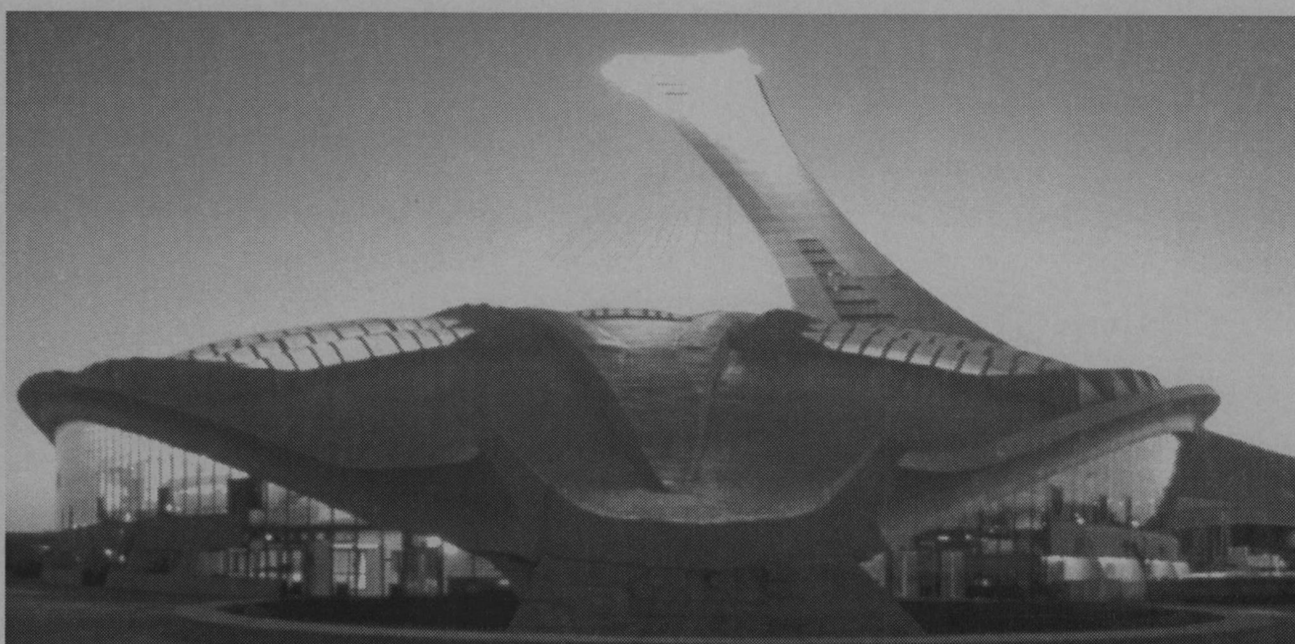
The Canadian Academic Accounting Association
L'Association canadienne des professeurs de comptabilité

Continuing Innovation
L'Innovation continue



CAAA CONFERENCE 2002 PROGRAM

May 30 – June 2, 2002
Holiday Inn Select
Montreal

PROGRAM DU CONGRÈS 2002 DE L'ACPC

du 30 mai au 2 juin 2002
Holiday Inn Select
Montréal

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CAAA CONFERENCE 2002

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Continuing Innovation *L'Innovation continue*

Conference Chair / Président du congrès

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L'Association canadienne des professeurs de comptabilité tient à remercier ses généreux commanditaires d'avoir contribué à la réalisation du congrès annuel et d'appuyer ses nombreuses initiatives. Notre organisation bénéficie énormément de l'appui des trois organisations nationales de comptables professionnels, lesquelles nous fournissent une aide en matière de ressources humaines et financières tout au long de l'année.

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Yu, John	CGA-Canada
Zeng, Tao	Wilfrid Laurier University
Zhang, Ping	University of Toronto

Conference Program

Programme du congrès

CAAA Presidents and Award Winners / Présidents et lauréats de prix de l'ACPC

CAAA Presidents / Présidents de l'ACPC

Michel Guindon	2001-2002	Irene M. Gordon	1988-1989
Anne Fortin	2000-2001	Yvon Houle	1987-1988
J. Efrim Boritz	1999-2000	J. Alex Milburn	1986-1987
David H. Bateman	1998-1999	Leonard J. Brooks	1985-1986
Howard D. Teall	1997-1998	Michael Gibbins	1984-1985
Réal Labelle	1996-1997	Gilles Chevalier	1983-1984
Daniel B. Thornton	1995-1996	W. John Brennan	1982-1983
V. Bruce Irvine	1994-1995	Alister K. Mason	1981-1982
Patricia L. O'Malley	1993-1994	J. David Blazouske	1980-1981
Jean-Guy Rousseau	1992-1993	John H. Waterhouse	1979-1980
Nabil S. Elias	1991-1992	L. S. (Al) Rosen	1977-1979
C. Derek Acland	1990-1991	Daniel L. McDonald	1976-1977
Samuel H. Jopling	1989-1990		

L. S. Rosen — Chairman of Organizing Committee / Président du comité fondateur

Winners of the L. S. Rosen Award for Outstanding Contribution to Canadian Accounting Education
Lauréats du Prix L. S. Rosen pour apport exceptionnel à l'enseignement de la comptabilité au Canada

T. Ross Archibald	2001	Michael Gibbins	1992
Howard M. Armitage	2000	Joel H. Amernic	1990
Irene M. Gordon	1999	Daniel B. Thornton	1989
George C. Baxter	1998	Réjean Brault	1988
Stanley L. Laiken	1997	J. David Blazouske	1987
George R. Chesley	1996	John R. Hanna	1986
Nadi Chlala	1995	James Everil Smyth	1985
Norman B. Macintosh	1994	Sanjoy (Joe) Basu	1983

Winners of the Haim Falk Award for Distinguished Contribution to Accounting Thought
Lauréats du Prix Haim Falk pour contribution remarquable aux sciences comptables

Dan A. Simunic	2001	Ross M. Skinner	1990
Norman B. Macintosh	1998	Anthony A. Atkinson	1989
Gerald A. Feltham	1994	William R. Scott	1988
George J. Murphy	1992	Daniel B.Thornton	1987
Richard V. Mattessich	1991		

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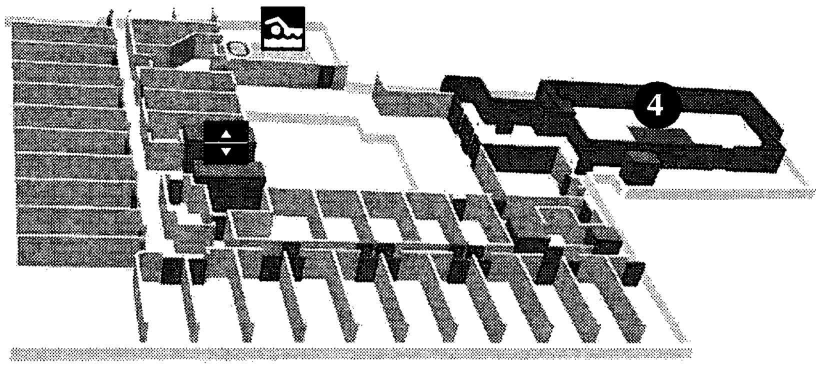
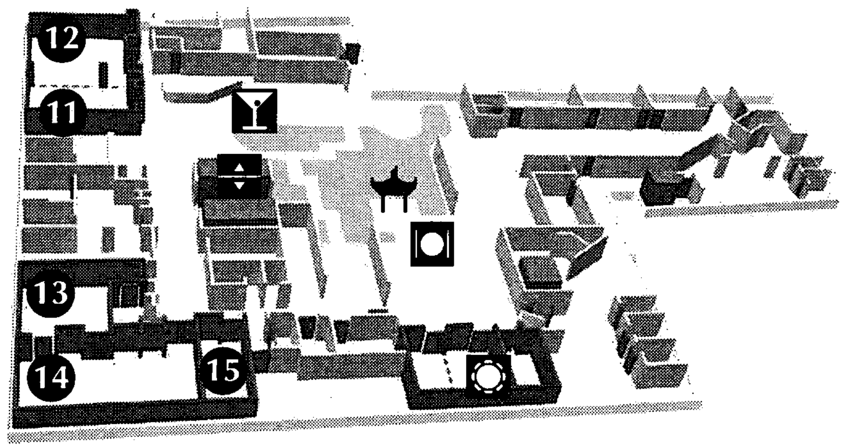
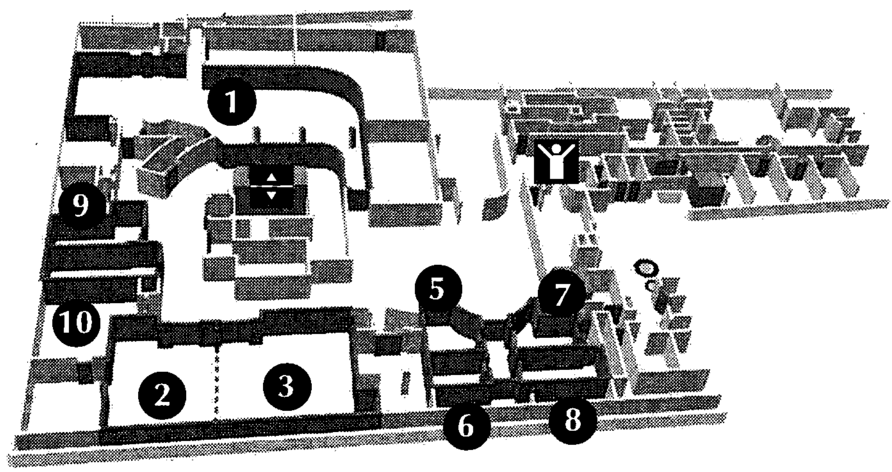
Level 3



Level 2



Level S1



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Escalators

Legend / Légende

1	**Dahlia**
2 3	**Orchidée**
2	**Orchidée A**
3	**Orchidée B**
4	**Ballroom**
5	Chrysanthème
6	Lys
7	Géranium
8	Tulipe
9	Jacinthe
10	Muguet
11 12	**Hibiscus**
11	**Hibiscus A**
12	**Hibiscus B**
13	**Camelia**
14	**Jasmin**
15	Pivoine

Timetable

	Orchidée B (& A) (Session A)	Hibiscus B (Session B)	Jasmin (Session C)	Ballroom	Chez Chine Salons
WEDNESDAY	Canadian Academic Accounting Association Board Meeting in Hibiscus A (08:15 - 18:00)				
THURSDAY – SATURDAY	Registration in the Dahlia Foyer Breakfasts and Breaks in the Dahlia Room with Book and Software Display (until Saturday noon)				
THURSDAY **09:00 - 17:00** **Concurrent Workshops**	CMA Canada/CAAA Workshop		CAAA Workshop		
17:00 - 19:00					CAAA Board Reception for Quebec Educators (by invitation)
19:00 - 22:00				Welcome Reception	
FRIDAY **07:30 - 08:30**					CAAA Liaisons Breakfast (by invitation)
08:30 - 09:00				Opening Remarks	
09:00 - 10:15				Plenary Session I	
10:45 - 12:15 **Concurrent Sessions 1**	Education 1A Standards	1B Research Auditing	Education 1C Dept. Heads (by invitation)		
12:20 - 14:25				President's Luncheon	
14:30 - 16:00 **Concurrent Sessions 2**	Education 2A Teaching w/ Cases	2B Research Institutions & Industry	2C Research Tax		
16:00 - 16:30	**Paper Forum — Presentation of Research Papers in Progress in the Dahlia Foyer**				
16:30 - 17:45	AGM				
17:45 - 20:00				Members' Reception	
SATURDAY **07:30 - 08:30**					CAAA Past-Presidents' Breakfast (by invitation)
08:30 - 10:00 **Concurrent Sessions 3**	Education 3A The New UFE	3B Research Analysts & Markets	3C Research Budget & Performance		
10:30 - 12:00 **Concurrent Sessions 4**	Education 4A Using Technology	4B Research Financial Accounting	4C Research Internat'l. Accounting		
12:00 - 14:15				Members' Luncheon	
14:15 - 15:45 **Concurrent Sessions 5**	Education 5A Paranoia/Dilemma	5B Research Accounting Disclosure	5C Research Aspects of Ethics		
16:15 - 17:00	Plenary Session II				
17:00 - 17:15	Closing Remarks				
SUNDAY **08:15 - 12:00**	Ethics Workshop				
08:30 - 12:00	Conference Assessment & Planning Meeting in the Camelia Room (by invitation)				

