazee, Nigerian Accounting Standards Board

#### **5.31. IFRS I**

Moderator: Maria L. Bullen, School of Business, Clayton State University  
*The Development of Accounting Quality of IAS and IFRS Over Time: The Case of Germany*

Discussant: Henghsiu Lin, University of Portland; Mari Paananen, University of Hertfordshire  
Irene Karamanou, University of Cyprus  
*The Effects of Mandatory Adoption of International Financial Reporting Standards on Information Environments*

Discussant: Xin Wang, Chinese University of Hong Kong; Danqing Young, Chinese University of Hong Kong; Zili Zhuang, Chinese University of Hong Kong  
Minga M Negash, University of The Witwatersrand

#### **5.32. International Issues**

Moderator: Steve W. Lin, Florida International University  
*Environmental Uncertainty, Comprehensive Performance Measurement Systems, Performance-Based Compensation, and Organizational Performance*

Discussant: Axel Klaus - Dieter Schulz, Monash University; Chee W. Chow, San Diego State University; Anne Wu, National Chengchi University  
Shawki M. Farag, American University in Cairo  
*Does Trading by Foreign Investors Contribute More to Stock Price Informativeness than Trading by Domestic Institutional Investors? Evidence from Korea*

Discussant: Jeong - Bon Kim, The Hong Kong Polytechnic University and Concordia University; Cheong Yi, The Hong Kong Polytechnic University  
Steve W. Lin, Florida International University

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**International Accounting Section, AAA Annual Meeting**  
**Preliminary Schedule of Activities** *(continued from page 14)*

*An International Investigation of Earnings Management and Long-term Performance in IPO Companies: The Case of Iranian IPOs*

Alireza Daneshfar, University of New Haven; Bitu Mashayekhi, Tehran University;  
Elham Hasani Azar, Tehran University

Discussant: Khaled Dahawy, The American University in Cairo

**5.33. Measurement**

Moderator: Yong G. Lee, University of Houston - Victoria

*Dividend Payout and the Choice of Measurement Model for Property, Plant and Equipment*

Keryn G. Chalmers, Monash University; Farshid Navissi, Monash University; Siniah Thangamany, Monash University

Discussant: Gyung H Paik, Brigham Young University

*The Impact of Dirty Surplus Accounting Flows on Financial Performance Measurement and Share Valuation: Evidence from Profit Sharing Bonus*

Audrey Wen - Hsin Hsu, National Taiwan University; Steve Lin, Florida International University

Discussant: Jonathan Du, School of Business University of Houston - Victoria

*Accounting Measures and International Pricing Models: Justifying Accounting Homogeneity*

Javier Gomez Biscarri, IESE Business School; German Lopez Espinosa, Universidad De Navarra

Discussant: Yong G. Lee, University of Houston - Victoria

**5.34. The Expanding Role of IFRS — Research Issues**

Moderator: Gary Braun, University of Texas at El Paso

Panelists: Mary Barth, IASB and Stanford University

Mark Lang, University of North Carolina

Christian Leuz, University of Chicago

Charles Niemeier, PCAOB

**5.42. Current Trends in Ethics Education: International and Practitioner Perspectives**

Moderator: William H. Black, University of Mississippi

Panelists: James Burton, Middle Tennessee State University

Charles H. Calhoun, University of North Florida

Todd McGee, McGee & Company

Doug Tatum, Tatum LLP

Paul F. Williams, North Carolina State University

**3:00 p.m.– 4:30 p.m.**

**Effective Learning Strategies**

*Preparing Today's Students for Tomorrow's Reality: International Financial Reporting Standards*

Presenter: Mary Jepperson, College of Saint Benedict/St. John's University

*Videos as an Effective Way to Learn About International Business and Accounting*

Presenters: Maryanne Atkinson, Central Washington University; Rosie

Morris, Texas State University

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## International Accounting Section, AAA Annual Meeting

### Preliminary Schedule of Activities *(continued from page 15)*

#### Research Interaction Forum Session IV

*The French Question: Are the Futures of Accountancy and Accounting Compatible?*

Eric Asker, CPA Conference Advisor; Jean Guy Degos, University of Montesquieu; Tony Tinker, Baruch College; Aida Sy, Manhattan College

*Accounting for Stock Purchase Warrants: Empirical Evidence from Japanese Firms.*

Kazuyuki Suda, Waseda University; Shota Otomasa, Kansai University; Akihiro Noguchi, Nagoya University

*An Agency Theory Approach of Non-financial Management Accounting Measures in Banks: Case of Developing and Developed Countries*

Mostaq M Hussain, University of New Brunswick - Saint John; Gin Chong, Texas A&M University - Prairie View

*Are PRC IPOs Establishing Primary Foreign Listings Extrapolating Negative Wealth Transfers from International Investors: Case of Post-Issue Stock Performance of S-Share Firms*

J - L.W. Mitchell Van Der Zahn, Curtin University of Technology; Inderpal Singh, Curtin University of Technology; Ling Mei Cong

*Evaluating Alternative Measures of Multinational Firms' Financial Performance: International Evidence*

Paul John-Marcel Klumpes, Imperial College London; Liyan Tang, Imperial College London; Peng Wang, Imperial College London

*Modernization, Westernization, and Double-entry: How was the New Technology Accepted in the Japanese Companies?*

Hiroshi Okano, Osaka City University; Eiichiro Kudo, Kumamoto Gakuen University  
*Reporting Intangible Assets: Voluntary Disclosure Practices of the Top Emerging Market Companies*

Helen H Kang, The University of New South Wales; Sidney J Gray, The University of Sydney

*Research on Co-integration of Financial Markets: from Chinese Emulational Stock Index Futures Market*

Chen Zhang, Finance School of Monfort College of Business University of Northern Colorado.; Yuehuan Lee, Hefei University of Technology; Weidong Zhu, School of Management of Hefei University of Technology P.R. China.; Allen McConnell, University of Northern Colorado

*Should We Invest in Microcredit? A Financial Analysis of Microcredit from a USD-Investor's Perspective*

Stefan Bogner, Vienna University of Economics And Business Administration; Hanna K.Koivulehto, Vienna University of Economics and Business Administration

*The Convergence of Chinese GAAP with IFRS: An Analysis of the Process from 1992 to 2006*

Songlan Peng, York University; Joyce Van Der Laan Smith, University of Richmond  
*The Failure of The Mayan Organizations*

Reynaldo Frausto Mena, History Accounting Academic

*The Impact of Management Credibility on Price Reactions around Stock Repurchasing Announcements in Taiwan*

Jan - Zan Lee, National Taipei University; Shu - Wei Hsu, Tunghai University; Hsiu - Feng Lin, Tunghai University; Hsien - Jui Lee, Central Bank of China Taiwan

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## International Accounting Section, AAA Annual Meeting

### Preliminary Schedule of Activities *(continued from page 16)*

*The Issuance of Convertible Bonds and Earnings Management: Evidence from Taiwan*  
Yee-Chy Tseng, Tainan University of Technology Taiwan; Ruey-Dang Change, National Sun Yat-Sen University Taiwan; Ching-Ping Chang, National Sun Yat-Sen University Taiwan

*The Moderating Role of Audit Market Competition in the Relationships between Human Capital and CPA Firm Performance-Empirical Evidence in Taiwan*  
Chun Ju Fang, Tunghai University; Tzy Yin Hsiao, Professor Department of Accounting, Fengchia University; Li Chin Su, Graduate Student, Department of Accounting, Tunghai University

*The Timing of Employee Stock Option Grants: Evidence from Taiwanese Listed Companies*

Ming-Cheng Wu, National Changhua University of Education and Yi-Ting Huang, National Changhua University of Education

**4:00 p.m.– 5:30 p.m.**

#### **6.07. Taxation From an International Perspective**

Moderator: Michael R Kinney, Texas A & M University

*When Two Wrongs Can Make a Right: On the Neutrality of Credit Default Taxation*

Discussant: Kay Blaufus, Freie Universität Berlin; Jochen Hundsdoerfer, Freie Universität Berlin  
Michael R Kinney, Texas A & M University

*The Influence of Minimum Taxation Concepts on Corporations*

Discussant: Claudia Dahle, University of Paderborn; Caren Sureth, University of Paderborn

Mitchell Oler, Virginia Tech

*Can Firms Choose Their Leverage? - Tax Planning for Implementing Tax Induced Debt Finance*

Martin Ruf, Mannheim University

Discussant: Jane Livingstone, University of North Carolina at Greensboro

#### **6.18. Corporate Governance: International Experiences**

Moderator: Qian Wang, University of Kansas

*The Extent of Disclosure in Annual Reports of Banking Companies: the Case of India*

Discussant: Mohammed Hossain, Qatar University  
Randall Xu, University of Houston - Clear Lake

*Audit Committee Effectiveness and Financial Reporting Quality: Evidence from Low and Mid-Tier Australian Firms*

Won Sil Kang, Macquarie University; Alan Kilgore, Macquarie University; Sue Wright, Macquarie University

