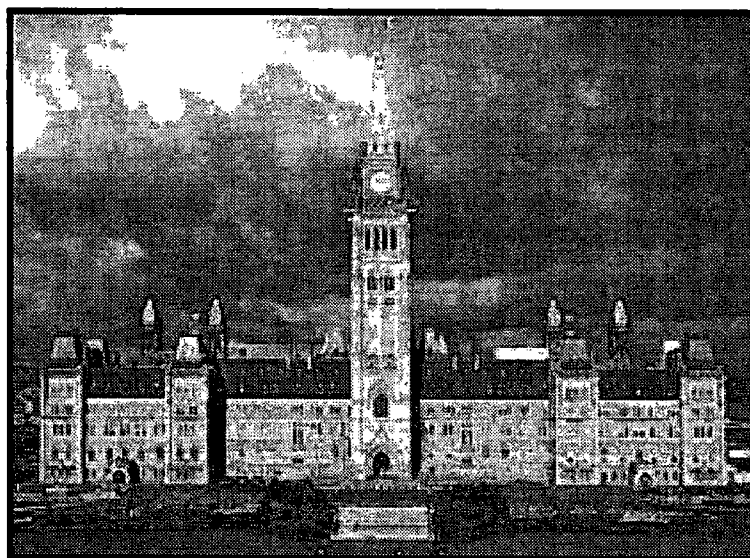


The Canadian Academic Accounting Association
L'Association canadienne des professeurs de comptabilité

“Capital” Accounting

« Capital » et comptabilité



CAAA CONFERENCE 2003 PROGRAM

May 29 – June 1, 2003
Crowne Plaza Hotel
Ottawa

PROGRAM DU CONGRÈS 2003 DE L'ACPC

du 29 mai au 1 juin 2003
Crowne Plaza Hotel
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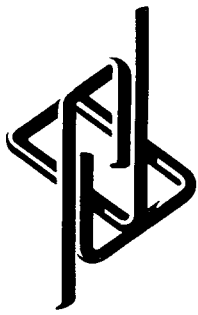
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would like
to welcome
you to

Ottawa
and the **CAAA**
2003!

Welcome



**Canadian Academic Accounting Association
Association canadienne des professeurs de comptabilité**

CAAA CONFERENCE 2003

CONGRÈS 2003 DE L'ACPC

“Capital” Accounting « Capital » et comptabilité

Conference Chair / Présidente du congrès

Merridee Bujaki

School of Management, University of Ottawa

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The Canadian Academic Accounting Association wishes to thank its generous supporters for helping make our conference possible and for supporting our many initiatives. Our organization benefits most from the support of our national accounting bodies, who provide both financial and volunteer assistance to our endeavours throughout the year.

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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Nous sommes également reconnaissants envers les nombreuses entreprises qui ont accordé leur appui à notre congrès annuel, soit :

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Conference Program

Programme du congrès

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

CAAA Presidents / Présidents de l'ACPC

Joan Conrod	2002-2003	Samuel H. Jopling	1989-1990
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

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

Howard D. Teall	2002	Michael Gibbins	1992
T. Ross Archibald	2001	Joel H. Amernic	1990
Howard M. Armitage	2000	Daniel B. Thornton	1989
Irene M. Gordon	1999	Réjean Brault	1988
George C. Baxter	1998	J. David Blazouske	1987
Stanley L. Laiken	1997	John R. Hanna	1986
George R. Chesley	1996	James Everil Smyth	1985
Nadi Chlala	1995	Sanjoy (Joe) Basu	1983
Norman B. Macintosh	1994		

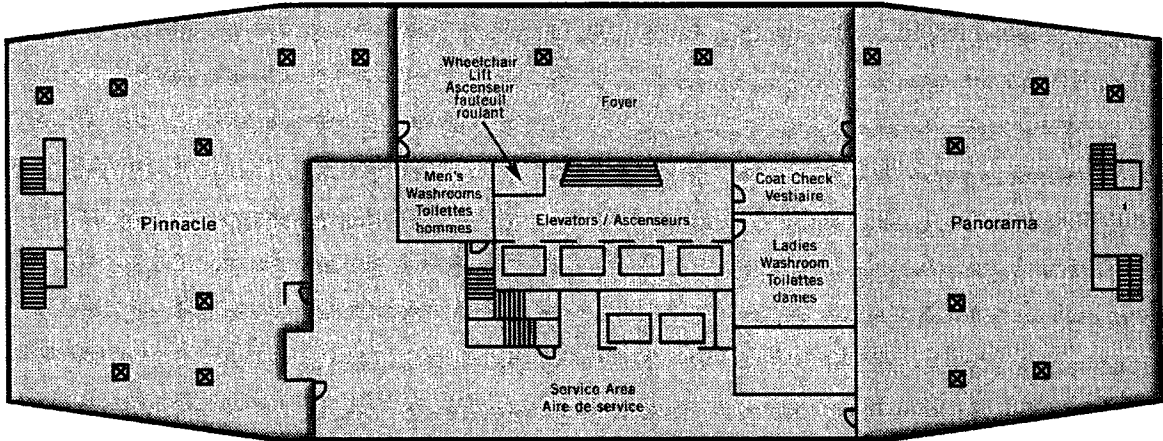
Winners of the Haim Falk Award for Distinguished Contribution to Accounting Thought