Horaire

	Orchidée B (& A) (Séance A)	Hibiscus B (Séance B)	Jasmin (Séance C)	Salle de bal	Chez Chine Salons
MERCREDI	Association canadienne des professeurs de comptabilité réunion du conseil dans Hibiscus A (08:15 - 18:00)				
JEUDI – SAMEDI	Inscription dans le foyer Dahlia Pétits déjeuners et pauses dans la salle Dahlia avec exposition de livres et de logiciel (jusqu'à samedi midi)				
JEUDI **09:00 - 17:00** **Ateliers simultanés**	CMA Canada/CAAA Atelier		CAAA Atelier		
17:00 - 19:00					Réception du conseil de l'ACPC pour les profs du Québec (sur invitation)
19:00 - 22:00				Réception d'accueil	
VENDREDI **07:30 - 08:30**					Pétit déjeuner pour les agents de liaison de l'ACPC (sur invitation)
08:30 - 09:00				Mot d'ouverture	
09:00 - 10:15				Séance plénière I	
10:45 - 12:15 **Séances simultanées 1**	Formation 1A Normes	1B Recherche Vérification	Formation 1C Chefs de département (sur invitation)		
12:20 - 14:25				Déjeuner du président	
14:30 - 16:00 **Séances simultanées 2**	Formation 2A Études de cas	2B Recherche Établisse. et industries	2C Recherche La fiscalité		
16:00 - 16:30	**Forum de recherche — Présentation des travaux de recherche en cours dans le foyer Dahlia**				
16:30 - 17:45	AGA				
17:45 - 20:00				Dîner d'accueil à l'intention des membres	
SAMEDI **07:30 - 08:30**					Pétit déjeuner des anciens présidents de l'ACPC (sur invitation)
08:30 - 10:00 **Séances simultanées 3**	Formation 3A Le nouvel EFU	3B Recherche Analystes et marchés	3C Recherche Budget et rendement		
10:30 - 12:00 **Séances simultanées 4**	Formation 4A Technologie	4B Recherche Comptabilité financière	4C Recherche Comptabilité internationale		
12:00 - 14:15				Déjeuner des membres	
14:15 - 15:45 **Séances simultanées 5**	Formation 5A Paranoïa/questions	5B Recherche Comptables à divulger	5C Recherche Aspects de l'éthique		
16:15 - 17:00	Séance plénière II				
17:00 - 17:15	Mot de clôture				
DIMANCHE **08:15 - 12:00**	Atelier sur l'éthique				
08:30 - 12:00	Évaluation du congrès et réunion de programmation dans la salle Camelia (sur invitation)				

Thursday, May 30 / Jeudi 30 mai

Registration / Inscription

08:00 – 10:00
Dahlia Foyer,
Level / Niveau S1

Conference Program / Programme du congrès

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Book and Software Display / Exposition de livres et de logiciels

08:00 – 16:00
Dahlia Room, Level / Niveau S1

Breakfast / Petit déjeuner

08:15 – 09:00
Dahlia Room,
Level / Niveau S1

Only for those registered in the CAAA Research or CMA Canada/CAAA Workshops.

Seulement pour les personnes inscrites à l'atelier de l'ACPC sur la recherche ou à celui offert par CMA Canada et l'ACPC.

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Concurrent Workshops / Ateliers simultanés

Workshop / Atelier I — CMA Canada Workshop / Atelier

09:00 – 17:00
Orchidée A & B,
Level / Niveau S1

Innovation in Management Accounting

L'innovation en comptabilité de gestion

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Workshop / Atelier II — CAAA Workshop / Atelier

09:00 – 17:00
Jasmin Room,
Level / Niveau 2

The Craft of Accounting Research: Planning, Performing, and Publishing Research in Accounting and Auditing

L'art de la recherche comptable : planifier, réaliser de la recherche en comptabilité et en vérification, et en publier les résultats

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Thursday, May 30 / Jeudi 30 mai

CAAA Research Workshop / Atelier de l'ACPC sur la recherche

09:00 - 10:30
Jasmin Room,
Level / Niveau 2

The Craft of Accounting Research: Planning, Performing, and Publishing Research in Accounting and Auditing

L'art de la recherche comptable : planifier, réaliser de la recherche en comptabilité et en vérification, et en publier les résultats

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Workshop Leaders / Animateurs
Gordon D. Richardson (University of Waterloo)
Steven E. Salterio (University of Waterloo)
Dan A. Simunic (University of British Columbia)

CMA Canada Workshop 1 / Atelier sur la comptabilité de gestion 1

09:00 - 10:30
Orchidée A & B,
Level / Niveau S1

The Search for Core Competencies: Challenges and Opportunities for Management Education

La quête des compétences de base : les défis et les possibilités en matière de formation en gestion

Sponsor / Commanditaire
CMA Canada

Workshop Leader / Animateur
Michel Magnan (John Molson School of Business, Concordia University)

Nutrition Break / Pause santé

10:30 - 11:00
Dahlia Room,
Level / Niveau S1

Sponsors / Commanditaires
CMA Canada
CAAA / ACPC

Thursday, May 30 / Jeudi 30 mai

CAAA Research Workshop / Atelier de l'ACPC sur la recherche

11:00 – 12:30
Jasmin Room,
Level / Niveau 2

The Craft of Accounting Research: Planning, Performing, and Publishing Research in Accounting and Auditing

L'art de la recherche comptable : planifier, réaliser de la recherche en comptabilité et en vérification, et en publier les résultats

Sponsor / Commanditaire
CAAA / ACPC

Workshop Leaders / Animateurs
Gordon D. Richardson (University of Waterloo)
Steven E. Salterio (University of Waterloo)
Dan A. Simunic (University of British Columbia)

CMA Canada Workshop 2 / Atelier sur la comptabilité de gestion 2

11:00 – 12:30
Orchidée A & B,
Level / Niveau S1

Innovation in Management Accounting

L'innovation en comptabilité de gestion

Sponsor / Commanditaire
CMA Canada

Workshop Leader / Animateur
Maurice Gosselin (Université Laval)

Lunch / Déjeuner

12:30 – 13:30
Chez Chine,
Level / Niveau 2,
Salons A & B

Sponsors / Commanditaires
CMA Canada
CAAA / ACPC

CAAA Research Workshop / Atelier de l'ACPC sur la recherche

13:30 – 15:00
Jasmin Room,
Level / Niveau 2

The Craft of Accounting Research: Planning, Performing, and Publishing Research in Accounting and Auditing

L'art de la recherche comptable : planifier, réaliser de la recherche en comptabilité et en vérification, et en publier les résultats

Sponsor / Commanditaire
CAAA / ACPC

Workshop Leaders / Animateurs
Gordon D. Richardson (University of Waterloo)
Steven E. Salterio (University of Waterloo)
Dan A. Simunic (University of British Columbia)

Thursday, May 30 / Jeudi 30 mai

CMA Canada Workshop 3 / Atelier sur la comptabilité de gestion 3

13:30 – 15:00
Orchidée A & B, Level / Niveau S1

Classifying, Measuring, and Evaluating Web Sites

Classer, mesurer et évaluer les sites Web

Sponsor / Commanditaire
CMA Canada

Workshop Leaders / Animateurs
Hugues Boisvert, CMA International Chair (École des Hautes Études Commerciales)
Robert Latour (École des Hautes Études Commerciales)

Nutrition Break / Pause santé

15:00 – 15:30
Dahlia Room, Level / Niveau S1

Sponsors / Commanditaires
CMA Canada
CAAA / ACPC

Book and Software Display /
Exposition de livres et de logiciels

CAAA Research Workshop / Atelier de l'ACPC sur la recherche

15:30 – 17:00
Jasmin Room, Level / Niveau 2

The Craft of Accounting Research: Planning, Performing, and Publishing Research in Accounting and Auditing

L'art de la recherche comptable : planifier, réaliser de la recherche en comptabilité et en vérification, et en publier les résultats

Sponsor / Commanditaire
CAAA / ACPC

Workshop Leaders / Animateurs
Gordon D. Richardson (University of Waterloo)
Steven E. Salterio (University of Waterloo)
Dan A. Simunic (University of British Columbia)

CMA Canada Workshop 4 / Atelier sur la comptabilité de gestion 4

15:30 – 17:00
Orchidée A & B, Level / Niveau S1

Reinventing the Enterprise Using the Internet

Réinventer l'entreprise au moyen d'Internet

Sponsor / Commanditaire
CMA Canada

Workshop Leader / Animateur
Hugues Boisvert, CMA International Chair (École des Hautes Études Commerciales)

Thursday, May 30 / Jeudi 30 mai

Conference Registration / Inscription au congrès

16:00 – 19:00
Dahlia Foyer,
Level / Niveau S1

Conference Program / Programme du congrès

Sponsor / Commanditaire
Pearson Education Canada

Pearson Education Canada

Conference Tote Bag / Sac du congrès

Sponsor / Commanditaire
Samson Bélair Deloitte & Touche

Samson Bélair Deloitte & Touche

CAAA Board Cocktails — Quebec Educators / Cocktail offert par le conseil de l'ACPC — Professeures et professeurs du Québec

17:00 – 19:00
Chez Chine,
Level / Niveau 2,
Salon A

(by invitation only / sur invitation seulement)

Sponsor / Commanditaire
École des Hautes Études Commerciales

HEC

Welcome Reception / Réception d'accueil

19:00 – 22:00
Ballroom,
Level / Niveau 3

Sponsors / Commanditaires
CMA Canada
Université du Québec à Montréal

CMA CANADA

UQÀM ESG
École des sciences de la gestion
Université du Québec à Montréal

20:30 – ?

College Educators' Dinner / Dîner à l'intention des formateurs collégiaux

(leave from reception together / les formateurs quitteront la réception ensemble)

Friday, May 31 / Vendredi 31 mai

Registration / Inscription

07:30 – 16:30
Dahlia Foyer,
Level / Niveau S1

Conference Program / Programme du congrès

Sponsor / Commanditaire
Pearson Education Canada

Conference Tote Bag / Sac du congrès

Sponsor / Commanditaire
Samson Bélair Deloitte & Touche

Book and Software Display / Exposition de livres et de logiciels

07:30 – 16:30
Dahlia Room,
Level / Niveau S1

Breakfast / Petit déjeuner

07:30 – 08:30
Dahlia Room,
Level / Niveau S1

Sponsor / Commanditaire
ACCPAC International, Inc.

CAAA Liaisons Breakfast / Petit déjeuner à l'intention des agents de liaison de l'ACPC

07:30 – 08:30
Chez Chine,
Salon B,
Level / Niveau 2

(by invitation only / sur invitation seulement)

Opening Remarks / Mot d'ouverture

08:30 – 09:00
Ballroom,
Level / Niveau 3

Conference Chair / Président du Congrès
Gaétan Breton (Université du Québec à Montréal)

CAAA President / Président de l'ACPC
Michel Guindon (École des Hautes Études Commerciales)

AAA President-Elect / Président désigné de l'AAA
G. Peter Wilson (Boston College)

Friday, May 31 / Vendredi 31 mai

Plenary Session I / Séance plénière d'ouverture

09:00 – 10:15
Ballroom,
Level / Niveau 3

Innovation or Revolution?

Innovation ou révolution?

Sponsors / Commanditaires

Lawrence Bloomberg Chair in Accountancy, John Molson School of Business, Concordia University

John Molson School of Business Concordia University
The Lawrence Bloomberg Chair in Accountancy

After the Enron affair, we have to question ourselves about how we apprehend reality and deal with real situations. Professor Tinker will discuss the relevance of the models we use to research or practice accounting. Professor Rosen will discuss the relevance of what we teach in helping students to interpret the world outside the classroom and how to deal with it.

Depuis l'affaire Enron, il nous faut remettre en question la façon dont nous prenons la réalité en charge et la façon dont nous traitons les situations réelles. Le professeur Tinker discutera de la pertinence des modèles que nous utilisons en ce qui a trait à la recherche comptable ou à l'exercice de la profession. Quant au professeur Rosen, il discutera de la mesure dans laquelle la matière que nous enseignons aide les étudiants à interpréter le monde à l'extérieur de la salle de cours et à y faire face.

Moderator / Animateur

Michel Magnan,
Lawrence Bloomberg Chair in Accountancy (John Molson School of Business, Concordia University)

Panel / Groupe de discussion

Al Rosen
(Rosen & Associates Limited)

Tony Tinker
(Baruch College, New York University)

Nutrition Break / Pause santé

10:15 – 10:45
Dahlia Room,
Level / Niveau S1

Sponsor / Commanditaire

Institute of Chartered Accountants of Ontario
Institut des comptables agréés de l'Ontario

CA ONTARIO

Friday, May 31 / Vendredi 31 mai

Concurrent Sessions 1 / Séances simultanées 1

Session / Séance 1A

10:45 – 12:15
Orchidée B,
Level / Niveau S1

Keep Current! Standards Update

Restez à l'affût! Mise à jour sur les normes

Moderators / Animateurs
Lynda Carson (CGA-Canada)
Janet Morrill (University of Manitoba)

Speakers / Conférenciers
PSAAC / CCVOSP
Gilles Bédard (FCGA, Deputy Auditor General of Quebec)
Financial Accounting / Comptabilité financière
Annie Mersereau (Principal, Canadian Institute of Chartered Accountants)
Auditing / Vérification
Diane Racine (Principal, Canadian Institute of Chartered Accountants)

Session / Séance 1B

10:45 – 12:15
Hibiscus B,
Level / Niveau 2

Auditing

La vérification

Speakers / Conférenciers

Trust, Professional Skepticism, and the Financial Statement Auditor
Morina Rennie* (University of Regina)

Implementing the Relational Marketing Approach to Audit Firms: An Exploratory Study
Abdellak Elbekkali* (Université de Sherbrooke)
Claude Pilote (Université du Québec à Montréal)

The Impact of Accountability on Auditors' Processing of Nondiagnostic Evidence
Michael Favere-Marchesi* (Simon Fraser University)
Karen V. Pincus (University of Arkansas)

Moderator / Animateur
Angela Downey
(University of Lethbridge)

Discussant / Commentateur
Merridee Bujaki
(University of Ottawa)

* Presenter.