Discussant: Timothy J. Fogarty, Case Western Reserve University

*Industry Product Market Competition and Corporate Governance*

Christo Karuna, University of California Irvine

Discussant: Paul J. Brown, University of Technology Sydney

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 17)*

- 6.26. International Public Sector Accounting Topics**
- Moderator: Vaughan S. Radcliffe, University of Western Ontario  
*Infrastructure Asset Reporting in Australia: Current Practices and Future Directions*  
Stewart Jones, The University of Sydney; Robert G. Walker, The University of Sydney
- Discussant: Bambi Hora, University of Central Oklahoma  
*The Enabling Impact of Accruals Accounting in the Public Sector*  
Neil Marriott, University of Winchester; Howard Mellett, Cardiff University; Louise Macniven, Cardiff University
- Discussant: Joost P. Van Buuren, Business Universiteit Nyenrode  
*Discretionary and Specific Accrual Accounting Practices of Local Governments: Influence of Economic Determinants*  
Robyn Pilcher, Curtin University of Technology; J - L.W. Mitchell Van Der Zahn, Curtin University of Technology
- Discussant: Stephanie D. Moussalli, University of West Florida
- 6.28. China II**
- Moderator: Eva K Jermakowicz, Tennessee State University  
*The Impact of Market Segmentation on the Value Relevance of Accounting Information: Evidence from China*  
Shwu - Hsing Wu, Tainan University of Technology; Stephen Lin, Florida International University; Meihua Koo, California State Polytechnic University Pomona; Shu - Hsing Li, National Taiwan University
- Discussant: Flora Niu, Wilfrid Laurier University  
*The Split Equity Reform and Corporate Financial Transparency in China: Preliminary Evidence*  
Wendy J. Green, The University of New South Wales; Richard D Morris, The University of New South Wales; Haiping Tang, The University of New South Wales
- Discussant: Thomas Bowe Hansen, University of New Hampshire Whittemore School of Business
- 6.29. Corporate Governance II**
- Moderator: Carolyn M. Callahan, University of Arkansas - Fayetteville  
*Ownership Structure, Corporate Governance and Firm Performance: Evidence from Singapore Listed Companies*  
Lee J. Yao, Loyola University New Orleans; Emma Qian Hao, Wilkes University
- Discussant: Balasubramanian S. Sankaralingam, Max New York Life Insurance Co. Ltd.  
*Does Board Structure Have Effect on Extreme Loss and Return? Evidence from Taiwan's Stock Investments*  
Yi - Ling Chen, National Chengchi University Taiwan; Sunwu Winfred Chen, Shih Chien University Kaohsiung Campus Taiwan
- Discussant: Sadick John Pallangyo  
*The Impact of the Excess Voting Rights of Controlling Shareholders on Corporate Governance and Accruals*  
Hyo Jin Kim, Sungkyunkwan University; Soon Suk Yoon, Chonnam National University; Min Kyong Park, Chonnam National University
- Discussant: Carolyn M. Callahan, University of Arkansas - Fayetteville

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 18)*

- 6.30. Cross Listing II**
- Moderator: Naciri Adam Ahmed, University of Quebec In Montreal  
*Firm-Level Incentives and the Informativeness of Accounting Reports: An Experiment in Brazil*  
Alexsandro Broedel Lopes, Manchester Business School and Universidade De Sao Paulo;  
Martin Walker, Manchester Business School
- Discussant: Stephen R. Goldberg, Grand Valley State University  
*Crossed-listed Foreign Firms' Earnings Informativeness, Earnings Management and Disclosures of Corporate Governance Information under SOX*  
Jui-Chin Chang, Howard University; Huey-Lian Sun, Morgan State University
- Discussant: Thomas Lechner, University of Utah
- 6.31. IFRS II**
- Moderator: Tony Kang, Florida Atlantic University  
*Adopting a Label: Heterogeneity in the Economic Consequences of IFRS Adoptions*  
Holger Daske, University of Mannheim; Luzi Hail, University of Pennsylvania; Christian Leuz, University of Chicago; Rodrigo Verdi, Massachusetts Institute of Technology
- Discussant: Tony Kang, Florida Atlantic University  
*Adoption of International Financial Reporting Standards: Impact on the Value Relevance of Intangible Assets*  
Keryn Chalmers, Monash University; Greg Clinch, University of Technology Sydney;  
Jayne M Godfrey, Monash University
- Discussant: Tony Kang, Florida Atlantic University  
*The Implications of IFRS Adoption: The Extent of Convergence and Consistency between IFRS and US GAAP Net Income*  
Susan Boedeker Hughes, The University of Vermont; James Sander, Butler University
- Discussant: Siva Nathan, Georgia State University
- 6.32. Incorporating International Financial Reporting Standards [IFRS] in the Financial Accounting Curriculum**
- Moderator: Sam A. Hicks, Virginia Tech
- Panelists: John A Brozovsky, Virginia Tech  
Patricia Lobingier, Virginia Tech
- 6.33. Korean Accounting**
- Moderator: Chang Woo Lee, Seoul National University  
*Concentrated Ownership and Information-Based Trading*  
Hae - Young Byun, Seoul National University ; Lee - Seok Hwang, Seoul National University; Woo - Jong Lee, Seoul National University
- Discussant: Cheong H. Yi, The Hong Kong Polytechnic University  
*Accounting Choice for Negative Goodwill*  
Hyo Jin Kim, Sungkyunkwan University; Soon Suk Yoon, Chonnam National University
- Discussant: Cheong H. Yi, The Hong Kong Polytechnic University

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 19)*

*Timeliness and Informativeness of Fair Disclosure: Evidence from Korean Preliminary Financial Reports*

Inman Song, Sungkyunkwan University; Yeonhee Park, SKK Graduate School of Business in Collaboration with MIT; Dong - Hoon Yang, Dongguk University; Mahmud Hossain, Nanyang Technological University

Discussant: Cheong H. Yi, The Hong Kong Polytechnic University

### **Wednesday, August 6**

**9:45 a.m.– 11:00 a.m.**

#### **Effective Learning Strategies III**

*Integrating an IFRS Module into the Master's Curriculum*

Presenter: Rama Ramamurthy, College of William & Mary

#### **Research Interaction Forum Session V**

*Audit Concentration, Auditor Choice and Corporate Governance in Underdeveloped Securities Markets: The Case of Bangladesh*

Akm Waresul Karim, Victoria University of Wellington; Tony Van Zijl, Victoria University of Wellington

*Comparative Loss Recognition Timeliness between Brazilian Public and Private Firms*

Alexsandro Broedel Lopes, Universidade De Sao Paulo And Manchester Business School; Antonio Coelho, Universidade Federal Do Ceara and Universidade De Sao Paulo; Fernando Caio Galdi, Fucape Business School

*Gender Bias in Examinations: Evidence from Accounting Examinations in Australia and Belgium*

Neal H Arthur, The University of Sydney; Patricia C Everaert, Ghent University

*The Call for Increasing the International Component of Accounting Education*

Frederick J. Feucht, Prairie View A & M University; Michael J. Imhof, University of Missouri; L. Murphy Smith, Texas A & M University

*Ultimate Property Right, Exertion Methods of Control Right and Governance Demand of Audit Committee: An Empirical Research Based on Chinese Listed Companies*

Gaoliang Tian, School of Management Xi' An Jiaotong University; Fangjun Wang, School of Management Xi' An Jiaotong University; Qinghua Wu, School of Management Fudan University; Peiyu Ou, School of Management Xi' An Jiaotong University

**10:15 a.m.– 11:45 a.m.**

#### **7.03. Research and Policy: Issues Surrounding Adoption of IFRS**

Moderator: Thomas L. Stober, University of Notre Dame

Panelists: Christine A. Botosan, University of Utah

Robert H. Colson, Grant Thornton LLP

Karim Jamal, University of Alberta

Teri Lombardi Yohn, Indiana University

#### **7.21. FASB-IASB-SEC Update**

Moderator: Terry D Warfield, University of Wisconsin

Panelists: Mary Barth, International Accounting Standards Board

James Kroeker, U.S. Securities And Exchange Commission

Tom Linsmeier, Financial Accounting Standards Board

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## **International Accounting Section, AAA Annual Meeting** **Preliminary Schedule of Activities** *(continued from page 20)*

### **7.27. Auditing II**

- Moderator: Gaurav Kumar, University of Arkansas at Little Rock  
*Governance Role of Auditors and Legal Environment: Evidence from Corporate Disclosure Transparency*  
Sam Han, Singapore Management University; Tony Kang, Florida Atlantic University; Yong Keun Yoo, Korea University
- Discussant: Martin F. Baumann, PCAOB  
*Continued Partner-Client Relation and Financial Reporting Quality*  
Charles J. P. Chen, City University of Hong Kong; Xijia Su, City University of Hong Kong; Xi Wu, Central University of Finance and Economics
- Discussant: Ching Tung Keung, National University of Singapore

### **7.28. Corporate Governance III**

- Moderator: Khondkar E. Karim, Rochester Institute of Technology  
*Business Groups, Corporate Governance, and Financial Performance: Evidence from Pakistan*  
Waqar I Ghani, Saint Joseph's University; Omair Haroon, Lahore University of Management Sciences; Junaid Ashraf, Lahore University of Management Sciences
- Discussant: Yu Gao, University of Minnesota  
*The Relation between Corporate Governance and Earnings Management in Anticipation of Future Performance: Evidence from Taiwan*  
Chaur - Shih Young, National Cheng Kung University Taiwan; Liu - Ching Tsai, National Chia - Yi University Taiwan; Pei - Gin Hsieh, National Chung Cheng University Taiwan
- Discussant: Mahmud Hossain, Nanyang Technological University

### **7.29. Disclosure II**

- Moderator: Leslie A. Robinson, Tuck School of Business at Dartmouth  
*The Determinants of Voluntary Strategy Disclosure: An International Comparison*  
Richard D. Morris, University of New South Wales; Per Christen Tronnes, University of New South Wales
- Discussant: Leslie Anne Robinson, Tuck School of Business at Dartmouth  
*Capital Market Implications of Corporate Disclosure: German Evidence*  
Michael Grüning, European University Viadrina
- Discussant: Gary Entwistle, University of Saskatchewan  
*Non-GAAP Financial Disclosures: Evidence from European Firms' Press Releases*  
Helena Isidro, City University London; Ana Marques, University Nova De Lisboa
- Discussant: Jiri Strouhal, University of Economics Prague Department of Financial Accounting And Auditing

### **7.30. IFRS III**

- Moderator: Mohamed A Gulamhussen, Lisbon University Institute  
*Capital Market Consequences of European Firms' Mandatory Adoption of IFRS*  
Jenice Prather-Kinsey, University of Missouri; Eva K. Jermakowicz, Tennessee State University; Thierry Vongphanith, Brown Brothers Harriman & Co
- Discussant: Mohamed A Gulamhussen, Lisbon University Institute

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## International Accounting Section, AAA Annual Meeting