Lauréats du Prix Haim Falk pour contribution remarquable aux sciences comptables

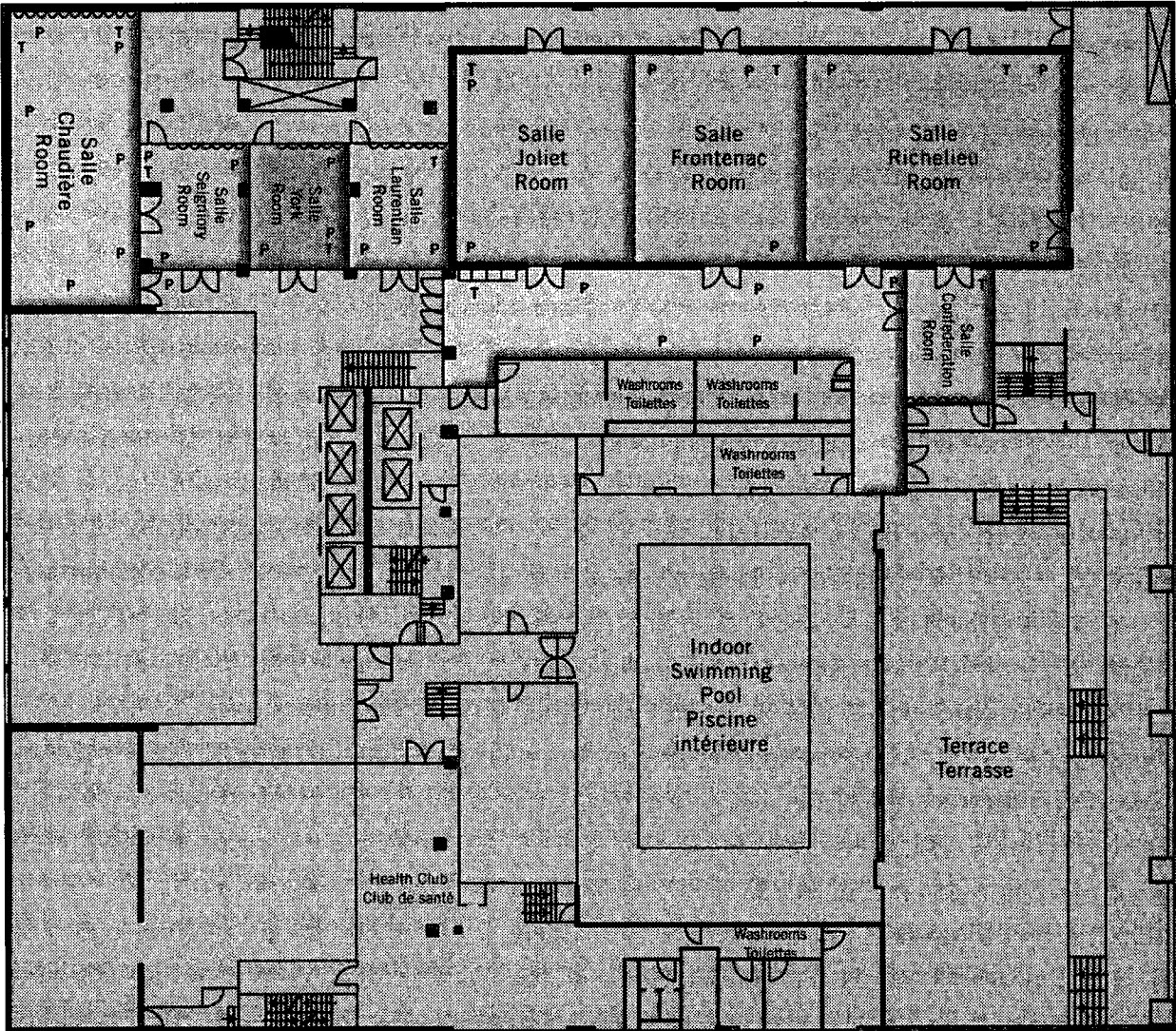
Dan A. Simunic	2001	Ross M. Skinner	1990
Norman B. Macintosh	1998	Anthony A. Atkinson	1989
Gerald A. Feltham	1994	William R. Scott	1988
George J. Murphy	1992	Daniel B. Thornton	1987
Richard V. Mattessich	1991		