Friday, May 31 / Vendredi 31 mai

Session / Séance 1C

10:45 – 12:15
Jasmin Room,
Level / Niveau 2

University Department Heads' Exchange

Échange d'information entre les directeurs de départements universitaires

Moderator / Animateur
Michael Gibbins
(University of Alberta)

President's Luncheon / Déjeuner du président

12:20 – 14:25
Ballroom,
Level / Niveau 3

Sponsor / Commanditaire
Canadian Institute of Chartered Accountants
Institut Canadien des Comptables Agréés

Speaker / Conférencier
Pierre Brunet, OC, FCA (Vice-Chair, National Bank of Canada; Vice-Chair, CICA)

Topic / Sujet
A Turbulent Year for Accounting

Presentation of CAAA Awards / Remise de prix de l'ACPC

L.S. Rosen Award *for Outstanding Educator /*
Prix L.S. Rosen, *éducateur exceptionnel*

Howard D. Teall (Wilfrid Laurier University)

CAAA Distinguished Service Award /
Le Prix pour services distingués décerné par l'ACPC

Duane B. Kennedy (University of Waterloo)

* Presenter.

Friday, May 31 / Vendredi 31 mai

Concurrent Sessions 2 / Séances simultanées 2

Session / Séance 2A

14:30 – 16:00
Orchidée B,
Level / Niveau S1

Jazz Up Your Teaching with Cases

Donnez du piquant à votre enseignement à l'aide d'études de cas

Speaker / Conférencier
Eric Wickham (Centennial College)

Session / Séance 2B

14:30 – 16:00
Hibiscus B,
Level / Niveau S1

Institutions and Industries

Établissements et industries

Speakers / Conférenciers

The Value Relevance of Environmental Disclosures, an Event Study in the Canadian Mining Industry

Vanessa Magness* (Ryerson University)

An Empirical Analysis of Grants to Municipalities in Ontario

Thomas A. Matthews* (University of Alberta)
Sati P. Bandyopadhyay (University of Waterloo)
Jennifer L. Kao (University of Alberta)

An Economic Analysis of the Use of Student Evaluations: Implications for Universities

Kiridaran Kanagaretnam* (Wilfrid Laurier University)
Robert Mathieu (Wilfrid Laurier University)
Alex Thevaranjan (Syracuse University)

Moderator / Animateur
M.J. LeDoux
(Université du Québec à Montréal)

Discussant / Commentateur
Hussein Warsame
(University of Calgary)

Friday, May 31 / Vendredi 31 mai

Session / Séance 2C

14:30 – 16:00
Jasmin Room,
Level / Niveau 2

Tax

La fiscalité

Speakers / Conférenciers

Impact of High, Moderate, and No Compensation on Tax Compliance in the Laboratory

Viswanath Umashanker Trivedi* (York University)

Does Home-Country Taxation of Foreign Earnings Affect Cross-Jurisdictional Income Shifting?"

Thomas A. Matthews* (University of Alberta)

Stock Price Reactions to the 1985 Lifetime Capital Gains Exemption: Canadian Evidence

Tao Zeng* (Wilfrid Laurier University)

Moderator / Animateuse
Suzanne Landry
(Université du Québec à Montréal)

Discussant / Commentateur
Glenn Feltham
(University of Saskatchewan)

Nutrition Break / Pause santé

16:00 – 16:30
Dahlia Room,
Level / Niveau S1

Sponsor / Commanditaire
Pearson Education Canada

Dahlia Foyer,
Level / Niveau S1

Paper Forum / Forum de recherche

Annual General Meeting / Assemblée générale annuelle de l'ACPC

16:30 – 17:45
Orchidée A & B,
Level / Niveau S1

Members' Reception / Dîner d'accueil à l'intention des membres

17:45 – 20:00
Ballroom,
Level / Niveau 3

Sponsors / Commanditaires
John Wiley & Sons Canada Ltd.
John Molson School of Business, Concordia University

Saturday, June 1 / Samedi 1 juin

Registration / Inscription

07:30 – 09:30
Dahlia Foyer,
Level / Niveau S1

Conference Program / Programme du congrès

Sponsor / Commanditaire
Pearson Education Canada

Conference Tote Bag / Sac du congrès

Sponsor / Commanditaire
Samson Bélair Deloitte & Touche

Book and Software Display / Exposition de livres et de logiciels

07:30 – 12:00
Dahlia Room,
Level / Niveau S1

Breakfast / Petit déjeuner

07:30 – 08:30
Dahlia Room,
Level / Niveau S1

Sponsor / Commanditaire
Ordre des comptables agréés du Québec

CAAA Past-Presidents' Breakfast / Petit déjeuner des anciens présidents de l'ACPC

07:30 – 08:30
Chez Chine,
Salon B,
Level / Niveau 2

Concurrent Sessions 3 / Séances simultanées 3

Session / Séance 3A

08:30 – 10:00
Orchidée A & B,
Level / Niveau S1

Evaluating Competencies: The New UFE

L'évaluation des compétences : le nouvel EFU

Moderator / Animateur
Richard Olfert (Chair of the Board of Evaluators, Canadian Institute of Chartered Accountants)

Saturday, June 1 / Samedi 1 juin

Session / Séance 3B

08:30 – 10:00
Hibiscus B,
Level / Niveau 2

Analysts and Markets Regulation

Les analystes et les réglementation des marchés

Speakers / Conférenciers

Inertia and Discreteness: Issues in Modeling Analyst Coverage
Maureen F. McNichols (Stanford University)
Patricia C. O'Brien* (University of Waterloo)

Disclosure Practices, Enforcement of Accounting Standards and Analysts' Forecast Accuracy: An International Study
Ole-Kristian Hope* (University of Toronto)

The Role of Regulation and Enforcement in Securities Market Interpretation of Accounting Information
A.S. Hilton* (University of Waterloo)

Moderator / Animateur
Antonello Callimaci
(Université du Québec à Montréal)

Discussant / Commentateur
Paul André
(Écoles des Hautes Études Commerciales)

Session / Séance 3C

08:30 – 10:00
Jasmin Room,
Level / Niveau 2

Management Accounting: Budget and Performance

La comptabilité de gestion : Budget et rendement

Speakers / Conférenciers

Managers' Moral Value Concerning Budgetary Slack Creation
Danièle Blanchette* (Université de Sherbrooke)
Claude Pilote (Université du Québec à Montréal)
Jean Cadieux (Université de Sherbrooke)

Managers' Commitment to the Multiple Goals Contained in a Strategic Performance Measurement System
R. Alan Webb* (University of Waterloo)

Examination of the Fit Between Business Strategy and Management Accounting System Design: Impact on Performance
Emilio Boulianne* (Concordia University)

Moderator / Animateur
Eduardo Schiehll
(Écoles des Hautes Études Commerciales)

Discussant / Commentateur
Maurice Gosselin
(Université Laval)

Nutrition Break / Pause santé

10:00 – 10:30
Dahlia Room,
Level / Niveau S1

Sponsor / Commanditaire
Nelson Thomson Learning

NELSON
THOMSON LEARNING

* Presenter.

Saturday, June 1 / Samedi 1 juin

Concurrent Sessions 4 / Séances simultanées 4

Session / Séance 4A

10:30 – 12:00
Orchidée A & B,
Level / Niveau S1

Using Technology To Free Up Time

Se servir de la technologie pour libérer du temps

Speaker / Conférencier
G. Peter Wilson (Boston College)

Session / Séance 4B

10:30 – 12:00
Hibiscus B,
Level / Niveau 2

Financial Accounting: Selected Topics

Sujets choisis en comptabilité financière

Speakers / Conférenciers

Proportionate Consolidation Versus the Equity Method: A Decision Usefulness Perspective on Reporting Interests in Joint Ventures

Roger C. Graham (Oregon State University)
Raymond D. King (University of Oregon)
Cameron Morrill* (University of Manitoba)

FAS 133 Option Fair Value Hedges, Financial-Engineering and Financial-Accounting Perspectives

James N. Bodurtha (Georgetown University)
Daniel B. Thornton* (Queen's University)

An Investigation of the Value-Relevance of Alternative Foreign Exchange Disclosures

Thomas W. Scott* (University of Alberta)
Heather A. Wier (University of Alberta)

Moderator / Animateur
Julien Bilodeau
(Université du Québec à Montréal)

Discussant / Commentateur
Irene Gordon
(Simon Fraser University)

* Presenter.

Saturday, June 1 / Samedi 1 juin

Session / Séance 4C

10:30 – 12:00
Jasmin Room,
Level / Niveau 2

International Accounting: A French Perspective

Comptabilité internationale : Une perspective française

Speakers / Conférenciers

Performance Measurement Practices: Comparing French Start-Ups to French and American Traditional Firms

Eric Cauvin* (EDHEC)

Pierre-Laurent Bescos (EDHEC)

Théorie institutionnelle et adoption de normes comptables internationalement reconnues: Étude de trois cas français sur la période 1989–1993

Institutional Theory and the Choice of Internationally Recognized Accounting Standards: Three Case Studies Covering 1989–1992

Philippe Touron* (EDHEC)

Analyse empirique des écarts de prévision de bénéfices dans les prospectus d'introduction : le cas français

An Empirical Analysis of the Forecast Errors in IPO Prospectuses: The French Situation

Alain Schatt* (Université de Franche-Comté)

Thierry Roy (Université de Franche-Comté)

Moderator / Animateur

Bernard Colasse (Université de Paris-Dauphine)

Discussant / Commentateur

Michael Magnan (Concordia University)

Members' Luncheon / Déjeuner des membres

12:00 – 14:15
Ballroom,
Level / Niveau 3

Sponsor / Commanditaire

CGA-Canada

CGA

Speaker / Conférencier

Guy Cloutier, CGA

Presentation of the CAAA Education Committee Awards, CAAA Plaques, and Sponsors' Prizes

Remise des prix du Comité de formation de l'ACPC, des plaques de l'ACPC, et des cadeaux des commanditaires

* Presenter.

Saturday, June 1 / Samedi 1 juin

Concurrent Sessions 5 / Séances simultanées 5

Session / Séance 5A

14:15 – 15:45
Orchidée A & B,
Level / Niveau S1

Accounting Education in an Age of IT Mania, Audit Paranoia, and Ethical Dilemmas

La formation en comptabilité à l'ère de la folie de la TI, de la paranoïa de la vérification et des questions d'éthique

Moderator / Animateur

David Harrison (Senior Academic Advisor, CGA-Canada)

Panelists / Experts

John W. Yu (Senior Systems Consultant, CGA-Canada)
Dan A. Simunic (University of British Columbia)
James C. Gaa (University of Alberta)

Panel and open discussion /
Discussion entre experts et débat libre.

Session / Séance 5B

14:15 – 15:45
Hibiscus B,
Level / Niveau 2

Financial Accounting: Management of Accounting Disclosure

Comptabilité financière : la gestion des informations comptables à divulguer

Speakers / Conférenciers

The World Price of Earnings Opacity

Utpal Bhattacharya (Indiana University)
Hazem Daouk (University of Michigan)
Michael Welker* (Queen's University)

Banks' Response to Firms' Violation of Accounting Based Debt Covenant

Ping Zhang* (University of Toronto)

Managerial Incentives for Income Smoothing Through Bank Loan Loss Provisions

Kiridaran Kanagaretnam (Wilfrid Laurier University)
Gerald J. Lobo* (Syracuse University)
Robert Mathieu (Wilfrid Laurier University)

Moderator / Animateur

Denis Cormier
(Université du Québec à Montréal)

Discussant / Commentateur

Franck Missonier-Piera
(Écoles des Hautes Études Commerciales)

* Presenter.

Session / Séance 5C

14:15 – 15:45
Jasmin,
Level / Niveau 2

Aspects of Ethics

Des aspects de l'éthique

Speakers / Conférenciers

Auditors' Virtue and Professional Role Behaviours: The Development of a Measure of Auditors' Virtue and an Examination of Associated Outcomes

Theresa Libby* (Wilfrid Laurier University)

Linda Thorne (York University)

Exploring Accountants' Social Desirability Bias

Janne Chung* (York University)

Gary S. Monroe (Australian National University)

A Review and Synthesis of the Empirical Research on the Ethical Dimension of Accountants' Professional Judgment

Joanne Jones* (York University)

Dawn W. Massey (Fairfield University)

Linda Thorne (York University)

Moderator / Animateur

Anne Fortin
(Université du Québec à Montréal)

Discussant / Commentateur

Louise Côté
(Écoles des Hautes Études Commerciales)

Nutrition Break / Pause santé

15:45 – 16:15
Dahlia Foyer,
Level / Niveau S1

Sponsor / Commanditaire

Ordre des CGA du Québec

CGA
Ordre des CGA du Québec

* Presenter.