### Preliminary Schedule of Activities *(continued from page 21)*

#### *The Effect of Mandated IFRS Adoption on Analysts' Forecast Errors*

Donal Byard, Baruch College - CUNY; Ying Li, George Washington University; Yong Yu, University of Texas at Austin

Discussant: Thomas Lechner, University of Utah

#### *The Costs and Benefits of IFRS from a Corporate Perspective: Evidence from the Implementation Experience in Australia*

Joanne Pickering, University of Sydney; Sally Aisbitt, Open University Business School UK; Sidney J. Gray, University of Sydney; Richard Morris, University of New South Wales

Discussant: Thomas Lechner, University of Utah

### **7.31. Japan**

Moderator: Xu Wang, Saint Louis University

#### *Firm-Bank Relationships and Earnings Benchmark: Evidence from Japan*

Bok Baik, Seoul National University; Wooseok Choi, Korea University Business School  
Bjorn N. Jorgensen, Columbia University

Discussant: Bjorn N. Jorgensen, Columbia University

#### *Abnormal Accruals in International Settings: A Comparative Study of Japan, Thailand and the U.S.A.*

Asheq Razaur Rahman, Massey University; Jira Yammeesri, University of Thai Chamber of Commerce; Hector Perera, Macquarie University Sydney

Discussant: Isho Tama - Sweet, University of Oregon

#### *Risk Relevance of Comprehensive Income in Japan*

Hiromi Wakabayashi, Konan University; Kazuhisa Otagawa, Kobe University

Discussant: Takashi Yaekura, Hosei University

### **7.33. Tax and Management**

Moderator: Thomas Mitch McGhee, California State University Stanislaus

#### *Tax Planning and International Financial Reporting Standards (IFRS)*

Georgia Siougle, Athens University of Economics And Business; Eleni Vrentzou, Ministry of Economy - Athens University of Economics And Business; Leonidas Doukakis, Athens University of Economics And Business

Discussant: Thomas Mitch McGhee, California State University Stanislaus

#### *The Fleeting Nature of Permanent Reinvestment: Accounting for the Undistributed Earnings of Foreign Subsidiaries*

Thomas D. Schultz, Miami University; Timothy J. Fogarty, Case Western Reserve University

Discussant: Thomas Mitch McGhee, California State University Stanislaus

#### *The Effect of Stock Pay and Stock Holdings on the Pay to Performance Sensitivity in Denmark*

Jesper Banghøj, Copenhagen Business School ; Thomas Stig Plenborg, Copenhagen Business School

Discussant: Thomas Mitch McGhee, California State University Stanislaus

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## **International Accounting Section, AAA Annual Meeting**

### **Preliminary Schedule of Activities** *(continued from page 22)*

**2:00 p.m.– 3:30 p.m.**

**8.05. Research on Defining, Recognizing, and Measuring Liabilities: IAAER/KPMG Research Grant Program, U.S. Treasury/AICPA Financial Literacy Project**

Moderator: Donna Street, University of Dayton

Papers to be presented:

*Accounting for Liabilities and Equity of Financial Institutions Analyzing and Allocating Market and Credit Risk to Funding Instruments*

Gunther Gebhardt, Rolf Reichardt, and Michael Reiland, all at University Frankfurt am Main

*Does the Current Definition of Liabilities in the IASBs Framework Provide an Adequate Basis for Estimating the Equity Value of the Firm When Using an Asset-Side Valuation Approach?*

Mauro Bini, Francesco Moment, Francesco Reggiani, Emanuel Bagna UTS, Ronald Bird, all at Universita Bocconi

*Leverage and Cost of Equity Capital An Empirical Test of Various Definitions of Liability and Fair Value Measurement*

Kay Newberry, University of Houston; C.S. Agnes Cheng, Kenneth J. Reichelt, and Cathy Zishang Liu, all at Louisiana State University

*Distinguishing Liability from Equity in Co-operative Entities*

Fernando Polo-Garrido, Juan Francisco Juli Igual, all at Universidad Politecnica de Valencia; James H. Smith, John Maddocks, J. Tom Webb, all at St. Mary's University;

Elizabeth A. G. Hicks, Mout Saint Vincent University; German Lopez-Espinosa, Universidad de Vavarra; Volker Heegemann, Federal Association of German Cooperative Banks

*Risk Management Effects on Liabilities and Equity - Cost of Capital Implications*

Paul J. M. Klumpes, Peng Wang, Liyan Tang, all at Imperial College London

**8.29. Accounting in the UK**

Moderator: Laxmikantham Padakanti, Addis Ababa University

*The Accrual Anomaly - Can Implemetable Portfolio Strategies Be Developed That Are Profitable Net of Transactions Costs in the UK?*

Nuno Soares, Manchester Business School; Andrew W Stark, Manchester Business School

Discussant: Georgia Siougle, Athens Univ. of Economics And Business

*Which Earnings Components Drive Earnings Conservatism? The Case of FRS3 in the UK*

Ann Ling-Ching Chan, University of Liverpool Management School; Stephen Lin, Florida International University; Norman Strong, University of Manchester

Discussant: Laxmikantham Padakanti, Addis Ababa University Ethiopia

**8.30. IFRS IV**

Moderator: Edna Ijeoma Stan-Maduka, University of Hull UK

*Measuring the Convergence of National Accounting Standards with International Financial Reporting Standards: The Application of Fuzzy Clustering Analysis*

Xiaohui Qu, Xiamen University; Guohua Zhang, Harbin University of Commerce

Discussant: Aljosa Valentincic, University of Ljubljana

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**International Accounting Section, AAA Annual Meeting**  
**Preliminary Schedule of Activities** *(continued from page 23)*

*The Effects of IFRS Adoption on Default Risk*

Andreas Charitou, University of Cyprus; Irene Karamanou, University of Cyprus;  
Neophytos Lambertides, Aston University UK

Discussant: Edna Ijeoma Stan - Maduka, University of Hull UK

**8.41. International Accounting Issues**

Moderator: Hossein Noorian, Wentworth Institute of Technology

*Does Universal Banking Create Conflicts of Interest? A Study of Mergers in Japan*

Huong Higgins, Worcester Polytechnic Institute

Discussant: Kang Cheng, Howard University

*The Impact of the "Delisting Regulation" on the Accrual Anomaly in an Emerging Market*

Ran Zhang, Peking University; James A. Largay, Lehigh University; Yuanpeng Li,  
School of Management Fudan University; Jianjun Niu, Institute of Accounting And  
Finance, Shanghai University of Finance And Economics

Discussant: Kang Cheng, Howard University

*Long-term Stock Performance Following Open Market Share Repurchases: Evidence  
from Taiwan*

Nai - Hui Su, Department of Accounting National Chung Hsing University; Chan - Jane  
Lin, Department of Accounting National Taiwan University

Discussant: Noel Addy, Mississippi State University

**4:00 p.m.– 5:30 p.m.**

**9.18. International Reporting Issues**

Moderator: Jan L. Williams, University of Baltimore

*Intellectual Capital Disclosure, Civil War, and Realized Earnings in Current Stock  
Return*

Indra Abeysekera, University of Wollongong Australia

Discussant: James McKeown, The Pennsylvania State University

*Choosing Cost versus Fair Value: International Evidence from the European Real Estate  
Industry Upon Adoption of IFRS*

Karl Muller, Penn State University; Edward Riedl, Harvard Business School; Thorsten  
Sellhorn, Ruhr - Universitat Bochum

Discussant: Erlend Kvaal, Norwegian School of Management

*Mandatory IFRS Reporting Around the World: Early Evidence on the Economic  
Consequences*

Holger Daske, University of Mannheim; Luzi Hail, University of Pennsylvania; Christian  
Leuz, University of Chicago; Rodrigo Verdi, Massachusetts Institute of Technology

Discussant: James McKeown, The Pennsylvania State University

**9.23. IAAER KPMG Liability and Equity Distinction Grant Program**

Moderator: Donna Street, University of Dayton

Papers to be presented are listed on page 23 under Session 8.05.

*(continued on page 25)*



## **International Accounting Section, AAA Annual Meeting** **Preliminary Schedule of Activities** *(continued from page 24)*

### **9.24. Corporate Governance IV**

Moderator: Aida Sy, Manhattan College

*Corporate Governance and Stock Returns Performance in Hong Kong: Carrots or Sticks?*

Yan Leung Cheung, City University of Hong Kong; J. Thomas Connelly, Chulalongkorn University; Ping Jiang, City University of Hong Kong; Piman Limpaphayom, Chulalongkorn University

Discussant: Aida Sy, Manhattan College

*Reversing an Impairment Loss and Earnings Management: The Role of Corporate Governance*

Rong - Ruey Duh, National Taiwan University; Wen - Chih Lee, National Kaohsiung University of Applied Sciences; Ching - Chieh Lin, National Taiwan University

Discussant: Alexandro Broedel Lopes, Universidade De São Paulo And Manchester Business School  
*Does Corporate Governance Affect Firm Value? Evidence with Corporate Governance Indices*

Peter Cheng, The Hong Kong Polytechnic University; Ferdinand A. Gul, The Hong Kong Polytechnic University; Wilson H.S. Tong, The Hong Kong Polytechnic University; Judy Tsui, The Hong Kong Polytechnic University

Discussant: Jagjit Singh Saini, Ph.D Student

### **9.25. Institutional Factors II**

Moderator: Humberto Rito Ribeiro, De Monfort University Leicester UK

*The Effect of Institutional Setting on Attributional Content in Management Commentary Reports*

Walter Aerts, University of Antwerpen; Ann Tarca, University of Western Australia  
Pallangyo John Sadick

Discussant: *Micro Entities' Financial Reporting Response to Exogenous Institutional Changes*  
Urska Kosi, University of Macedonia; Aljosa Valentincic, University of Ljubljana

Discussant: Humberto Rito Ribeiro, De Monfort University Leicester UK

*The Usage and Effectiveness of Balanced Scorecard in Singapore Manufacturing Industry*

Lee J. Yao, Loyola University New Orleans; Jia Wu, University of Massachusetts - Dartmouth; Siew Chan, Washington State University

Discussant: Humberto Rito Ribeiro, De Monfort University Leicester UK

**AAA IAS**  
**Business Meeting Agenda**  
**Hilton in Anaheim, California**  
**Monday, August 4, 2008; 2:00-3:30 pm**

**Vote on Slate of Nominated Officers for 2008-2009**—Donna Street

**Vote on By-Law Changes**—Rob Larson

**Demonstration of New Webpage**—Andy Lymer

**Treasurer's Report**—Ian Hague, results year to date and budget for 2008-09.

**Committee Reports**

**Annual Program**--Greg Burton

**Continuing Professional Education Committee**-- Eva Jermakowicz

**International Relations**--Stella Fearnley

**Membership**--Mahendra Gujarathi

**Midyear Conference Coordinators**--Elizabeth Gordon, Tony Kang, Carolyn Callahan

**Outstanding Dissertation Award**--Sidney Gray

**Outstanding Educator Award**--Stephen A. Zeff

**Outstanding Section Service Award**--Paul Herz

**Publications**--Tim Doupnik

*Journal of International Accounting Research* – Kenneth (Ken) R. Ferris

**Regional Programs**--Myungsun Kim

**Section Historian**--Norlin G. Rueschhoff

**Strategic Planning**--Patricia M. Poli

**Teaching and Curriculum (Education)**--George Gamble

**Regional Programs**--Myungsun Kim

**Mid-Atlantic**--Obeua Persons

**Midwest**--John McGowan

**Ohio**--Ran Barniv

**Southeast**--Lisa Owens

**Southwest**--Murphy Smith

**Western**--Meihua Koo

**Other News**

**Adjourn**

# INTERNATIONAL ACCOUNTING SECTION OF THE AMERICAN ACCOUNTING ASSOCIATION

## Proposed BY-LAW Changes – To be voted on in August 2008 at Business Meeting

The following seven changes are proposed for approval at our business meeting at the August 2008 General Meeting in Anaheim, California. Changes to the bylaws are in BOLD print.

1. Purpose: To consistently use the title “president” in the bylaws (the current bylaws still have a few instances where “chairperson” is used).

Section IV, E, 2:

- a. The main duties of the academic vice-president are:
  - i. To direct the affairs of the Section in the event the **president** is unable to serve.
  - ii. To preside at the annual and midyear business meetings if the **president** is unable to preside.
  - iii. To perform whatever duties the **president** may assign.

Section IV, E, 4:

- 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 **president**.

2. Purpose: To clarify the role of the academic vice-president at the AAA Council Meetings. To fix the bylaws Section IV, E, 2:

- a. The main duties of the academic vice-president are:
  - i. To direct the affairs of the Section in the event the chairperson is unable to serve.
  - ii. To preside at the annual and midyear business meetings if the chairperson is unable to preside.
  - iii. To perform whatever duties the chairperson may assign.
  - iv. To act as the Section's archivist.
  - v. To prepare a budget for the next fiscal year and a projected three-year budget in cooperation with the Section treasurer.
  - vi. To be a voting representative for the section at the AAA Council meeting at the Annual AAA meeting at which the president-elect becomes president.**
  - vii. To serve as an observer for the section at the Winter/Spring AAA Council meeting. If either the past president or president cannot attend the Winter/Spring AAA Council meeting, then the president-elect will be a voting representative of the section at the meeting.**

3. Purpose: To clarify the role of the secretary at AAA Council Meetings. To specify voting rights.

Section IV, E, 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:

- g. If an officer that normally attends the AAA Council meeting is unable to attend, then the President may ask the Secretary to represent the section at the AAA Council meeting (with the corresponding right to vote if replacing a voting representative).**

*(continued on page 28)*

## **Proposed By-law Changes** *(continued from page 27)*

4. Purpose: To clarify the role of the treasurer at AAA Council Meetings. To specify voting rights.  
Section IV, E, 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:

- e. If an officer that normally attends the AAA Council meeting is unable to attend, then the President may ask the Treasurer to represent the section at the AAA Council meeting (with the corresponding right to vote if replacing a voting representative).**

5. Purpose: To define the role of the immediate past president more explicitly.

Section IV, E:

**5. Past President – The past president serves for one year immediately following his or her term as president. The duties are:**

- a. To serve as a full member of the Executive Committee.**
- b. To consult with and advise the other officers.**
- c. To serve as a voting representative for the section at the Winter/Spring AAA Council meeting and an observer for the section at the Annual AAA Council meeting.**

6. Purpose: To allow for more flexibility in the selection of *Forum* editor.

Section IX: PUBLICATIONS

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. **After completion of two terms, the newsletter editor may be reappointed for up to three additional one-year terms.**

7. Purposes: To change the title of academic vice president (president-elect) to simply president-elect. To allow a member not currently at an academic institution to become president-elect.

Section IV. E.

- 2. **President-Elect** – The **president-elect** shall **usually** be selected from the group of accounting academicians [i.e., those members of the Section at colleges and universities] **and** shall be elected for a one-year term. The president-elect shall automatically become the president of the Section in the following year.

The main duties of the president-elect are: (the duties remain the same).

*(continued on page 29)*

## **Proposed By-law Changes** *(continued from page 28)*

3. **Vice-President–Practice** – The **Vice-President-Practice** shall be selected from the group of accounting practitioners [i.e., those members of the Section not at colleges and universities] **and** shall be elected for a one-year term. The practice vice-president is eligible for re-election for a second one-year term.

The main duties of the practice vice-president are: (the duties remain the same).

The remaining sections will be renumbered. References in the bylaws to the Vice-President – Academic will be replaced with President-Elect, except in places where it would be redundant (as in Section IV. C.).

Section VII. C. 1. The **president-elect** must have served as secretary, treasurer, or chair of at least two Section committees in the past five years.

Current bylaws related to Proposal 7:

2. Vice-Presidents - The Section shall have two 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-presidents shall be elected for a one-year term; the academic vice-president shall be elected as president-elect. The president-elect shall automatically become the president of the Section in the following year. The practice vice-president is eligible for re-election for a second one-year term.
  - a. The main duties of the academic vice-president are:
    - iv. To direct the affairs of the Section in the event the chairperson is unable to serve.
    - v. To preside at the annual and midyear business meetings if the chairperson is unable to preside.
    - vi. To perform whatever duties the chairperson may assign.
    - vii. To act as the Section's archivist.
    - viii. 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-president are:
    - i. To provide liaison with accounting practitioners.
    - ii. To direct the affairs of the Section in the event the president and the president-elect are unable to serve.
    - iii. To preside at the annual and midyear business meetings if the president and president-elect are unable to preside.
    - iv. To perform whatever duties the president may assign.

# INTERNATIONAL PAPERS AND PRESENTATIONS FROM 2008 REGIONAL MEETINGS

**Myungsun Kim, SUNY at Buffalo, Regional Meetings Coordinator**  
**[Overall: Papers—49; Panels—4]**

## **Mid-Atlantic Regional, Philadelphia, Pennsylvania (April 24-26, 2008)**

Section Coordinator: Obeua Persons, Rider University

Papers - 9; Panels - 1

**Panel Session: IFRS and U.S. GAAP: Comparison, Convergence, and Substitution?**

Presenter: Obeua S. Persons, Rider University

### **Paper Sessions:**

*Who is a Winner in Volatile Markets? Evidence from Chinese Funds*

Yi Yao, Nankai University; Rong Yang, SUNY – College at Brockport; and  
Zhiyuan Liu, Nankai University

*Is Accounting Quality Different in economies that are more Bank-based relative to  
Market-based?*

Michael Baird, Dalhousie University

*R&D Investment around CEO Turnover*

Jing (Crystal) Xu, Boston University

*International Diversification, Industrial Diversification, & CEO Salary*

Hwei Cheng Wang, Alabama A&M University; Sekhar Anantharaman, Indiana  
University of Pennsylvania; and Young-I Lou, Nan Hua University

*Earnings-Return Association in an Emerging Market: An Empirical Analysis from Abu  
Dhabi Securities Market*

Fatima Alali, California State University Fullerton and Paul Sheldon Foote, California  
State University

*Investing in the Gulf Countries: Global Tax Issues*

Wagdy Abdallah, Seton Hall University

*Earnings Management and Cultural Values*

Kurt A. Desender, Autonomous University of Barcelona; Christian E. Castro, Inter-  
American Development Bank (IADB)/ Autonomous University of Barcelona; and  
Sergio A. Escamilla de Leon, Autonomous University of Barcelona

*Corporate Governance & Corporate Dividend Policies in Egypt*

Sabri El-Segini, University of Sharjah, United Arab Emirates and Omneya Abd-Elsalam,  
American University in Sharjah, United Arab Emirates

*The Impact of Financial Forecasts Regulation and the Effect of Audit Quality on IPO  
Anomalies: Evidence from Taiwan*

Ya-Fang, Wang, National Chung Cheng University

## **Midwest Regional, Troy, Michigan (March 27-29, 2008)**

Section Coordinator: John McGowan, St. Louis University

Papers -7

**Forum Paper:** *The Impact of the Regulatory Environment on Canadian Corporate Social  
Responsibility*

Lois S. Mahoney, Eastern Michigan University and Linda Thorne, York University

(continued on page 31)

## International Papers and Presentations from 2008 Regional Meetings

(continued from page 30)

- Papers Presented:** *Claims Management in German Plant Manufacturing*  
Michael Mueller, International University Schloss Reichartshausen and Ronald Gleich, International University Schloss Reichartshausen
- Board Characteristics and Overvalued Equity: Evidence from Taiwan*  
Min-Jeng Shiue, National Taipei University; Chan-Jane Lin, National Taiwan University; and Yi-Pei Liu, National Taipei University
- Business Risk Approach (BRA) versus Risk Model Approach (RMA) Are Cultural values stronger than organizational values? Evidence from Latin American and Anglo Clusters*  
José Salas-Avila, University of Talca; Jorge Sanchez, University of Talca; and Elmo Moreno, University of Chile
- Further Evidence on the Effectiveness of Independent Directors: The Case of Taiwan*  
Horng-Ching Kuo, National Chengchi University and Su-Fen Chiu, PricewaterhouseCoopers, Taiwan
- Canadian Cross-listed Firms in U.S., Audit Fees and Earnings Quality*  
Mohinder Parkash, Oakland University and Rajeev Singhal, Oakland University & Moody's Investors Services
- The Affect Of Financial Reporting On Allocative Efficiency Across Countries*  
Michael Baird, Dalhousie University

### Northeast Regional, Newport, Rhode Island, (Forthcoming—November 6-8, 2008)

Section Coordinator: Steven R. Fritsche, Howard University

Papers will be listed in a forthcoming *Forum* issue.