Saturday, June 1 / Samedi 1 juin

Plenary Session / Séance plénière II

16:15 – 17:00

Orchidée A & B, Level / Niveau S1

Innovation or Revolution?

Innovation ou révolution?

Sponsors / Commanditaires

Lawrence Bloomberg Chair in Accountancy, John Molson School of Business, Concordia University

Moderator / Animateur

Michel Magnan, Lawrence Bloomberg Chair in Accountancy (John Molson School of Business, Concordia University)

This session is to be a free-wheeling exchange among attendees, who represent many diverse interests within the accounting community.

Cette séance permettra un échange libre entre les congressistes, dont les intérêts sont très variés en matière de comptabilité.

Closing Remarks / Mot de la fin

17:00 – 17:15

Orchidée A & B, Level / Niveau S1

Speakers / Conférenciers

2002 Conference Chair Gaétan Breton (Université du Québec à Montréal)

2003 Conference Chair Merridee Bujaki (University of Ottawa)

Saturday, June 1 / Samedi 1 juin

Social Event: A Taste of Historic Montreal
Activité sociale : Un aperçu du vieux-Montréal

Sponsors / Commanditaires

McGraw-Hill Ryerson, Ltd.

Microsoft Great Plains
Business Solutions

17:30 – 18:15	Leave by small groups for a ride in a calèche through old Montreal to the Museum de la Pointe à Callières. Partez en petits groupes pour une promenade en calèche dans le Vieux-Montréal jusqu'au musée Pointe-à-Callières.
18:00 – 19:15	Tour the museum of the City of Montreal Visite du musée de la ville de Montréal
18:15 – 20:00	Enjoy a drink at the top floor of the museum overlooking the old Port of Montreal, then walk to the Auberge Le Saint-Gabriel for dinner. Sirotez un verre au dernier étage du musée et profitez de la vue qu'il donne sur le Vieux-Port de Montréal. Puis, rendez-vous à pied jusqu'à l'auberge Le Saint-Gabriel pour le dîner.
20:30 – ?	Dine at Auberge Le Saint-Gabriel, the oldest inn in America. Dînez à l'auberge Le Saint-Gabriel, la plus vieille auberge d'Amérique. ***Entertainment / Spectacle*** Marie Olscamp (French songs à la Piaf / chansons française à la Piaf)

Sunday, June 2 / Dimanche 2 juin

Ethics Workshop / Atelier sur l'éthique

08:15 – 12:00
Orchidée A & B,
Level / Niveau S1

Corporate Governance

La gouvernance d'entreprise

Sponsor / Commanditaire
Centre for Accounting Ethics,
University of Waterloo

Breakfast / Petit déjeuner

08:15 – 09:00

Opening Remarks / Mot d'ouverture

09:00 – 09:05

Speaker / Conférencière
Sally Gunz (Director, Centre for Accounting Ethics)

Presentation and Discussion / Exposé et discussion

09:05 – 10:15

Speaker / Conférencière
Jane Craighead (William M. Mercer Limited)

Nutrition Break / Pause santé

10:15 – 10:30

Presentation and Discussion / Exposé et discussion

10:30 – 12:00

Speaker / Conférencier
Steve Salterio (University of Waterloo)

Conference Assessment and Planning Meeting / Évaluation du congrès et réunion de programmation

08:30 – 12:00
Camelia Room,
Level / Niveau 2

(by invitation only / sur invitation seulement)

Farewell Lunch / Déjeuner d'adieu

12:00 – 13:00
Hibiscus A & B,
Level / Niveau 2

(For attendees of both morning programs only. / Pour les personnes qui ont assisté aux deux séances de l'avant-midi seulement.)

Sponsors / Commanditaires
Centre for Accounting Ethics,
University of Waterloo
CAAA / ACPC

End of Conference / Fin du congrès

Join us next year,

May 29 – June 1, 2003,

in Ottawa, Ontario

for the CAAA's

27th Annual Conference

Soyez des nôtres

l'an prochain à l'occasion du

27e congrès annuel de l'ACPC,

qui aura lieu à Ottawa (Ontario)

du 29 mai au 1 juin

Education Session Synopses

Aperçu des séances sur la formation

CMA Canada / CAAA Workshop

Innovation in Management Accounting

(Full-day workshop)
Sponsor: CMA Canada

Morning Presentations

The morning presentations will discuss the challenges that face our profession, analyze their implications, and suggest courses for action that can be considered by professional organizations, universities, and other stakeholders.

The Search for Core Competencies:
Challenges and Opportunities for Management Education

Speaker: Michel Magnan (Lawrence Bloomberg Chair in Accountancy, John Molson School of Business, Concordia University)

Innovation in Management Accounting

Speaker: Maurice Gosselin (Université Laval)

During the last 20 years, three parallel yet interlocking trends have completely redefined the role of management accountants. First, there have emerged many new practices requiring skills, expertise, and competencies that extend way beyond their traditional cost accounting background (ABC, benchmarking, balanced scorecards, etc.). Second, there has been a revolution in the complexity and scope of control tools and systems at the disposal of management accountants. Third, many underlying business processes that must be monitored and controlled by management accountants are increasingly obscure.

Initially, management accountants reacted to these multiple challenges by increasing their exposure to broader management concepts and ideas. However, expanding the curriculum to additional management courses is only a stop-gap measure to ensure that management accountants retain their competitive edge. Changes and rapid evolution in the skills, expertise, and knowledge that are required to be a suc-cessful management accountant raise the following questions: What are a management accountant's core competencies? Are they still useful and relevant in 2002?

(... continued)

Afternoon Presentations

Classifying, Measuring, and Evaluating Web Sites

Hugues Boisvert, CMA International Chair (École des Hautes Études Commerciales)
Robert Latour (École des Hautes Études Commerciales)

This session discusses classification statistical tools for management accounting research illustrated with a database of 420,000 entries (6,000 × 70).

Reinventing the Enterprise Using the Internet

Speaker: Hugues Boisvert, CMA International Chair (École des Hautes Études Commerciales)

This presentation will look at the results of a CMA International Centre benchmarking study of 6,000 business Web sites drawn from nine industrial sectors in Quebec and Ontario. Included will be a description of a typology, an analysis of Web site performance, and a ranking of sites. Web site best practices will also be discussed, as well as ways the results of this study might help an organization to re-engineer related business processes.

Atelier CMA Canada / ACPC

L'innovation en comptabilité de gestion

Atelier d'une journée
Commanditaire : CMA Canada

Séance de l'avant-midi

Dans le cadre de la séance de l'avant-midi, on discutera des défis que doit relever la profession; on analysera leurs implications et on proposera des mesures que pourront envisager les organisations professionnelles, les universités et d'autres intervenants.

La quête des compétences de base :
les défis et les possibilités en matière de formation en gestion

Conférencier : Michel Magnan (Université Concordia)

L'innovation en comptabilité de gestion

Conférencier : Maurice Gosselin (Université Laval)

Au cours des 20 dernières années, trios tendances parallèles, mais à la fois interreliées, ont complètement redéfini le rôle des comptables de gestion. Premièrement, de nombreuses pratiques nouvelles ont vu le jour, lesquelles requièrent des aptitudes, une expertise et des compétences qui dépassent largement le cadre traditionnel de la comptabilité analytique (ABC, analyse comparative, tableau de bord prospectif, etc.). Deuxièmement, il y a eu une révolution en ce qui a trait à la complexité et à la portée des outils et des systèmes de contrôle à la disposition des comptables de gestion. Troisièmement, bon nombre des processus administratifs que ces derniers doivent surveiller et contrôler deviennent de plus en plus obscures.

Au début, les comptables de gestion ont réagi à ces nombreux changements en se familiarisant davantage avec des concepts de gestion plus vastes. Toutefois, l'ajout de cours de gestion supplémentaires au programme d'études n'est qu'une mesure provisoire visant à s'assurer que les comptables de gestion conservent leur avantage concurrentiel. Les changements et l'évolution rapide que subissent les compétences, l'expertise et les connaissances dont a besoin le comptable de gestion pour connaître le succès soulèvent les questions suivantes : Quelles sont les compétences de base du comptable de gestion? Sont-elles encore utiles en 2002?

(... suite)

L'innovation en comptabilité de gestion

Séance de l'après-midi

Classer, mesurer et évaluer les sites Web

Hugues Boisvert, titulaire de la Chaire internationale CMA
(École des Hautes Études Commerciales)
Robert Latour (École des Hautes Études Commerciales)

Au cours de cette séance, on discutera d'outils statistiques de classification utilisés en recherche dans le domaine de la comptabilité de gestion à l'aide d'une base de données de 420 000 entrées (6 000 × 70).

Réinventer l'entreprise au moyen d'Internet

Conférencier : Hugues Boisvert, titulaire de la Chaire internationale CMA
(École des Hautes Études Commerciales)

Dans le cadre de cet exposé, on se penchera sur les résultats d'une étude réalisée par la Chaire internationale CMA et visant l'analyse comparative de 6 000 sites Web d'entreprises tirés de neuf secteurs industriels du Québec et de l'Ontario. On présentera, entre autres, une description de la typologie, une analyse de la performance du site et un classement des sites. Par ailleurs, on discutera des pratiques exemplaires en matière de sites Web ainsi que des façons dont les résultats de cette étude pourront servir à une organization qui veut restructurer des processus d'affaires connexes.

The Craft of Accounting Research: Planning, Performing, and Publishing Research in Accounting & Auditing / L'art de la recherche comptable : planifier, faire de la recherche en comptabilité et en vérification, et en publier les resultants

Gordon D. Richardson (University of Waterloo)
Steven E. Salterio (University of Waterloo)
Dan A. Simunic (University of British Columbia)

This workshop is intended for doctoral students and junior faculty interested in writing research articles for scholarly journals in accounting. The workshop will concentrate on examining issues and problems involved in planning and performing research, as well as writing-up and publishing results. Attendees are expected to actively participate, perhaps in groups, depending on number registered. Activities include:

1. Overview of issues from a journal editor's perspective.
2. Editor's critique of several working papers submitted to *Contemporary Accounting Research* as exemplars of things "to do" and "not to do".
3. Presentation of critiques and evaluation of working papers (provided in advance) by seminar participants acting in the role of manuscript referees.
4. Presentation of their own research proposals (based on topics developed and distributed in advance) to the group in a workshop format by seminar participants.

Cet atelier destiné aux étudiants au doctorat et aux professeurs en début de carrière qu'intéresse la rédaction d'articles de recherche en vue de les faire publier dans des revues savantes spécialisées en comptabilité. Il se penchera essentiellement sur les enjeux et les défis propres à la planification et à la réalisation de travaux de recherche ainsi qu'à la rédaction et à la publication du produit final. Les organisateurs s'attendent à ce que tous les participants prennent une part active à l'atelier (peut-être en groupes, selon le nombre d'inscriptions). L'atelier se déroulera comme suit :

1. aperçu des enjeux du point de vue d'un rédacteur en chef d'une revue;
2. commentaires d'un rédacteur en chef sur plusieurs documents de travail présentés à *Recherche comptable contemporaine*, à titre d'exemples de méthodes à suivre ou à éviter;
3. critique et évaluation de documents de travail (fournis à l'avance) par des participants à l'atelier, qui joueront le role d'examinateurs de manuscrits;
4. présentation, par des participants, de leur propre projet de recherche (selon des sujets établis et communiqués à l'avance) à l'ensemble du groupe sous forme d'un atelier.

Thursday, May 30 / Jeudi 30 mai   09:00 - 17:00   Jasmin, Level / Niveau 2

CAAA Research Workshop / Atelier de recherché de L'ACPC

Innovation or Revolution? / Innovation ou révolution?

Moderator / Animateur : Michel Magnan, Lawrence Bloomberg Chair in Accountancy (John Molson School of Business, Concordia University)

Panel / Groupe de discussion : Al Rosen (Rosen & Associates Limited)
Tony Tinker (Baruch College, New York University)

Accounting is evolving constantly. However, for the models we use at the level of practice as well as for research, is evolution enough or must new accounting models be developed?

Briefly: Is evolution enough or do we need a revolution?

Can we continue for long to ignore the fact that accounting models are attached to ways of doing things that are not neutral, but that work in favour of a group that possesses the power—economic as well as symbolic?

The accounting system is a symbolic social tool that is the object of a fierce battle for power, and an instrument to control wealth for those who can master it. At the technical level, this instrument does not provide a true and fair view of the financial situation of economic entities, but a partial and voluntarily biased vision of the situation to orient public choices and economic decisions in a specific direction. At the research level, can we continue for long to believe in the *homo economicus*, subject of the liberal economics and of the agency theory? Can accounting research continue to ignore reality?

Yet we can say that the accounting model has adapted itself admirably through the years. From the procedures adapted to a commercial economy, accounting has passed to a post-industrial economy without notable problems; the accounting concepts evolved in accordance with the needs of users and the day-to-day practice.

In the case of research, positive accounting theory and agency theory were extremely productive and generated most of the scientific knowledge we have in accounting. We do not have to change the dominant paradigm radically, but must continue to perfect it in multiplying the hypothesis testing. After all, the value of a theory depends on its efficacy.