### Ohio Regional, Dayton, Ohio (April 24-26, 2008)

Section Coordinator: Ron Barniv, Kent State University

Papers - 4; Panels -1

#### **Panel Session: Teaching International Financial Reporting Standards (IFRS)**

Rob Larson, University of Dayton

Mark Myring, Ball State University

Tim Sale, University of Cincinnati

#### **Paper Sessions: International Auditing in France**

Julian Le Maux, University Paris

Moderator: Jim Cashell, Miami University

Discussant: Heidi Meier, Cleveland State University

*The Value Relevance of Segment Information : Traditional Industry vs. Management Approach Disclosures*

Sang Kue Lee, Western New England College and Anne Leah Jones, University of Massachusetts-Boston

Moderator: Jim Cashell, Miami University

Discussant: Rini Laksmana, Kent State University

*Islamic Banking Sensitivities: Risk, Trust, and Culture*

Jeremy Cripps, American University of Kuwait and Ibrahim Qaddoura, Al-Ahli Bank, Kuwait

Moderator: Jim Cashell, Miami University

Discussant: Tom Schultz, Miami University

(continued on page 32)

## **International Papers and Presentations from 2008 Regional Meetings**

(continued from page 31)

*The Fleeting Nature of Permanent Reinvestment: Accounting for the Undistributed Earnings of Foreign Subsidiaries*

Timothy J. Fogarty, Case Western Reserve University and Thomas D. Schultz, Miami University

Moderator: Jim Cashell, Miami University

Discussant: Rob Larson, University of Dayton

### **Southeast Regional, Birmingham, Alabama (April 3-5, 2008)**

Section Coordinator: Lisa Owens, Clemson University

Papers - 10; Panels - 1

#### **Panel Session: IFRS and IAES Accounting's Coming of Age**

Moderators: Robert Darville, Shorter College

Tim Cairney, Georgia Southern University

#### **Paper Sessions:**

Moderator: Sheela Bhagat, Rust College

*US GAAP and IFRS: How Their Convergence Will Affect Accounting Education in the United States*

Donald Kotval, Tennessee State University

*International Financial Reporting Standards – An Update on Adoption in the United States*

Harold Manasa, Winthrop University

*IFRS in the US: An Analysis of the SEC's Reviews of First Time IFRS, 20-F Filings*

Cheryl Linthicum, University of Texas, San Antonio and Andrew McLelland, Auburn University

*The Financial Reporting Structure in The People's Republic of China*

Richard Fern, Eastern Kentucky University

*US Tax Gap and Tax havens: Are They Morally Defensible?*

Manny Maloo

*The Consideration of Multinational Factors in Performance Appraisal Systems*

Pamela Church, Rhodes College; Claudia Harris, North Carolina Central University; and Carolyn George, North Carolina Central University

*International Diversification, Industrial Diversification and CEO Compensation*

Hwei Cheng Wang, Alabama A&M University; Howard Lawrence, The University of Mississippi; and Joseph Balloun, Nova Southeastern University

*Internal Control Disclosure and the Quality of Accruals – Evidence from Japan*

Masumi Nakashima, Fukushima College; Hiroyasu Yurikusa, University of Hyogo; and David Ziebart, University of Kentucky

*Does International Corporate Diversification Improve Share Capitalization and Earnings? An Empirical Perspective*

Kingsley Olibe, Kansas State University and Awni Zebda, Texas A&M University – Corpus Christi

*Earnings-Return Association in an Emerging Market: An Empirical Analysis from Abu Dhabi Securities Market*

Fatima Alali, California State University, Fullerton and Paul Sheldon Foote, California State University, Fullerton

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## **International Papers and Presentations from 2008 Regional Meetings**

(continued from page 32)

### **Southwest Regional, Houston, Texas (March 6-8, 2008)**

Section Coordinator: Murphy Smith, Texas A&M University

Papers - 7, Panels—1

#### **Panel Session: Transition from GAAP to IFRS**

Session Chair: Roslyn Morris, Texas State University – San Marcos

Panelists: To be determined.

#### **Paper Sessions: International Accounting in China**

Session Chair: Treba L. Marsh, Stephen F. Austin State University

*Do Partial Government Ownership and International Ownership Continue to Influence Firm Performance in Post WTO China? A Resource Based, Transaction Cost, and Institutional Theory Perspective.*

Krist Swimberghe, Northwestern State University and Ying Wang, University of Louisiana at Monroe

*China's New Accounting Standards: Significant Movement Towards Convergence with IFRS*

Yan Jiang, Nova Southeastern University and Jinsheng Huo, Boyle Engineering Corporation

*Does Private-Owned Really Mean Higher Profit: Evidence from Chinese Publicly Listed Companies*

Ying Wang, University of Louisiana at Monroe

#### **Earnings Accounting**

Session Chair/Discussant: Ralph B. Fritsch, Midwestern State University

*Accounting Standards and Earnings Management, Evidence from an Emerging Market*

Haiyan Zhou, University of Texas – Pan American; Yan Xiong, CSU - Sacramento State; and Gouranga Ganguli, University of Texas – Pan American

*Is the World Ready for Implementation of The European Union Third Directive on Anti-Money Laundering?*

Deborah Pavelka, Roosevelt University and Josetta McLaughlin, Roosevelt University

*Are Pretax Foreign Earnings Also Managed to Cross the "Red Line"?---A Study of Foreign Earnings Management Using the Empirical Distributional Approach Outlined by Burgstahler and Dichev (1997)*

Nancy M. Fan, University of Texas at Arlington

#### **Different Types of Audit Issues**

Session Chair/Discussant: Mary Fisher, University of Texas at Tyler

*Audit Pricing and Auditor Industry Specialization in an Emerging Market: Evidence From China*

Kun Wang, Texas Southern University; Sewon O, Texas Southern University; and Zahid Iqbal, Texas Southern University

### **Western Regional, San Francisco, California (May 1-3, 2008)**

Section Coordinator: Meihua Koo, University of Nevada, Las Vegas

Papers - 12

#### **Paper Sessions: Is it Time for CPAs to Start Learning Their I-F-R-S?**

Donald A. Schwartz, National University

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## International Papers and Presentations from 2008 Regional Meetings

(continued from page 33)

*Cheating on Taxes: A Comparative Study of Opinion in Six Latin American Countries and the USA*

Robert W. McGee, Florida International University and Wendy Gelman, Florida International University

*Global Warming and Corporate Disclosures: A Comparative Analysis of Companies from the European Union, Japan and Canada*

Martin Freedman, Towson University and Bikki Jaggi, Rutgers University-New Brunswick

*The joint determination of audit fees, nonaudit fees and earnings management in France*  
Julien Le Maux, University Paris 1 Sorbonne

*Corporate Governance in China: A Step Forward*

Yan-Leung Cheung, City University of Hong Kong; Ping Jiang, City University of Hong Kong; Piman Limpaphayom, Sasin Graduate Institute of Business Administration of Chulalongkorn University; and Lu Tong, Chinese Academy of Social Sciences

*Corporate Governance and the Timeliness of Financial Reporting: A Comparative Study of Selected EU and Transition Economy Countries*

Robert W. McGee, Florida International University and Danielle N. Igoe, Federal Tax Services, KPMG

*Towards an Understanding of Bribery in China*

Josh Cieslewicz, Doctoral Student, Washington State University

*The History of the IASB*

Brad E. Crenshaw, Graduate Student, Florida Southern College and Lynn H. Clements, Florida Southern College

*An exploratory study of the factors affecting the implementation success of German cost accounting methods*

Kip R. Krumwiede, Boise State University; Augustin Suessmair, University of Lueneburg; and Jason MacDonald, Boise State University

*A Comparison of Corporate Governance in China and India with the U.S.*

Steven M. Mintz, California Polytechnic State University, San Luis Obispo and Sudha Krishnan, California State University, Long Beach

*International Diversification, Industrial Diversification and CEO long-term Compensation*

Hwei Cheng Wang, Alabama A&M University; Howard Lawrence, The University of Mississippi; and Joseph Balloun, Argosy University Atlanta

*Environmental Disclosure Within Legal and Accounting Contexts: An International Perspective*

Bjorn N. Jorgensen, Columbia University and Naomi Soderstrom, University of Colorado at Boulder

**15<sup>th</sup> Annual Midyear Conference and  
5<sup>th</sup> Annual Doctoral/New Faculty Consortium  
of the International Accounting Section of the  
American Accounting Association  
February 12-14, 2009  
St. Petersburg's Beach, Florida**

■ The International Accounting Section of the American Accounting Association invites you to the 15<sup>th</sup> Annual Midyear Conference and 5<sup>th</sup> Annual Doctoral/New Faculty Consortium.

■ The Conference will begin Friday morning, February 13, and continues with plenary sessions, panels, concurrent sessions, and other events through Saturday afternoon. The 5<sup>th</sup> Annual Doctoral/New Faculty Consortium will be held on Thursday, February 12.

■ Papers, cases, or panel discussions on any area of international accounting are welcome. All paper, case, and panel submissions are due by **September 26, 2008**. All submissions must be in English. Author(s) will be notified of conference acceptance/rejection by November 24, 2008. As in past years, special consideration will be given to papers and cases that will be presented by doctoral students.