This session will include a period open to audience participation—this aspect is considered crucial. Please prepare your arguments to enable a lively discussion.

(... continued)

La comptabilité évolue constamment. Cependant, tant sur le plan de la pratique que sur celui de la recherche, pouvons-nous nous contenter de faire évoluer les modèles que nous utilisons ou devons-nous en concevoir de nouveaux?

Bref, l'évolution est-elle suffisante ou avons-nous besoin d'une révolution?

D'un côté, pouvons-nous encore longtemps faire fi du fait que les modèles comptables sont attachés à des façons de faire qui ne sont pas neutres, mais qui favorisent un groupe qui possède le pouvoir économique et symbolique?

La façon de faire la comptabilité est un objet social symbolique, enjeu de luttes de pouvoir et instrument de contrôle des richesses pour ceux qui se l'approprient. Sur le plan de la technique, cet instrument ne représente pas fidèlement la situation financière des entités économiques, mais il donne une vision parcellaire et volontairement biaisée de cette situation pour orienter les choix publics et les décisions économiques dans une direction précise. Sur le plan de la recherche, pouvons-nous encore longtemps croire à l'*homo economicus* qui est le sujet de l'économie libérale et de la théorie de l'agence? La recherche comptable peut-elle encore longtemps ignorer la réalité?

Par contre, on peut avancer que le modèle comptable s'est admirablement adapté au cours des années. On est passé des préceptes d'une économie commerciale à une économie post-industrielle sans heurts comptables majeurs tout en faisant évoluer les concepts au gré des circonstances, collés à une pratique quotidienne, donc aux besoins des utilisateurs.

Sur le plan de la recherche, la théorie positive et celle de l'agence ont été extrêmement productives et ont suscité la plus grande partie de la connaissance scientifique en comptabilité. Il ne s'agit donc pas de rompre avec le paradigme dominant, mais de continuer à le perfectionner en multipliant les tests de ses hypothèses. Après tout, ne mesure-t-on pas la valeur d'une théorie par son efficacité?

Cette séance prévoit une période réservée aux observations des participants de la salle, aspect important de l'exercice. Donc, préparez vos arguments pour que la discussion soit animée.

Keep Current! Standards Update / Restez à l'affût! Mise à jour sur les normes

Moderators / Animateurs : Lynda Carson (CGA-Canada)
Janet Morrill (University of Manitoba)

Speakers / Conférenciers :

PSAAC / CCVOSP
Gilles Bédard (FCGA, Deputy Auditor General of Quebec)

Financial Accounting / Comptabilité financière
Annie Mersereau (Principal, Canadian Institute of Chartered Accountants)

Auditing / Vérification
Morina Rennie (Professor, University of Regina; Member, Auditing Standards Board)

Although keeping abreast of new standards may seem overwhelming, maintaining current knowledge of accounting, auditing, and PSAAC standards, as well as management accounting standards, is critical to accounting academics to ensure that the knowledge we pass on to our students is up to date. This session will highlight recent changes in standards as well as enlighten participants on technical changes to expect in the future. The session will be delivered by leading members of CGA-Canada and the CICA who are involved in standard setting.

Bien qu'il puisse sembler accablant aux professeurs de comptabilité de rester au fait des nouvelles normes, il est essentiel qu'ils gardent à jour leurs connaissances des normes actuelles en comptabilité et en vérification ainsi que des normes du CCVOSP et de celles de comptabilité de gestion. Ils s'assureront ainsi que les connaissances qu'ils transmettent à leurs étudiants sont à jour. Cette séance mettra en évidence les changements récents apportés aux normes et elle servira à éclairer les participants sur les changements techniques auxquels ils devraient s'attendre dans les prochaines années. Elle sera animée par des membres chevronnés de CGA-Canada et de l'ICCA qui s'occupent de normalisation.

Friday, May 31 / Vendredi 31 mai 10:45 – 12:15 Orchidée B, Level / Niveau S1
Session / Séance 1A

University Department Heads' Exchange / Échange d'information entre les directeurs de départements universitaires

Moderator / Animateur : Michael Gibbins (University of Alberta)

If you are a department head, please consider attending or asking one of your colleagues to attend on your behalf. If you are in a university that doesn't have a departmental or area structure, you're welcome too. If you are not an administrator, but have views you would like considered, you're welcome to provide your views too. The more input, the better!

The first interchange was held at the CAAA's 2001 conference in Calgary and the attendees thought a further session in Montréal would be a good idea. The appendix to this announcement summarizes the Calgary session. The 2002 session carries on from that starting point, and will also be followed by a summary report to be widely circulated.

Agenda setting for the 2002 session

To follow up on the ideas from 2001 and create some focus for 2002, input on the agenda is sought from all interested people. The overall most highly-ranked one or two topics will be selected for particular attention, but all the information gathered in this exercise will be provided in advance to attendees. *(All responses will be treated as anonymous and will be circulated only after removing all identifiers.)*

Ranking of issue categories (drawn from the 2001 session as summarized in the Appendix):

___ The business & financial situation of business schools &/or accounting departments/areas

___ Hiring and retaining faculty, and faculty demographics

___ Research, publication and scholarly contribution, promotion & tenure effects

___ Students, teaching, teaching loads

___ Other (please specify ____)

The category(ies) you ranked most highly:

Faculty hiring and retention, a solid first

Business & financial situation, as second.

Other topics suggested: Relations with the business community; Enron.

(... continued)

Friday, May 31 / Vendredi 31 mai 10:45 – 12:15 Jasmin, Level / Niveau 2

Session 1C / Séance 1C

Initial Meeting of Canadian Accounting Department/Area Heads Sponsored by CAAA, Held in Calgary, June 17, 2001

Synopsis of Discussion by Mike Gibbins

Brief Summary of Meeting

On the morning of June 17, 2001, immediately after the CAAA conference in Calgary, an informal meeting was held of some department and area heads from Canadian universities. Some attendees represented heads who could not attend, and others had significant responsibilities in universities that do not have department or area structures. The meeting was sponsored by the CAAA as an experiment in examining issues and sharing information, with an eye to continuing or expanding such communication in the future.

There was a wide-ranging and largely analytical discussion. Just some of the topics discussed were the business pressures on business schools, financial pressures and constraints on accounting programs, university and faculty quality problems, faculty salary pressures and resulting raiding and local inequities, faculty demographics, research pressures, promotion and tenure provisions, and teaching loads. The various institutions represented face broadly similar environmental and faculty issues, but are differently resourced and constrained in dealing with them. The environmental turbulence is such that stable solutions are unlikely, but sharing of information and ideas about solutions is helpful.

The meeting's attendees agreed that a list of interested department, area and program chairs should be developed and that another meeting, focused on some specific issues and possible solutions, should be encouraged for the 2002 CAAA conference.

Conclusions

The meeting came to several conclusions. First, the environmental and faculty problems the various institutions face are similar. Second, the solutions being tried result from different resources and constraints, especially differential financial resources and differential institutional flexibility. Third, stable solutions are probably not likely given the environmental turbulence accounting and business programs face.

A fourth conclusion is that more such meetings would be a good idea, and that communications between meetings should be encouraged via an email list or some such mechanism. Fifth, the CAAA was thanked for sponsoring the meeting and asked to keep supporting the idea. It would be useful for the CAAA to try to keep up with who are the people running departments, areas and programs. More, it would be useful if the CAAA tried to show leadership by developing ideas about solutions to the fundamental underlying problems of academic accounting, such as the preliminary list above.

Last, a second meeting, at the 2002 conference, was encouraged. Perhaps some focus could be developed for the next meeting, to increase the likelihood that solution ideas could be shared or developed.

Jazz Up Your Teaching with Cases / Donnez du piquant à votre enseignement à l'aide d'études de cas

Speaker / Conférencier : Eric Wickham (Centennial College)

Do your students find your teaching interesting and engaging, informative yet personally rewarding?

This seminar provides an opportunity to explore some powerful approaches to delivering business knowledge and cultivating personal skills. We will examine some of the techniques that students can use for reading a case, writing case solutions, and presenting orally to the class.

Leave this seminar with several pointers for jazzing up your class and producing a well-rounded student who can't wait for your next session.

Est-ce que vos étudiants trouvent votre enseignement intéressant et stimulant, informatif et, en même temps, enrichissant sur le plan personnel?

Cet atelier donne aux participants l'occasion d'explorer quelques approches puissantes à la diffusion de connaissances d'affaires et au perfectionnement de qualités personnelles. On examinera certaines des techniques dont les étudiants peuvent se servir pour lire un cas, rédiger des solutions et en faire la présentation orale en classe.

Vous sortirez de cet atelier muni de plusieurs conseils pratiques sur la façon de mettre du piquant dans votre classe et de produire des étudiants bien équilibrés qui attendent avec impatience votre prochain cours.

Friday, May 31 / Vendredi 31 mai 14:30 – 16:00 Orchidée B, Level / Niveau S1

Session / Séance 2A

Evaluating Competencies: The New UFE / L'évaluation des compétences : le nouvel EFU

Moderator / Animateur : Richard Olfert (Chair of the Board of Evaluators, Canadian Institute of Chartered Accountants)

An overview of the framework for the CA profession's competency-referenced uniform evaluation (UFE) and the Board of Evaluators learnings to date. The development of the framework began in February 2001 and was tested against candidate responses in a trial marking centre in February 2002. The presentation will describe the process which the Board of Evaluators followed to develop the framework, the basic principles that underlie the framework, and the Board of Evaluators learnings from the trial marking centre.

Un aperçu de l'Examen final uniforme (EFU) de la profession comptable axé sur les compétences et les résultats obtenus jusqu'à maintenant par le Jury d'examen. L'élaboration de la nouvelle évaluation uniforme a débuté au mois de février 2001 et des tests ont été menés dans un centre de correction préliminaire en février 2002 dans le but de comparer les réponses des candidats. L'exposé portera sur le processus suivi par le Jury d'examen durant l'élaboration de l'évaluation uniforme, sur les principes de base sur lesquels il est fondé et sur les résultats obtenus par le Jury d'examen au centre de correction préliminaire.

Saturday, June 1 / Samedi 1 juin   08:30 – 10:00   Orchidée A & B, Level / Niveau S1

Session / Séance 3A

Using Technology To Free Up Time / Se servir de la technologie pour libérer du temps

Speaker / Conférencier : G. Peter Wilson (Boston College)

Perhaps our biggest teaching challenge is trying increasingly to cover more topics, concepts, procedures, perspectives, and real-world applications, while ensuring that our students become ever more proficient at problem solving, critical thinking, and group work (among other things). The central premise of this session is that technology can help students to learn basic concepts and procedures outside of class, freeing up time in class for applications that emphasize accounting judgment in complex settings and other exercises that require critical thinking.

The session will include a demonstration of interactive PowerPoint slides and Excel workbooks that students use to learn basic concepts and procedures before coming to class. This prepares them for additional assigned questions that are based on cases and financial statements of Fortune 500 companies. The class discussions mostly address these questions. The Excel workbooks help students to learn the nitty-gritty details that are needed to apply concepts. Each of the workbooks is a model of a company that has financial statements that are very similar to a real company (The Gap and Intel). Making the business and accounting decisions for these fictitious Excel companies helps students to envision the events and accounting decisions behind numbers reported by real companies. Most of the session will be devoted to these models.

Le plus grand défi que nous avons à relever dans l'enseignement consiste peut-être à essayer constamment d'aborder un plus grand nombre de sujets, de concepts, de perspectives et d'applications réelles tout en s'assurant que nos étudiants perfectionnent sans cesse leurs aptitudes à"Æa prise de décisions, leur esprit critique et leur capacité à travailler en équipe, entre autres. Cette séance se fonde sur la prémisse selon laquelle la technologie peut aider les étudiants à apprendre, à l'extérieur de la classe, les concepts et procédures de base, ce qui libère du temps en classe pour les applications qui mettent l'accent sur le jugement comptable relativement à des situations complexes et à d'autres exercices qui font appel à l'esprit critique.

Par exemple, elle comprend une démonstration de l'utilisation des diapositives interactives PowerPoint et des classeurs (workbooks) Excel dont se servent les étudiants pour apprendre les concepts et procédures de base avant de se présenter en classe. Cette préparation leur est également utile à la résolution de questions supplémentaires qui sont fondées sur des cas et des états financiers de sociétés Fortune 500. Les discussions en classe portent essentiellement sur ces questions. Quant aux classeurs Excel, ils aident les étudiants à se familiariser avec les menus détails nécessaires à l'application des concepts. Chacun des classeurs est un modèle d'entreprise dont les états financier ressemblent sensiblement à ceux d'une véritable société (The Gap et Intel). Le fait que les étudiants ont des décisions commerciales et comptables à prendre concernant ces entreprises fictives aide ces derniers à visualiser les événements et les décisions comptables derrière les chiffres présentés par de véritables entreprises. La majeure partie de la séance sera consacrée à ces modèles.

Saturday, June 1 / Samedi 1 juin 10:30 – 12:00 Orchidée A & B, Level / Niveau S1

Session / Séance 4A

Accounting Education in an Age of IT Mania, Audit Paranoia, and Ethical Dilemmas / La formation en comptabilité à l'ère de la folie de la TI, de la paranoïa de la vérification et des questions d'éthique

Moderator / Animateur : David Harrison (Senior Academic Advisor, CGA-Canada)

Panelists / Experts : John W. Yu (Senior Systems Consultant, CGA-Canada)
Dan A. Simunic (University of British Columbia)
James C. Gaa (University of Alberta)

Panel and open discussion

To live in interesting times in 2002 means trying to make sense of changes in information technology and knowledge management; of the roles and responsibilities of the auditor, the accountant, the business consultant; and of the 21st-century variants on age-old ethical dilemmas. How (if at all) should the education of accountants change in order to prepare new professionals for this world? This panel brings together three experienced educators in the fields of IT, auditing, and ethics respectively to present issues and points of view, as well as to encourage a lively open discussion. The initial presentations will be brief, to allow significant time for interaction.

Discussion entre experts et débat libre

Faire face aux défis à relever en 2002 signifie essayer de comprendre les changements qui surviennent dans le domaine de la technologie de l'information et de la gestion des connaissances, connaître les rôles et responsabilités du vérificateur, du comptable et de l'expert-conseil en gestion et appliquer les éternelles questions d'éthique dans le contexte du 21e siècle. Quelles modifications devrait-on apporter (si besoin il y a) à la formation des comptables pour préparer les futurs professionnels à ce nouvel univers? Au cours de cette séance, nous assisterons à une discussion d'experts au cours de laquelle nous prendrons connaissance des différents points de vue et questions soulevés par trois formateurs chevronnés dans les domaines de la TI, de la vérification et de l'éthique et nous participerons par la suite à un débat ouvert. Les présentations seront brèves afin d'allouer plus de temps à la discussion.

Saturday, June 1 / Samedi 1 juin 14:15 – 15:45 Orchidée A & B, Level / Niveau S1
Session / Séance 5A

Innovation or Revolution? / Innovation ou révolution?

Moderator / Animateur : Michel Magnan, Lawrence Bloomberg Chair in Accountancy (John Molson School of Business, Concordia University)

The closing session is conceived of as a return to the ideas discussed in the opening session, incorporating the discussions that took place throughout the conference. This session is relaxed and open.

To add a touch of education to the opening session discussion, we will ask ourselves: "In what measure are we intoxicating students as well as giving them a foundation? Are they educated or trained? Have we imposed on them a model having a relatively limited relationship with the real world, thus making the material difficult for them to grasp?"

This session will contain no formal presentation; however, two or three colleagues will be invited to start the discussion by briefly answering the question. The debate will follow.

La séance de clôture se veut un retour sur les idées lancées lors de la séance d'ouverture et sur les discussions qui auront eu lieu tout au long du congrès. Elle sera détendue et ouverte.

Pour ajouter une touche d'éducation à la discussion d'ouverture, nous nous demanderons dans quelle mesure nous pratiquons l'intoxication des étudiants autant que leur formation. Sont-ils formés ou entraînés? Est-ce que nous leur imposons un modèle qui ne se rapproche que peu de la réalité et qui rend la matière difficile à saisir?

Cette séance ne comprendra pas de présentation formelle, mais deux ou trois collègues seront invités à lancer la discussion en présentant brièvement leur réponse aux questions ci-dessus. Le débat suivra.

Saturday, June 1 / Samedi 1 juin 16:15 – 17:00 Orchidée A & B, Level / Niveau S1
Plenary Session II / Séance plénière II

Corporate Governance / La gouvernance d'entreprise

Speakers / Conférenciers : Jane Craighead (William M. Mercer Limited)
Steve Salterio (University of Waterloo)

The Workshop is presented by Dr. Jane Craighead, Senior Consultant in Executive Compensation and Corporate Governance at William M. Mercer Limited, Montreal. She will present the practitioners' perspective.

Dr. Steve Salterio, Associate Professor of Assurance Services at the University of Waterloo, is currently a Visiting Associate Professor at the University of Illinois-Champaign-Urbana. Steve's research interests are in corporate governance, performance measurement, and new assurance services. He will present the academics' perspective.

Cet atelier sera animé par Jane Craighead, PhD, conseillère principale en rémunération des cadres et en gouvernance d'entreprise à la firme William M. Mercer Limited, à Montréal. Elle présentera la perspective du practicien.

Steve Salterio, PhD, est professeur agrégé en services de certification à l'Université de Waterloo et actuellement professeur agrégé invité à la University of Illinois-Champaign- Urbana. En matière de recherche, ce sont les domaines de la gouvernance d'entreprise, de la mesure du rendement et des nouveaux services de certification qui intéressent particulièrement M. Salterio. Il présentera la perspective de l'academicien.

Sunday, June 2 / Dimanche 2 juin 08:15 – 12:00 Orchidée A & B, Level / Niveau S1

Ethics Workshop / Atelier sur l'éthique

Abstracts

Résumés

Trust, Professional Skepticism, and the Financial Statement Auditor

Morina Rennie* (University of Regina)

Society trusts financial statement auditors to exercise professional skepticism in conducting the audit. However, the auditor must maintain an attitude of professional skepticism concurrently with a working level of trust during the course of the audit. This is a difficult balance to achieve. When auditors are unable to successfully sustain professional skepticism, the results can be financial losses to individuals relying on financial statements, and potentially, litigation. It has recently been acknowledged that there is insufficient guidance available to auditors about professional skepticism. This paper looks at the development of trust between auditor and client and the uneasy relationship between trust and professional skepticism.

* Presenter.

Implementing the Relational Marketing Approach to Audit Firms: An Exploratory Study

Abdellak ElBekkali* (Université de Sherbrooke)
Claude Pilote (Université du Québec à Montréal)

For a first time in auditing, this research get information on partners' determinant factors for implementing a marketing relational approach (RMA) to their relationships with clients. RMA is concerned with long term relationships to increase clients' satisfaction. We investigate the actual marketing approach of partners from audit firms of various sizes. Based on the marketing literature, we question partners about various factors that may prove to influence their RMA implementation. The factors are concerned with partners' and audit firms' marketing culture, ethical, management and budgetary costs, competitiveness of the audit market, and partners' perception of RMA. A second research question studies potential differences between partners from audit firms of various sizes about their determinant factors for implementing RMA and their perception of RMA. Using a questionnaire survey, we solicited more than a thousand partners from audit firms. Results indicate that partners are aware of RMA dimensions, especially for the cooperation with clients. Their decisions about implementing RMA are mostly influenced by the competitiveness within the audit market and the budgetary and professional ethical costs. Surprisingly, personal management and firm factors have little or no impact on implementing RMA. Also, the source of the audit has no importance in partners' decisions concerning RMA. Generally, there is no collective difference between partners from various firm sizes. The results of this research show that audit firms and partners should give more attention to their marketing approach.

Keywords Auditing; Audit firms; Ethics; Marketing; Relational marketing.

* Presenter.

The Impact of Accountability on Auditors' Processing of Nondiagnostic Evidence

Michael Favere-Marchesi* (Simon Fraser University)
Karen V. Pincus (University of Arkansas)

This study explored the impact of accountability on internal auditors' processing of nondiagnostic evidence. First, it replicated in an internal audit setting the dilution effect phenomenon, previously documented with external auditors. Second, it investigated the relationship between dilution effect and the pressure resulting from the accountability imposed by organizational structures. One hundred ninety-two internal auditors participated in this experiment. The tasks performed (fraud-risk assessments) used scenarios based on an existing case, modified to incorporate an accountability variable. Subjects were randomly assigned to one of three conditions.

Risk assessments based on diagnostic evidence together with nondiagnostic evidence were on average significantly lower than assessments based on diagnostic evidence alone. Thus, nondiagnostic evidence appeared to reduce the impact of evidence considered useful for fraud-risk assessment — a dilution effect. Accountability was associated with a significant decrease in the frequency of the dilution effect. However, when subjects exhibited a dilution effect, accountability seemed to increase the amount of the dilution effect. Finally, the accountability levels did not significantly influence the frequency or magnitude of the dilution effect. Implications of these findings to audit research and practice are discussed.

Keywords Nondiagnostic evidence; Dilution effect; Accountability.

Data availability Data used in this study are available upon request.

The authors thank the companies and internal auditors who participated in the study. The financial support of the Deloitte & Touche Foundation is greatly appreciated.

* Presenter.

The Value Relevance of Environmental Disclosures — An Event Study in the Canadian Mining Industry

Vanessa Magness* (Ryerson University)

Research using US data has shown that environmental disclosures in company annual reports influence share reactions to external stimuli such as industry accidents, and changes in environmental legislation. In this paper I use content analysis and event study methodology to examine the association of environmental disclosures of TSE traded Canadian companies, with share behaviour in the wake of the Placer Dome accident in 1996.

I find evidence to support two conclusions. First, there was a negative industry reaction in response to the accident. Second, the reaction is moderated for those companies that disclosed the existence of a board or executive level environmental management committee in their annual reports immediately prior to the accident. A more comprehensive measure of environmental disclosures, including forward looking monetized items, was not statistically significant in explaining share reaction. This contrasts with US research that suggests shareholders view these disclosures as a positive signal that management is dealing effectively with environmental risks, and that share reaction is moderated by these information releases. I also find evidence that Canadian companies which are inter-listed on the NYSE, the AMEX, or the NASDAQ, behave differently from those whose trading is restricted to the TSE. However, I find no evidence to support prior suggestions that inter-listed companies disclose less (or more) extensive environmental information.

The absence of value relevance from cash flow related information suggests that Canadian generally accepted accounting principles grant too much discretion when determining disclosure policy. The findings of this paper should therefore be relevant to Canadian accounting standard setters. These findings should also be important to companies that incur substantial cost to obtain information for disclosure purposes. Finally, researchers interested in the relationship between corporate governance and shareholder wealth, may want to investigate the role of the environmental committee in moderating investor response to pending legislative change.

Thanks go to Dr. Charles Mossman (University of Manitoba), and Dr. Michel Magnan (Concordia University) and Sylvie Berthelot (Ph.D. candidate) for their helpful suggestions, and special thanks to Deirdre Taylor CGA (School of Business Management, Ryerson University) for her assistance with data collection.

* Presenter.

Determinants of Intergovernmental Grants: An Empirical Analysis of Grants to Municipalities in Ontario

Thomas A. Matthews* (University of Alberta)
Sati P. Bandyopadhyay (University of Waterloo)
Jennifer L. Kao (University of Alberta)

We examine the influence that accounting information has on the allocation of government funding in an environment characterized by conflicting political and public-policy considerations. Specifically, we investigate what factors explain the allocation of provincial-government grants to municipalities in Ontario. During our 10-year sample period, large and controversial cuts to the Province's grant programs increasingly strained municipal finances. Despite government claims to the contrary, the popular perception is that the allocation of grants is politically motivated. We examine the relative importance of need-based criteria, as captured by municipal financial-accounting numbers and socio-economic indicators, and political factors in explaining the variation in various types of provincial-government grants to municipalities.

We hypothesize that provincial grants to municipal governments are jointly determined by the municipal government's financial condition, the socio-economic characteristics of local residents, and political and electoral considerations of the provincial government. The results indicate that discretionary grants are awarded based on political and socio-economic considerations much more so than a municipality's financial condition. The evidence suggests that provincial governments are not responsive to the fiscal stress of municipalities. Additional analysis finds that politicians who supply large grants to their ridings' municipalities win more votes in the subsequent election. The role that political considerations play in the allocation of grants raises important concerns about fairness and accountability in such intergovernmental funding arrangements.

* Presenter.

An Economic Analysis of the Use of Student Evaluations: Implications for Universities

Kiridaran Kanagaretnam* (Wilfrid Laurier University)
Robert Mathieu (Wilfrid Laurier University)
Alex Thevaranjan (Syracuse University)

In this paper, we develop an analytical model to formally investigate the impact of using student evaluations in assessing professors' teaching effort. More precisely, we examine their potential benefits, the consequences of over-emphasizing them and the optimal level of emphasis that should be placed on them. This exercise allows us to determine conditions under which student evaluations would result in an increase in teaching effort and student knowledge, and environments where it would result in professors manipulating grading schemes to obtain higher student ratings, i.e., grade inflation.

The authors would like to thank Theresa Libby, Bruce McConomy, Sean Robb and Terry Levesque for their useful comments.

* Presenter.

Impact of Very High, Moderate, and No Compensation on Tax Compliance Decisions in the Laboratory

Viswanath Umashanker Trivedi* (York University)

This study extends prior literature on the impact of the presence and level of compensation paid to subjects to the tax compliance context. Results from prior studies on this issue in other contexts may be inapplicable to the tax compliance context because of the ethical and social implications of compliance decisions. Specifically, this study looks at the impact of providing very high, moderate, and no compensation on the compliance behavior of undergraduate students in India using a between- as well as a within-subjects design. The research design creates a rich setting by including: a) changes in laboratory income (nominal income) without corresponding changes to actual compensation provided to subjects, b) use of tax versus neutral terms (context), c) change in the tax rate, d) change in the audit rate, and e) subjects' perceptions about their behavior in the laboratory as compared to their compliance behavior in real life. Results suggest that providing moderate levels of compensation is essential for controlling subjects' preferences in an experimental economics study. However, compensation rate did not significantly influence how subjects reacted to changes in other variables considered in this study. Thus, level of compensation appears not to matter when changes in compliance behavior consequent to changes in other variables, and not the level of compliance *per se* is of central interest in a study. Furthermore, some of the other main findings of this study are: 1) contrary to predictions from economic theory, increasing the tax rate decreased subjects' compliance even when neutral terms were used in the instructions, and 2) the students subjects reacted to context in a manner similar to non-student subjects in prior studies.