■ More details and information on registration and hotel accommodations will be available soon on the International Accounting Section page of American Accounting Associations website: <http://aaahq.org/international/index.html>

# American Accounting Association International Accounting Section

## Call for Papers for

### *The Journal of International Accounting Research*

#### **Editor:**

Kenneth Ferris, Arizona State University

#### **Editorial Policy**

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

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

#### **Submission Of Manuscripts**

1. Manuscripts currently under consideration by another journal or other publisher should not be submitted. At the time of submission, the author must state that the work is not submitted or published elsewhere.
2. To expedite the process, an electronic submission and review process is preferred. To preserve anonymity, it is advised that the cover page and the remainder of the document be placed in separate Microsoft® Word or PDF files. In the case of manuscripts reporting on field surveys or experiments, the instrument (e.g., questionnaire, case, interview plan) should also be submitted in a separate file, with the identity of the author(s) deleted. The cover page, manuscript, and, if applicable, the instrument should be emailed as attached files to Kenneth Ferris, Editor, at: [kenneth.ferris@asu.edu](mailto:kenneth.ferris@asu.edu). 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://aaahq.org/AAAforms/journals/jiarsubmit.cfm>. Alternatively, (although this is not encouraged) the submission fee also may be paid by check to the American Accounting Association, and mailed to Kenneth Ferris, Editor, *Journal of International Accounting Research*, School of Global Management and Leadership, Arizona State University, P.O. Box 37100, Phoenix, AZ 85069-7100.
3. If electing to submit hard copies, one copy of the manuscript should be mailed to Kenneth Ferris at the address above. In the case of manuscripts reporting on field surveys or experiments, one copy of the instrument (e.g., questionnaire, case, interview plan) should be submitted. Information that might identify the author(s) must be deleted from the instrument. The submission fee should be enclosed or charged at the AAA web site (per above).
4. Revised manuscripts must be submitted within 12 months from request; otherwise they will be considered new submissions.
5. Manuscript preparation and style can be found on the section website at [http://aaahq.org/pubs/EdPolicies/JIAR\\_EdPolicy.pdf](http://aaahq.org/pubs/EdPolicies/JIAR_EdPolicy.pdf).

**HAVE YOU SEEN? .....**

**Christopher D. Hodgdon**

**University of Vermont**



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 Chris Hodgdon at [chodgdon@bsad.uvm.edu](mailto:chodgdon@bsad.uvm.edu).

**Ahmed, Kamran, Jayne M. Godfrey, and Norman M. Saleh, “Market perceptions of discretionary accruals by debt renegotiating firms during economic downturn,” *The International Journal of Accounting* (Volume 43, Issue 2, 2008): 114-138.**

This study addresses how a stock market prices earnings components around a sudden and severe economic downturn. In particular, the study examines the market valuation of discretionary accruals for debt renegotiating Malaysian firms during the Asian financial crisis. Our analysis shows that negative discretionary accruals for debt renegotiating firms are associated with higher market values of equity and are not related to the firms' future earnings. These findings are consistent with investors placing a positive value on the probability that negative accruals increase the likelihood that concessions can be extracted from lenders during renegotiation. In contrast, discretionary accruals for a control sample of non-debt renegotiating firms are not significantly associated with stock prices but are positively associated with future earnings.

**Bae, Kee-Hong, Hongping Tan, and Michael Welker, “International GAAP Differences: The Impact on Foreign Analysts,” *The Accounting Review* (Volume 83, Issue 3, 2008): 593-628.**

This paper investigates the relation between differences in accounting standards across countries and foreign analyst following and forecast accuracy. We develop two measures of differences in generally accepted accounting principles (GAAP) for 1,176 country-pairs. We then examine the impact of these measures of accounting differences on foreign analysts. In so doing, we utilize a unique database that identifies the location of financial analysts around the world, creating a sample that covers 6,888 foreign analysts making a total of 43,968 forecasts for 6,169 firms from 49 countries during 1998–2004. We find that the extent to which GAAP differs between two countries is negatively related to both foreign analyst following and forecast accuracy. Our results suggest that GAAP differences are associated with economic costs for financial analysts.

**Barth, Mary E., Wayne R. Landsman, and Mark H. Lang, “International Accounting Standards and Accounting Quality,” *Journal of Accounting Research* (Volume 46, Issue 3, 2008): 467–498.**

We examine whether application of International Accounting Standards (IAS) is associated with higher accounting quality. The application of IAS reflects combined effects of features of the financial reporting system, including standards, their interpretation, enforcement, and litigation. We find that firms applying IAS from 21 countries generally evidence less earnings management, more timely loss recognition, and more value relevance of accounting amounts than do matched sample firms applying non-U.S. domestic standards. Differences in accounting quality between the two groups of firms in the period before the IAS firms adopt IAS do not account for the post-adoption differences. Firms applying IAS generally evidence an improvement in accounting quality between the pre- and post-adoption periods. Although we cannot be sure our findings are attributable to the change in the financial reporting system rather

*(continued on page 38)*

## **Have You Seen...?** *(continued from page 37)*

than to changes in firms' incentives and the economic environment, we include research design features to mitigate effects of both.

**Beckman, Judy, Christina Brandes, and Brigitte Eierle, "German Reporting Practices: An Analysis of Reconciliations from German Commercial Code to IFRS or US GAAP," *Advances in International Accounting* (Volume 20, 2007): 253-294.**

This paper presents the results of research analyzing reconciliations of net income and stockholders' equity from reports prepared according to Germany's Commercial Code (HGB) to either International Financial Reporting Standards (IFRS) or US Generally Accepted Accounting Principles (US GAAP). We describe the distribution of the reconciling items and assess their value relevance to firm market values 3 months after the financial statement date. The work helps to identify many issues not apparent from research that focuses only on promulgated accounting standards. Among other things, the research presented in this paper demonstrates that, when reconciling to IFRS or US GAAP, German companies must reverse significant software and film licensing revenue. Other areas of significant difference, not surprisingly, show greater conservatism in reporting under HGB than IFRS or US GAAP, particularly in asset capitalizations and write-offs as well as in accruals of provisions and reserves. The latter category is value relevant to the firms' market values after controlling for all other categories of reconciling items from HGB to either IFRS or US GAAP, indicating that German markets value these companies' provisions and accruals under the German reporting system.

**Borkowski, Susan C., "The history of PATA and its effect on advance pricing arrangements and mutual agreement procedures," *Journal of International Accounting, Auditing and Taxation* (Volume 17, Issue 1, 2008): 31-50.**

In its 25 years of existence, the Pacific Association of Tax Administrators (PATA) has attempted to protect tax revenues and combat tax evasion techniques (including transfer pricing) by transnational corporations (TNCs). To that end, the tax authorities of its four member countries (Australia, Canada, Japan and the United States) have met at least annually to exchange information and identify specific deterrents to tax evasion activities that could be implemented quickly. Recently, PATA has released several documents to assist both tax authorities and TNCs in the area of advance pricing agreements, mutual agreement procedures, and transfer-pricing documentation. The study looks at the PATA's influence on tax authorities and TNC behavior in these and other areas.

**Callaghan, Joseph H., Mohinder Parkash, and Rajeev Singhal, "The impact of the Multi-jurisdiction Disclosure System on audit fees of cross-listed Canadian firms," *The International Journal of Accounting* (Volume 43, Issue 2, 2008): 99-113.**

The Multi-jurisdiction Disclosure System (MJDS), a treaty between Canada and the United States (U.S.), was intended to facilitate the cross-listing of a firm's securities in the neighboring country. Under this system, eligible Canadian companies are allowed to use home-country documents to meet U.S. disclosure requirements and these documents are generally not reviewed by the Securities and Exchange Commission (SEC). We posit that the single-reporting requirement and lower SEC scrutiny may result in lower audit fees for MJDS firms. Based on audit-fee disclosures mandated by the SEC rule-making authority granted by the Sarbanes–Oxley Act of 2002, we find a negative association between audit fees paid by U.S. cross-listed Canadian companies and their use of the MJDS. This result suggests that the lower audit fees provide an economic incentive to use the MJDS. Thus, our study provides evidence that the implementation of the MJDS

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may help facilitate cross-border listings by reducing audit costs. Additionally, this study confirms, for Canadian firms, some of the audit-fee determinants reported in earlier studies.

**Chen, Lucy Huajing, and Heibatollah Sami, “Trading Volume Reaction to the Earnings Reconciliation from IAS to U.S. GAAP,” *Contemporary Accounting Research* (Volume 25, Issue 1, 2008): 15-53.**

This paper examines trading volume reaction to the reconciliation of IAS-based earnings to U.S. GAAP-based earnings. The sample includes foreign firms listed in the United States that use IAS as their primary reporting standards and reconciled their earnings to U.S. GAAP during the period of 1995–2004. The research question is of particular interest to policy makers, especially the SEC, when evaluating the necessity of reconciling the earnings from IAS to U.S. GAAP. We find that the absolute magnitude of earnings reconciliation is significantly and positively associated with abnormal trading volume both in the U.S. markets and in the local markets around Form 20-F filing dates. This supports the assertion that earnings reconciliation provides additional information content to investors beyond that provided by IAS earnings. We also find limited evidence that investors use book value reconciliations in their trading decisions. These findings also hold for various event windows. Additional analyses after the Core Standards Project and for several model specifications generally show a stronger and faster reaction in the U.S. markets than in the local markets. Our results have implications for recent SEC consideration of eliminating the reconciliation requirement for foreign firms that use IFRS in preparing their financial statements.

**Choi, Jong-Hag, Jeong-Bon Kim, Xiaohong Liu, and Dan Simunic, “Audit Pricing, Legal Liability Regimes, and Big 4 Premiums: Theory and Cross-country Evidence,” *Contemporary Accounting Research* (Volume 25, Issue 1, 2008): 55-99.**

In this paper, we first develop a model in which national legal environments play a crucial role in determining auditor effort and audit fees. Our model predicts that: (1) audit fees increase monotonically with the strength or strictness of a country’s legal liability regime; (2) given a legal liability regime, Big 4 auditors charge higher audit fees than non-Big 4 auditors; and (3) the Big 4 fee premium is lower in countries with strong legal regimes than in countries with weaker legal regimes. We then test the model’s predictions using a large sample of audit clients from 15 countries with different legal regimes where audit fee data are publicly available. The results of our cross-country regressions are consistent with the above three predictions, and are robust to a variety of sensitivity checks. In addition, our hypotheses are all consistent with the pattern of auditor effort (measured by labor hours) observed in proprietary data sets from four countries whose legal regimes vary. Finally, we find that the effects of a legal regime on audit pricing and the Big 4 premium are more salient for the small client segment than for the large client segment. Overall, our results indicate that a country’s legal environment plays an important role in determining auditor effort, audit fees, and the fee spread between Big 4 and non-Big 4 auditors.

**Dobler, Michael, “Incentives for risk reporting — A discretionary disclosure and cheap talk approach,” *The International Journal of Accounting* (Volume 43, Issue 2, 2008): 184-206.**

This paper adopts and reviews discretionary disclosure and cheap talk models to analyze risk reporting incentives and their relation to regulation. Given its inherent discretion, risk reporting depends on disclosure incentives. To assess these incentives the analytical models consider risk reporting as an endogenous feature, thereby providing a benchmark to discuss regulatory attempts. Particularly, discretionary disclosure models refer to verified disclosure, e.g., on risk factors or risk management, whereas cheap talk models refer to unverified disclosure, like managerial forecasts on the impact of risk factors. This provides an analytically-based framework for discussion. Unlike prior literature, *(continued on page 40)*

## **Have You Seen...?** (continued from page 39)

which focuses on disclosure cost, I argue that uncertainty of information endowment and issues of credible communication can explain restricted risk reporting observed empirically. Linking regulatory attempts to these restrictions implies that regulation may mitigate the incentives-driven restrictions to some extent, but can have adverse effects on risk reporting. I particularly discuss the link between effective risk monitoring and the precision of risk reporting; the ex post assessment and usefulness of managerial forecasts on impacts of risk factors; the claimed decreasing cost of capital by mandatory risk reporting; and the threat of self-fulfilling prophecies. While the discussion has implications for both specific risk reporting requirements and empirical research, overall results suggest that we should not overestimate the informativeness of risk reporting even in a regulated environment.

**Francis, Jere R., and Dechun Wang, “The Joint Effect of Investor Protection and Big 4 Audits on Earnings Quality Around the World,” *Contemporary Accounting Research* (Volume 25, Issue 1, 2008): 157-191.**

The association of a country’s investor protection regime with the quality of reported earnings is examined for a large sample of firms from 42 countries. Three attributes of earnings are evaluated: the magnitude of signed abnormal accruals, the likelihood of reporting losses, and accounting conservatism (timely loss recognition). We find that earnings quality increases for firms with Big 4 auditors when a country’s investor protection regime gives stronger protection to investors; specifically, signed abnormal accruals are smaller, there is a greater likelihood of reporting losses, and accounting conservatism is greater. In contrast, earnings of firms with non-Big 4 auditors are largely unaffected by different investor protection regimes. The study adds to a growing body of research showing that accounting practices are influenced by a country’s institutions. However, our results differ from prior studies by demonstrating that country-level effects on earning quality are mediated by audit enforcement, and in particular the incentives of Big 4 auditors to perform higher quality audits in countries with stricter investor protection regimes.

**Fung, Hung-Gay, Wai K. Leung, and Jiang Zhu, “Rights Issues in the Chinese Stock Market: Evidence of Earnings Management,” *Journal of International Financial Management & Accounting* (Volume 19, Issue 2, 2008): 133–160.**

Using 665 rights offerings of Chinese firms, we demonstrate positive but diminishing price effects of successive announcements at the board meeting, the shareholders' meeting, the prospectus release date, and the ex-rights date, but negative abnormal returns before the ex-rights date. Public investors value the participation from shareholders of state and legal-person shares in the rights offerings, which seem to be linked to the future firm performance. The results overall supports the hypothesis that Chinese company earnings are considerably manipulated in the rights issue process.

**Habib, Ahsan, “The role of accruals and cash flows in explaining security returns: Evidence from New Zealand,” *Journal of International Accounting, Auditing and Taxation* (Volume 17, Issue 1, 2008): 51-66.**

This paper empirically examines the relative and incremental information content of earnings and cash flows and the role of firm-specific contextual factors in moderating information content in New Zealand. Accounting earnings are considered to be the premier information source for decision making and a substantial volume of literature, primarily in the United States, shows that earnings provide superior information to that of cash flows. However, significant reporting differences in New Zealand warrant and investigation of the role of earnings and cash flows to explain security returns. Results show that (a) earnings have higher explanatory power than cash flows, although the difference is not statistically significant, and (b)

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## **Have You Seen...?** (continued from page 40)

both earnings and cash flows have incremental information content for stock returns. Further analysis shows that the valuation role of earnings and cash flows is moderated by firm-specific factors.

**Lin, Kenny Z., and Ian A.M. Fraser, “Auditors' Ability to Resist Client Pressure and Culture: Perceptions in China and the United Kingdom,” *Journal of International Financial Management & Accounting* (Volume 19, Issue 2, 2008): 161–183.**

Ongoing corporate scandal and audit failure raise serious concerns about the ability of auditors to resist client pressure. Based on a sample of 93 auditors from China and the United Kingdom (U.K.), we analyze the effect of specificity of accounting standard, level of auditor tenure, provision of management advisory services (MAS) and degree of audit market competition on perceptions of auditors' ability to withstand client pressure in audit conflict situations. We draw on cultural differences to explain differences in auditors' perceptions in the respective countries. Our findings are consistent with national cultural characteristics identified in the research literature. We find that U.K. auditors perceive specificity of accounting standards, auditor tenure, MAS and competition as less likely to affect decisions as to whether or not to accept clients' preferred accounting treatments than do their Chinese counterparts. Additionally while Chinese auditors perceive MAS and competition to be significant factors, they perceive accounting standard specificity and auditor tenure to be insignificant. For U.K. auditors, these results are reversed. The results may be relevant to international audit firms operating cross-culturally and seeking to apply common audit procedures or codes of professional conduct in different national settings.

**Mangena, Musa, and Eddie Chamisa, “Corporate governance and incidences of listing suspension by the JSE Securities Exchange of South Africa: An empirical analysis,” *The International Journal of Accounting* (Volume 43, Issue 1, 2008): 28-44.**

We examine the association between corporate governance structures and incidences of listing suspension from the JSE Securities Exchange of South Africa. Using a matched-pairs research design, we compare 81 firms suspended between 1999 and 2005 to an equal number of control firms matched in terms of time, size and industry. Employing a conditional logistic model, we find that the likelihood of suspension is higher in firms with a smaller proportion of non-executive directors, without an audit committee, and with greater block-share ownership and higher gearing (i.e. leverage). Further analysis splitting block-share ownership into institutional and non-institutional investors provides mixed results. While we find a positive association between suspension and non-institutional investors, we observe no association with institutional investors. No association is detected for board size, role duality, directors' share ownership, auditor quality and return on assets. Given the paucity of studies examining listing suspension from stock exchanges and corporate governance mechanisms, these findings contribute to the literature. Additionally, the dearth of research on corporate governance in developing countries suggests that our findings have important implications for policy makers in these countries as they endeavor to improve corporate governance.

**Mashayekhi, Bitu, and Shahnaz Mashayekh, “Development of accounting in Iran,” *The International Journal of Accounting* (Volume 43, Issue 1, 2008): 66-86.**

The main purpose of this paper is to show the origin, growth and practice of accounting in Iran plus analysis of influential factors such as financial markets, tax policies, privatization, membership in the World Trade Organization, foreign investment, and legal systems. Documents of ancient Iran show that in 550 B.C. (Achaemenid era), all records of public revenues and costs were kept soundly and with remarkable accuracy. These documents display the relentless progress and development of (continued on page 42)

## **Have You Seen...?** (continued from page 41)

accounting in Iran up until now (pre-Islamic era, post-Islamic era, and contemporary era). During the past two decades, various measures have been adopted to promote and advance accounting in Iran via harmonizing the domestic accounting practices with International norms and standards. Although Iran has employed International Accounting Standards as the basis for developing its National Accounting Standards, there are still some differences between Iranian and international standards, and there are some certain International Accounting Standards that are not applicable in Iran. A host of endemic factors, such as existing laws and rules, religious beliefs, culture, economic and political conditions, have influenced the National Accounting Standards setting processes.

**Mennicken, Andrea, “Connecting worlds: The translation of international auditing standards into post-Soviet audit practice,” *Accounting Organizations and Society* (Volume 33, Issues 4-5, 2008): 384-414.**

This paper analyses the use and circulation of international auditing standards within a large post-Soviet Russian audit firm, as it faces up to the challenges of international harmonisation. It describes this process as one of “connecting worlds” and translation. In a detailed field study based investigation, it traces various attempts to articulate and link Soviet and post-Soviet worlds, old and new imagined audit worlds. The paper underscores the fragile and precarious nature of international standardisation projects. It shows how ideals of audit universalism and international comparability become enmeshed in, and challenged by, global divisions of audit labour, problems and practices of power and exclusion, and struggles for intra-professional distinction, which in turn undermine as well as promote the connecting of worlds through standards.

**Mensah, Yaw M., and Robert H. Werner, “The capital market implications of the frequency of interim financial reporting: an international analysis,” *Review of Quantitative Finance and Accounting* (Volume 31, Issue 1, 2008): 71-104.**

This study examines empirically the extent to which the frequency of interim financial reporting affects stock price volatility over the course of the fiscal year in four countries with different interim reporting regimes: the United States and Canada with quarterly reporting, and Great Britain and Australia with semi-annual interim reporting. It is hypothesized that, in the tradeoff between timeliness and predictive value of the interim reports, semi-annual interim reporting will lead to lesser price volatility after accounting for other potential influences. These expectations are supported in the results found. Moreover, additional tests conducted on American ADRs of British and Australian companies show that those firms have higher volatility than comparable purely domestic firms on their home stock exchanges.