Keywords Monetary incentives; Tax evasion; Experimental economics.

Data availability Available from the author upon request.

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* Presenter.

Does Home-Country Taxation of Foreign Earnings Affect Cross-Jurisdictional Income Shifting?

Thomas A. Matthews* (University of Alberta — Edmonton)

I investigate whether differences in the tax treatment of foreign earnings affect the extent to which multinational firms shift reported income between their domestic and foreign segments. I compare the income-shifting patterns of multinationals domiciled in countries that tax firms' worldwide incomes with those of multinationals domiciled in territorial-tax countries, where foreign earnings are basically tax-exempt. While the evidence indicates that multinationals shift high-tax foreign income home, it does not support the hypothesis that firms subject to worldwide taxation shift less domestic income to low-tax foreign affiliates than do territorial-tax firms. This contradicts the conclusion of prior research that the smaller income-shifting response of U.S. multinationals to low foreign tax rates is a consequence of worldwide taxation. An alternative explanation may be that home-country tax authorities are effective at preventing substantial income shifting out of these countries.

* Presenter.

Stock Price Reactions to the 1985 Lifetime Capital Gains Exemption: Canadian Evidence

Tao Zeng* (Wilfrid Laurier University)

In this paper, I empirically test the stock abnormal return around the announcement of the lifetime capital gains exemption in the 1985 federal government budget. The Canadian federal government budget of May 23, 1985 provided, for individual taxpayers, a cumulative tax exemption for capital gains, up to a lifetime limit of $500,000. The empirical results find that, just before the announcement, the stock prices reacted negatively for high dividend yields and high individual shareholding stocks. This suggests that the market anticipated the capital gains tax change. The level of the individual shareholding, which proxies for whether the marginal shareholders are individual shareholders, is taken into account because the lifetime capital gains exemption was only applied to individual shareholders in the year 1985. The exemption was not applied to corporate shareholders until the year 1987.

Keywords Lifetime capital gains exemption; Abnormal return; Dividend yield; Individual shareholding.

* Presenter.

Inertia and Discreteness: Issues in Modeling Analyst Coverage

Maureen F. McNichols (Stanford University)
Patricia C. O'Brien* (University of Waterloo)

In this paper we explore the effects of two specification issues in empirical models of analyst coverage. First, because analysts tend to cover and ignore the same firms consistently year after year, we examine the effects of this inertia on models of coverage. Second, we examine the use of the standard linear regression model, which assumes the dependent variable is continuous. Analyst following is categorical and has a highly skewed distribution bounded below by zero, so the assumption of a continuous distribution is tenuous. We explore alternative models designed for discrete data, namely ordered probit and logit, to see how closely linear regression models compare with these alternatives. We are motivated to study these two specification issues because they reflect significant departures from the behavior of analysts assumed in the existing literature. Our purpose is to examine their effects on descriptive and predictive inferences drawn from this literature.

We find strong evidence that analyst inertia affects inferences in both time-series and cross-sectional studies of analyst following, because lagged following is a significant omitted variable. We find that both descriptive validity and predictive power of models of analyst coverage improve dramatically when we control for lagged analyst following.

We find that we can firmly reject the linear regression model in favor of discrete response models using the Vuong test statistic, and that descriptive inferences regarding volatility, market share and industry growth are affected by the model choice. The choice of model, however, does not materially affect either predictive accuracy or descriptive inferences about the effects of size, trading volume or share price on analyst coverage.

* Presenter.

Disclosure Practices, Enforcement of Accounting Standards and Analysts' Forecast Accuracy: An International Study

Ole-Kristian Hope* (University of Toronto)

Using a sample from 22 countries, I investigate the relations between the accuracy of analysts' earnings forecasts and the quantity of annual report disclosure; and between forecast accuracy and the degree of enforcement of accounting standards. I document that firm-level disclosures are positively related to forecast accuracy, suggesting that such disclosures provide useful information to analysts. I construct a comprehensive measure of enforcement and find that strong enforcement is associated with higher forecast accuracy. This finding is consistent with the hypothesis that enforcement encourages managers to follow prescribed accounting rules, which, in turn, reduces analysts' uncertainty about future earnings. I also find evidence consistent with disclosures being more important when analyst following is low and with enforcement being more important when more choice among accounting methods is allowed.

Keywords Disclosures; Enforcement; Financial analysts; Forecast accuracy; International.

* Presenter.

The Role of Regulation and Enforcement in Securities Market Interpretation of Accounting Information

A.S. Hilton* (University of Waterloo)

Accounting standard setters discussing global harmonization of accounting information have focused mainly on the accounting principles (GAAP) while spending little time discussing harmonization of securities regulations and enforcement. While harmonized accounting standards may be necessary to ensure global comparability of accounting information, they may not be sufficient. I examine the importance of harmonized securities regulations and enforcement. My research is particularly relevant to standard setters who are currently debating the future of global accounting standards, to securities commissions who are discussing allowing foreign crosslisted companies to file foreign GAAP financial statements, and also for future international accounting research.

I examine two unique research settings — a within-country (Canada) setting and a cross-country (Canada–US) setting. I use market based cost of capital measures and find support for my hypothesis that investors value securities market regulation and enforcement. My results for my cross-country sample are more difficult to analyse because of potential confounding factors implicit in a multi-country design.

I also conduct earnings response coefficient tests to provide additional evidence regarding investors' perception of the effect of securities regulation and enforcement on the quality of firms' disseminated information. The earnings response coefficient tests provide limited evidence supporting this hypothesis.

This paper currently examines data from one year, 1997. I plan to conduct similar tests in time-series around events which indicate that there should have been noticeable effects on the perceived quality of regulation and enforcement. The time-series results will provide evidence to strengthen the current results and also provide evidence regarding the capital markets perceptions of the effectiveness of the increased regulation and enforcement. This evidence should be useful to securities regulators when making future resource allocation decisions in regards to regulation and enforcement.

* Presenter.

Managers' Moral Value Concerning Budgetary Slack Creation

Danièle Blanchette* (Université de Sherbrooke)
Claude Pilote (Université du Québec à Montréal)
Jean Cadieux (Université de Sherbrooke)

Based on the ethical behavior model of Rest (1984), this study investigated the moral evaluation of budgetary slack (BS) creation by managers and its impact on intended and created BS. Managers would morally evaluate BS creation as negative because of its negative consequences on their organization. Their intended BS would be influenced by their moral judgment. And their intentions would influence their BS creation. If managers effectively perceive BS creation as an ethical dilemma, however, they evaluate BS creation as positive. This surprising result casts new light on the influence of moral judgment on BS creation. Further research is needed to understand the reasons underlying this positive judgment. Although managers' moral judgment influences their intended BS, it shows only weak importance. All managers intended to create BS, indicating that other personal or organizational factors have influence on their intentions. Most of managers succeeded at creating BS, implying that superiors or organizations permit such a behavior because of its positive impacts on the organization's objectives. Future research should look at that potential perspective of BS explanation.

Keywords Budgetary slack; Ethical behavior; Moral judgment.

* Presenter.

Managers' Commitment to the Multiple Goals Contained in a Strategic Performance Measurement System

R. Alan Webb* (University of Waterloo)

A strategic performance measurement system (SPMS) is a set of causally linked non-financial and financial objectives and performance measures designed to align managers' actions with an organization's strategy. The use of difficult non-financial and financial goals to motivate performance improvements is a common feature of the SPMS approach. This study focuses on managers' commitment to the multiple SPMS goals because research shows difficult goals are significantly more likely to lead to performance gains if individuals are committed to achieving them. Using Hollenbeck and Klein's (1987) goal setting framework, two SPMS features are predicted to affect goal commitment decisions (1) the strength of the cause-effect links between the non-financial and financial objectives and performance measures contained in a SPMS and (2) managers' beliefs in their ability to achieve the SPMS non-financial goals. Results of an experiment conducted with 56 experienced managers show commitment decisions are significantly affected by both SPMS features. Implications for further research and practice are discussed.

* Presenter.

Examination of the Fit Between Business Strategy and Management Accounting System Design: Impact on Performance

Emilio Boulianne* (Concordia University)

This paper examines the relationship between strategic choice, management accounting systems (MAS) design, and business unit performance. Using the strategy typology developed by Miles and Snow (1978, 1994), a survey research and secondary data analysis were conducted with 88 Canadian firms. Results suggest that for prospector strategic-types, and to a lesser extent to defender strategic-types, broad scope MAS contributed to achieve higher performance. In other words, managers of prospector and defender firms need, in addition to traditional accounting information, external, nonfinancial and future-oriented information to attain higher performance. For the analyzer strategic-type, results suggest a better match between analyzers and narrow scope MAS, which consists of internal, financial and historical information, supporting the assumption that information needs for managers of analyzers differ from those of prospectors and defenders, and the dual information requirements typical to analyzers.

We added to the validity of our results by using a multimethod, multiple respondents approach to support business strategy classification and business unit performance measurement. This represents a noticeable contribution since previous studies called for triangulation of variables with other sources.

* Presenter.

Proportionate Consolidation vs. the Equity Method: A Decision Usefulness Perspective on Reporting Interests in Joint Ventures

Roger C. Graham (Oregon State University)
Raymond D. King (University of Oregon)
Cameron K.J. Morrill* (University of Manitoba)

The number of joint ventures, and the number of industries in which joint ventures are commonplace, have expanded considerably over the past twenty years. The prescribed treatment for accounting for interests in joint ventures varies across nations, with some requiring the equity method (e.g., the United States) and some requiring proportionate consolidation (e.g., Canada). A 1999 report by the G4+1 recommends that venturers use the equity method to account for interests in joint ventures, but cautions that there is very little empirical evidence on the decision usefulness of one approach over the other. This paper provides empirical evidence on this question by analyzing the financial statements of Canadian firms reporting joint ventures over the period 1995–2000. Our results show that ratios calculated from proportionately consolidated venturer financial statements are more useful in predicting one-, two- and three-year-ahead return on common shareholders' equity than are ratios calculated from venturer financial statements prepared under the equity method. We conclude that, at least for this set of firms, proportionate consolidation provides information with greater predictive ability and, therefore, greater relevance to financial statement users than does the equity method.

* Presenter.

FAS 133 Option Fair Value Hedges: Financial-Engineering and Financial-Accounting Perspectives

James N. Bodurtha, Jr. (Georgetown University)
Daniel B. Thornton* (Queen's University)

FAS 133 (as amended by FAS 138) now governs the financial reporting of derivatives and hedging activities in the United States. The new standard parses option fair value changes into time value and intrinsic value components. To have an "effective" hedge that qualifies for hedge accounting, one generally identifies intrinsic value changes as the offset for changes in the fair values of hedged items. Time value is then a residual fair value component that generates earnings variability. For purchased options held to hedge maturity, we argue that this ephemeral, time value-induced earnings variability misrepresents the results of firms' hedging activities.

To focus this view, we first value FAS 133-induced earnings volatility, relying on the standard risk-neutral probability or martingale-pricing framework. This exercise highlights a canonical financial engineering innovation for the new accounting standard: Time Value Swaps (TVS). We illustrate how a variable TVS reduces time value-induced earnings changes. More importantly, we show how coupling a "fixed" TVS with variable time value-based option payments can largely fix period-to-period time value-related earnings adjustments, neutralizing the impact of the new accounting standard on reported quarterly earnings. Under this contract and related swap structure, option time values may, effectively, be amortized as they were before FAS 133 was introduced.

An appendix addresses a particular held-to-maturity option cash flow hedge implementation issue (DIG-G20) that has moved partially in the direction that we suggest. It also notes particular limits of DIG-G20 that motivates TVS use for cash flow hedges.

* Presenter.

An Investigation of the Value-Relevance of Alternative Foreign Exchange Disclosures

Thomas W. Scott* (University of Alberta — Edmonton)
Heather A. Wier (University of Alberta — Edmonton)

This research evaluates the effects of alternate foreign currency translation methods on financial statements, and the relation of these numbers to returns. We find that the deferral and amortization of gains and losses on the translation of long-term monetary items is less value-relevant for the price-setting process than the immediate recognition of these gains and losses in income. We also demonstrate that the change in the foreign currency translation adjustment measured under the current rate method of translation provides redundant information because conceptually, this change is a multiple of the exchange gain or loss on the translation of the foreign subsidiary's income statement into the parent's consolidated income statement. Further, we show that the translation adjustment fails to capture adequately whether a firm benefits or loses from foreign exchange movements because it ignores the relative levels of sales versus production in the subsidiary currency. This helps explain the inconsistent results from prior research. Accordingly, we propose and demonstrate that proxies for the relative level of sales versus production in the subsidiary currency provide information that is more relevant for returns than current GAAP-based disclosures, and consequently recommend that standard setters consider mandating these additional disclosures.

* Presenter.

Performance Measurement Practices: Comparing French Start-ups to French and American Traditional Firms

Eric Cauvin* (EDHEC)
Pierre-Laurent Bescos (EDHEC)

Literature of the 1990s advises the use of financial and non-monetary information in the measurement and the analysis of firms' performances. Kaplan and Norton (1996, 2001) even go further by integrating a strategic and an organizational criteria in an integrated measurement system: the Balanced Scorecard. The aim of this paper is to see if high potential firms use different performance indicators compared to traditional firms. We study in particular the use of scorecards in new economy firms implanted on the technopole Sophia Antipolis (France).

* Presenter.

Théorie institutionnelle et adoption de normes comptables internationalement reconnues : Étude de trois cas français sur la periode 1989–1993

Institutional Theory and the Choice of Internationally Recognized Accounting Standards: Three Case Studies Covering 1989–1993

Philippe Touron* (EDHEC)

Plusieurs chercheurs utilisent la théorie néo-institutionnalime en théorie des organisations (Meyer et Rowan, 1977 ; Dimaggio et Powell, 1983, Mézias, 1995). Le papier a deux objectifs : expliquer les décisions de mise en conformité des politiques comptables avec les GAAP reconnus sur le plan international et identifier les rôles respectifs des trois types d'isomorphisme (coercitif, normatif et mimétique). La méthode mise en œuvre s'inspire de Miles et Huberman (1994) et est appliquée à trois études trois cas : Aérospatiale (1989), Usinor (1991) et Coflexip (1993).

Mots-clés Décision comptable; Normes comptables reconnues sur le plan international; Théorie de l'agence; Théories néo-institutionnelles; Études de cas.

Several researchers have been used New-institutional theory in organizational theory (Meyer and Rowan, on 1977; DiMaggio and Powell, on 1983, Mezias, on 1995). The paper has two objectives: to explain the decisions of adoption of international accounting standards and to identify relative roles of the three types of isomorphism (coercive, normative and mimetic). Implemented method is inspired of Miles and Huberman (1994) and is applied to three cases studies three: Aerospatiale (1989), Usinor (1991) and Coflexip (1993).

Keywords Accounting decision; International and US GAAP; Agency theory; New-institutionalism theories; Cases studies.

* Presenter.

Analyse empirique des écarts de prévision de bénéfices dans les prospectus d'introduction : le cas français

An Empirical Analysis of the Forecast Errors in IPO Prospectuses: The French Situation

Alain Schatt* (Université de Franche-Comté)
Thierry Roy (Université de Franche-Comté)

Sur un échantillon de 151 introductions en bourse en France, nous analysons les biais et la rationalité des prévisions de bénéfices contenues dans les prospectus d'introduction. Nous proposons également un modèle explicatif des écarts de prévisions et vérifions si la performance boursière des titres est fonction des écarts de prévision.

Mots-clés Introduction en bourse; Prévisions de bénéfices; Optimisme; Performance boursière.

* Presenter.

The World Price of Earnings Opacity

Utpal Bhattacharya (Indiana University)
Hazem Daouk (University of Michigan)
Michael Welker* (Queen's University)

We analyze the financial statements of 58,653 firm-years from 34 countries for the period 1985–1998 to construct a panel data set measuring three dimensions of earnings opacity per country — earnings aggressiveness, loss avoidance, and earnings smoothing. We combine these three dimensions to obtain an overall earnings opacity time-series measure per country. We find that overall earnings opacity in the world is declining in the late 1990s.

The paper then goes on to explore whether earnings opacity affects two dimensions of an equity market in a country — the return the shareholders demand and how much they trade. Our panel data tests document that, after controlling for other influences, an increase in earnings opacity in a country is linked to a decrease in trading in the stock market of that country. The results with respect to the cost of equity of the country are mixed; one test shows a positive linkage, whereas another test shows no linkage.

* Presenter.

Banks' Response to Firms' Violation of Accounting Based Debt Covenant

Ping Zhang* (University of Toronto)

A two period model is employed in this paper to study a bank's decision on waiver of a borrower's debt-covenant violations, loan renegotiation between the bank and the borrower, and the borrower's accounting choice. The results of this paper support existing empirical observations that borrowers do not always increase accounting value by changing accounting policies and/or methods to circumvent the debt covenant. In certain situations borrowers receive debt relief or waiver from banks after breaches of debt contracts. This paper also concludes that the value of the debt to equity ratio does positively affect the likelihood that borrowers receive relief from banks after breaches of the debt covenants. However, the likelihood of waiver from a bank after a breach of covenant is decreased with a higher debt equity ratio. Therefore, using leverage as a proxy for accounting-based constraints in empirical tests is circumstantial and not supported by the results of this study.

* Presenter.

Managerial Incentives for Income Smoothing through Bank Loan Loss Provisions

Kiridaran Kanagaretnam (Wilfrid Laurier University)
Gerald J. Lobo* (Syracuse University)
Robert Mathieu (Wilfrid Laurier University)

We examine alternative underlying motives of bank managers in using loan loss provisions (LLP) to smooth reported income. Based on the analytical results of Fudenberg and Tirole (1995), we predict that for banks with good (poor) current performance and expected poor (good) future performance, managers will save income for (borrow income from) the future by reducing (increasing) current income through LLP. We also analyze three additional variables that could explain cross-sectional differences in the level of income smoothing. Our empirical analysis provides support for our predictions. The difference in LLP between the two groups of banks is positive as hypothesized, indicating that bank managers do save earnings through LLP in good times and borrow earnings using LLP in bad times. Similar results are obtained for analysis using discretionary LLP. When bank managers are saving earnings for the future, we provide evidence that the need to obtain external financing is an important additional variable in explaining cross-sectional differences in the extent of income smoothing. Furthermore, whether or not a bank is well capitalized is also weakly significant in explaining cross-sectional differences in income smoothing.

Keywords Income smoothing; Bank loan loss provisions; Job security.

We thank the referees for their many constructive suggestions. Gerald Lobo acknowledges the financial support provided by the School of Management at Syracuse University.

* Presenter.

Auditors' Virtue and Professional Role Behaviors: The Development of a Measure of Auditors' Virtue and an Examination of Associated Outcomes

Theresa Libby* (Wilfrid Laurier University)
Linda Thorne (York University)

The accounting profession is charged with maintaining the public trust in ensuring that audited financial statements are fairly presented (Hunt 2001; Brown 2000). The increasing complexity of financial transactions challenges auditors to rely on their professional judgment to determine appropriate accounting treatments in financial statements. In addition to technical expertise, auditors' virtue is integral to the exercise of professional judgment (Gaa 2001; Thorne 1998; Dobson & Armstrong 1995; Mintz 1995). Although accounting ethics researchers have identified the importance of virtue to professional judgment, little empirical work has examined virtue in the accounting domain perhaps due to the lack of a valid and reliable measure of audit virtue.

To address this shortcoming, we develop a measure of auditors' virtue, and examine the association of auditors' virtue with professional outcomes. To validate the measure, we survey 406 Canadian chartered accountants. Factor analysis of the data collected indicates six virtue subscales, similar in many respects to the qualitative categorization of Libby and Thorne (2001). In addition, we find the virtue subscales developed in this study were associated with professional outcomes including professional commitment, extra-role behavior and intention to leave public practice for those respondents remaining in public practice. It is hoped that our preliminary exploration of outcomes associated with auditors' virtue may allow for a better understanding of the importance of virtue to the accounting profession.

* Presenter.

Exploring Accountants' Social Desirability Bias

Janne Chung* (York University)
Gary S. Monroe (Australian National University)

This study examines social desirability bias in the context of ethical decision-making by accountants. It hypothesizes a negative relation between social desirability bias and ethical evaluation. It also predicts main effects for gender and religiousness and an interaction effect between these two variables and social desirability bias. An experiment using five general business vignettes was carried out on 121 accountants (63 males and 58 females). The results show that social desirability bias is higher (lower) when the situation encountered is more (less) unethical. The bias has religiousness and gender main effects as well as an interaction effect between these two independent variables. Religious women recorded the highest bias scores relative to non-religious women and both religious and non-religious men. This suggests that the bias may be affected by idealism — a trait that is inherent among women and the religious. The study concludes with a discussion on the implications of these results on future ethics research as well as ethics training.

* Presenter.

A Review and Synthesis of the Empirical Research on the Ethical Dimension of Accountants' Professional Judgment

Joanne Jones* (York University)
Dawn W. Massey (Fairfield University)
Linda Thorne (York University)

This paper reviews and synthesizes the empirical literature on the ethical dimension of accountants' professional judgment. Distinct from prior reviews of accounting ethics research, we further the development of theory in accounting ethics by first developing an integrated model of the factors associated with the ethical dimension of accountants' professional judgment and, second, using the model as a framework to organize our review. Our model, which is based on an amalgamation of theoretical literature in applied ethics and accounting, explicitly identifies the association between individual characteristics and contextual factors with accountants' ethical cognition, and accountants' execution of professional judgment. Individual characteristics include moral development and ethical character. Contextual factors include motivation and opportunity. After reviewing and synthesizing the empirical studies that examine the various factors associated with the ethical dimension of accountants' professional judgment, we summarize our findings and identify opportunities for future research.

* Presenter.

Paper Forum

Présentations par affiches

The Effect of Attention on Auditors' Memory of Internal Control Information

Lori S. Kopp (University of Manitoba)

This study extends the decision-maker task involvement research by investigating the amount of auditor attention given to information during internal control documentation procedures, and the effect of this attention on internal control knowledge acquisition. Based on the levels-of-processing framework (Craik and Lockhart 1972), I predict that the greater attention paid when completing an internal control questionnaire after reviewing an internal control narrative should lead to the acquisition of more internal control knowledge than when a previously completed internal control questionnaire and narrative are reviewed. The relationship between the number of internal control weaknesses and strengths learned and the level of control risk assessment also is examined.

Results suggest that the audit seniors who completed an internal control questionnaire retained significantly more internal control information than audit seniors who reviewed an internal control questionnaire completed by another individual. This result held when separately examining the internal control strengths and weaknesses. In addition, a negative correlation between memory of internal control strengths and control risk assessment was found with the auditors who completed the internal control questionnaire.

Keywords Attention; Memory; Internal control.

The Effects of Instruction and Task Structure on Internal Control Evaluation Performance

Lori S. Kopp (University of Manitoba)

Hirst and Koonce (1996) suggest that internal control evaluation may receive increased attention as auditors strive to improve audit efficiency. This study conducts an experiment to examine whether internal control evaluation instruction or task presentation using a specific knowledge structure (transaction flow or control objective) results in superior performance of an internal control evaluation task.

The results of this study indicate that presentation of internal control narrative using the transaction flow structure enables novices to identify significantly more internal control strengths and weaknesses than does using the control objective knowledge structure. High knowledge structure participants instructed using the transaction flow structure evaluated internal control better than high knowledge structure participants instructed using the control objective structure. Greater knowledge structure participants are individuals who had attained their instructed knowledge structure more completely. These results suggest that a transaction flow approach is superior to a control objective approach when a narrative is used by to evaluate an internal control system.

Keywords Internal control evaluation; Knowledge structure; Task structure; Transaction flow; Control objective.

Conscientiousness and Ability as Predictors of Learning in an Introductory Accounting Course

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While, research documents the relation between conscientiousness and performance criteria, little research has studied the temporal stability of that relation. We address the stability of the conscientiousness-performance relations in a learning environment, as well as address the relation of conscientiousness with learning after first removing the effects of ability and prior learning. Based on the "Honeymoon Effect" (Helmreich, Sawin, & Carsrud, 1986), we predicted that the strength of the relation between conscientiousness and performance would increase over time. Data from 279 students enrolled in an accounting course show a time X conscientiousness interaction. Although conscientiousness was not related to initial performance, it predicted later performance. In addition, conscientiousness added to performance variance above and beyond the effects of ability and prior learning. Taken together, these data extend the "Honeymoon Effect" and support theory implying that a single correlation coefficient between a noncognitive predictor and a performance criterion may not capture the nature of the relation between the two variables.

Keywords Conscientiousness; Learning; Ability.

Tax Savings from the 1987 Canadian Tax Reform and Firm Market Value

Tao Zeng (Wilfrid Laurier University)

The paper develops a tax-adjusted market valuation framework by adding corporate tax into Ohlson's(1995) residual model. Under corporate tax, firm market value can be expressed as the bottom line pre-tax accounting value (i.e., pre-tax book value and abnormal earnings), net of the expected future tax payment. The 1987 Canadian Tax Reform, which dramatically changes the tax regime in Canada, provides a unique opportunity to test the effects of the changes in firm tax payment on its market value. The empirical results support the tax-adjusted market valuation model. It is shown that firm market value is enhanced by the tax savings from the 1987 Canadian Tax Reform.

Keywords Tax-adjusted market valuation model; Tax saving; Canadian Tax Reform.

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