**Olson, Dennis, and Taisier A. Zoubi, “Using accounting ratios to distinguish between Islamic and conventional banks in the GCC region,” *The International Journal of Accounting* (Volume 43, Issue 1, 2008): 45-65.**

This study determines whether it is possible to distinguish between conventional and Islamic banks in the Gulf Cooperation Council (GCC) region on the basis of financial characteristics alone. Islamic banks operate under different principles, such as risk sharing and the prohibition of interest, yet both types of banks face similar competitive conditions. The combination of effects makes it unclear whether financial ratios will differ significantly between the two categories of banks. We input 26 financial ratios into logit, neural network, and k-means nearest neighbor classification models to determine whether researchers or regulators could use these ratios to distinguish between the two types of banks. Although the means of several ratios are similar between the two categories of banks, non-linear classification techniques (continued on page 43)

## **Have You Seen...?** (continued from page 42)

(k-means nearest neighbors and neural networks) are able to correctly distinguish Islamic from conventional banks in out-of-sample tests at about a 92% success rate.

**Piotroski, Joseph D., and Suraj Srinivasan, “Regulation and Bonding: The Sarbanes-Oxley Act and the Flow of International Listings,” *Journal of Accounting Research* (Volume 46, Issue 2, 2008): 383–425.**

In this paper, we examine the economic impact of the Sarbanes-Oxley Act (SOX) by analyzing foreign listing behavior onto U.S. and U.K. stock exchanges before and after the enactment of SOX in 2002. Using a sample of all listing events onto U.S. and U.K. exchanges from 1995–2006, we develop an exchange choice model that captures firm-level, industry-level, exchange-level, and country-level listing incentives, and test whether these listing preferences changed following the enactment of SOX. After controlling for firm characteristics and other economic determinants of these firms' exchange choice, we find that the listing preferences of large foreign firms choosing between U.S. exchanges and the London Stock Exchange's (LSE) Main Market did not change following the enactment of SOX. In contrast, we find that the likelihood of a U.S. listing among small foreign firms choosing between the NASDAQ and LSE's Alternative Investment Market decreased following the enactment of SOX. The negative effect among small firms is consistent with these marginal companies being less able to absorb the incremental costs associated with SOX compliance. The screening of smaller firms with weaker governance attributes from U.S. exchanges is consistent with the heightened governance costs imposed by SOX increasing the bonding-related benefits of a U.S. listing.

**Sami, Heibatollah, and Haiyan Zhou, “Do auditing standards improve the accounting disclosure and information environment of public companies? Evidence from the emerging markets in China,” *The International Journal of Accounting* (Volume 43, Issue 2, 2008): 139-169.**

In this paper, we investigate the impact of the implementation of a set of new auditing standards in 1996 on the information environment in the emerging markets in China. Because the implementation of such standards can increase the quality and/or quantity of accounting disclosures, it can be conceptualized as an improvement in the information environment of public companies. We investigate the improvement in accounting disclosure and information environment from both the market perspective and the accounting perspective. First, consistent with the information economics literature (e.g., [Holthausen, R., & Verrecchia, R., (1990). The effect of informedness and consensus on price and volume behavior. *The Accounting Review*, 65, 191–208]), we find that companies experience a significant increase in trading volume and price volatility subsequent to the implementation of the standards. Second, consistent with the literature on earnings management (e.g., [Chen, C. W. K., & Yuan, H. Q., (2004). Earnings management and capital resource allocation: evidence from China's accounting-based regulation of right issue. *The Accounting Review*, 79, 645–665, Jian, M., & Wong, T. J., (2004). Earnings management and tunneling through related party transactions: evidence from Chinese corporate groups. Working Paper, Nanyang Technological University and Hong Kong University of Science and Technology]), we find a decrease in earnings management and, hence, an increase in quality of earnings. Finally, we find a decrease in the synchronicity of stock prices and, hence, an increase in the quality of firm-specific information available to investors, which is consistent with the literature on price synchronicity (e.g., [Morck, R., Yeung, B., & Yu, W., (2000). The information content of stock markets: why do emerging markets have synchronous stock price movements? *Journal of Financial Economics*, 58, 215–260]). Our results have significant implications for standard setters, regulators, researchers, managers, and investors in general and those in the emerging markets in particular.

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**Siregar, Sylvia Veronica, and Sidharta Utama, "Type of earnings management and the effect of ownership structure, firm size, and corporate-governance practices: Evidence from Indonesia," *The International Journal of Accounting* (Volume 43, Issue 1, 2008): 1-27.**

The purpose of this study is to investigate whether companies listed on the Jakarta Stock Exchange (JSE) conduct efficient or opportunistic earnings management and to examine the effect of ownership structure, firm size, and corporate-governance practices on it. Using multiple regressions, we find evidence that the type of earnings management selected by JSE listed firms tends toward efficient earnings management. This evidence is inconsistent with the common view that earnings management in Indonesia is opportunistic. Family ownership has a significant influence on the type of earnings management selected. Firms with a high proportion of family ownership and non-business groups are more inclined to choose efficient earnings management than other types of firms. We find inconsistent evidence with regard to the impact of institutional ownership, firm size, and corporate-governance practices on type of earnings management.

**Tarca, Ann, Phil Hancock, David Woodliff, Philip Brown, Michael Bradbury, and Tony van Zijl, "Identifying Decision Useful Information with the Matrix Format Income Statement," *Journal of International Financial Management & Accounting* (Volume 19, Issue 2, 2008): 184–217.**

We conduct an experiment to investigate the potential benefits of an alternative format for the income statement, the matrix format, initially developed by the International Accounting Standards Board (IASB) and UK Accounting Standards Board in their joint project on performance reporting. Sophisticated financial statement users (financial analysts and professional accountants) and less sophisticated financial statement users (MBA students) were asked to extract information from a set of financial statements that included an income statement either in the IAS 1 format or in the matrix format. We find that the matrix format improves the accuracy with which users extract financial information. This result is driven by greater accuracy, for all user groups, on "below-the-line" items. Furthermore, despite lack of familiarity with the matrix format, its use did not appear to affect the time taken, the ease of extracting financial information, or users' task completion confidence; further experience with the matrix format could lead to benefits along these lines as well. Our findings may assist the FASB and IASB in their joint project on financial statement presentation.

**Teshima, Nobuyuki, and Akinobu Shuto, "Managerial Ownership and Earnings Management: Theory and Empirical Evidence from Japan," *Journal of International Financial Management & Accounting* (Volume 19, Issue 2, 2008): 107–132.**

This paper examines the relationship between managerial ownership and opportunistic managerial behavior relating to earnings management. Economics theory identifies two apparently conflicting effects of managerial ownership on managers' incentives: the incentive alignment effect and the management entrenchment effect. We construct a theoretical model demonstrating the two effects. This model suggests that as managerial ownership increases, earnings management decreases for both high and low levels of managerial ownership, while it increases for intermediate levels of managerial ownership if the sensitivity of the probability of managerial dismissal to the corporate performance is high enough and/or the manager's private benefit derived from managerial position is high enough. In a sample of Japanese firms, we find a significant nonmonotonic relationship between managerial ownership and discretionary accruals, consistent with our model.

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## **Have You Seen...?** (continued from page 44)

**Wang, Kun, Sewon O, and M. Cathy Claiborne, “Determinants and consequences of voluntary disclosure in an emerging market: Evidence from China,” *Journal of International Accounting, Auditing and Taxation* (Volume 17, Issue 1, 2008): 14-30.**

In this paper we examine empirically the determinants of voluntary disclosure in the annual reports of Chinese listed firms that issue both domestic and foreign shares and determine if the cost of debt capital is related to the extent of voluntary disclosure. We find the level of voluntary disclosure is positively related to the proportion of state ownership, foreign ownership, firm performance measured by return on equity, and reputation of the engaged auditor. There is no evidence, however, that companies benefit from extensive voluntary disclosure by having a lower cost of debt capital.

**Whittington, Geoffrey, “Fair Value and the IASB/FASB Conceptual Framework Project: An Alternative View,” *Abacus* (Volume 44, Issue 2, 2008): 139-168.**

This paper analyses various controversial issues arising from the current project of the IASB and FASB to develop a joint conceptual framework for financial reporting standards. It discusses their possible implications for measurement and, in particular, for the use of fair value as the preferred measurement basis. Two competing world views are identified as underlying the debate: a Fair Value View, implicit in the IASB's public pronouncements, and an Alternative View implicit in publicly expressed criticisms of the IASB's pronouncements. The Fair Value View assumes that markets are relatively perfect and complete and that, in such a setting, financial reports should meet the needs of passive investors and creditors by reporting fair values derived from current market prices. The Alternative View assumes that markets are relatively imperfect and incomplete and that, in such a market setting, financial reports should also meet the monitoring requirements of current shareholders (stewardship) by reporting past transactions and events using entity-specific measurements that reflect the opportunities actually available to the reporting entity. The different implications of the two views are illustrated by reference to specific issues in recent accounting standards. Finally, the theoretical support for the two views is discussed. It is concluded that, in a realistic market setting, the search for a universal measurement method may be fruitless and a more appropriate approach to the measurement problem might be to define a clear measurement objective and to select the measurement method that best meets that objective in the particular circumstances that exist in relation to each item in the accounts. An example of such an approach is deprival value, which is not, at present, under consideration by the IASB.

## **REGIONAL MEETINGS FOR 2008/09**

**Mid-Atlantic— To Be Determined.**

**Midwest—St. Louis, Missouri (Submission Deadline—November 8, 2008)**

**Northeast— Newport, Rhode Island (November 6-8, 2008)**

**Ohio— To Be Determined.**

**Southeast—To Be Determined.**

**Southwest—Oklahoma City, Oklahoma (February 26-28, 2009)**

**Submission Deadline: October 3, 2008**

**Western— To Be Determined.**

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