Conference Levels / Étages de conférence

Penthouse Level / Niveau penthouse

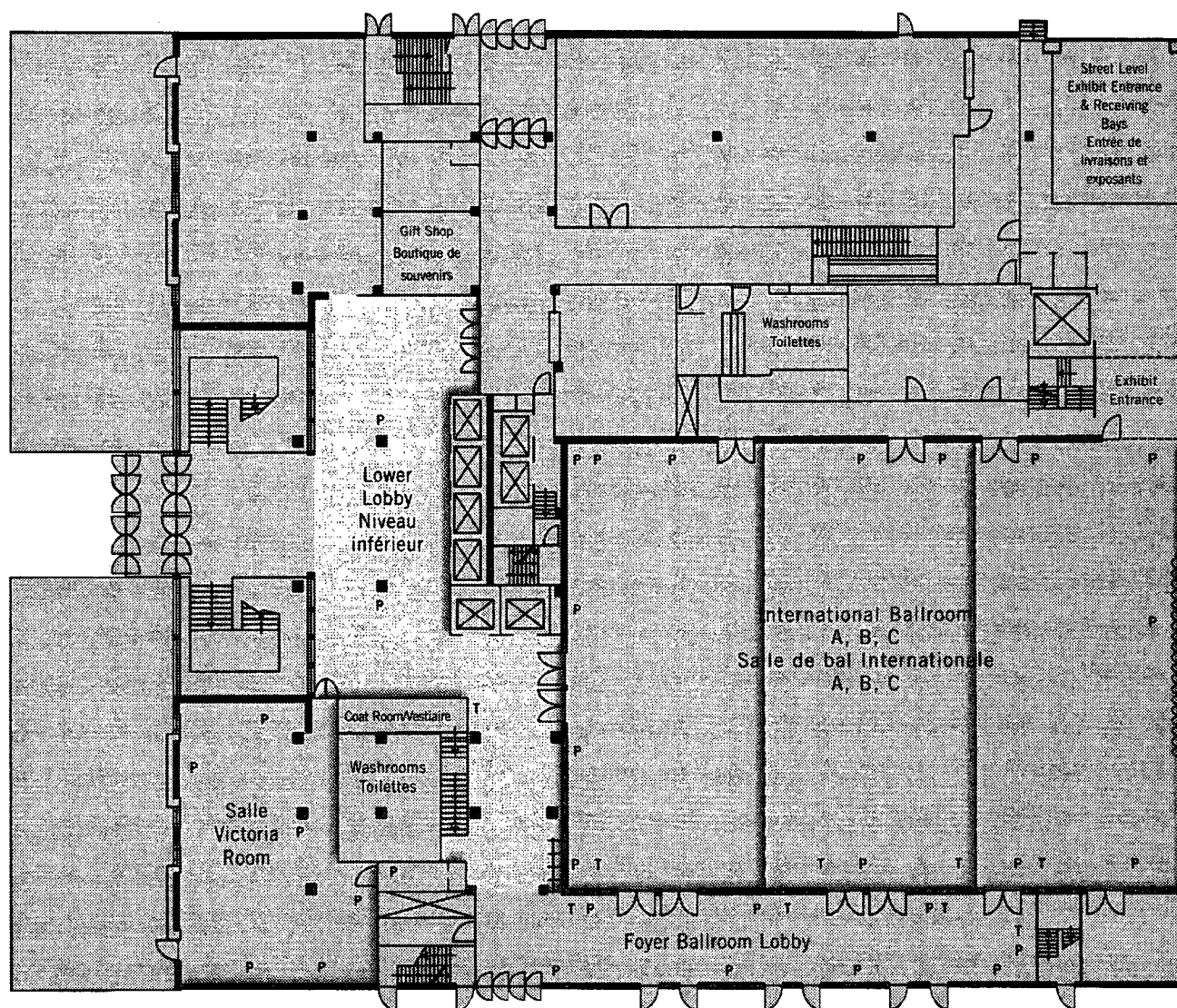


Convention Level / Niveau des congrès



Conference Levels / Étages de conférence

Lower Level / Niveau inférieur



Legend / Légende

Level PH / Niveau PH = Penthouse Level / Niveau penthouse

Level C / Niveau C = Convention Level / Niveau des congrès

Level L / Niveau I = Lower Level / Niveau inférieur

P = Electrical outlets / Courant électrique

T = Telephone / Téléphone

Timetable

	Ballroom B	Richelieu (Session A)	Victoria	Frontenac (Session C)	Joliet
THURSDAY – SATURDAY	Registration in Lower Lobby Thursday Breakfast and Breaks in Lower Lobby Friday and Saturday Breakfasts and Breaks in Ballroom A with Book and Software Display (until Saturday noon)				
THURSDAY – FRIDAY	Receptions in Panorama Room, Penthouse Level				
THURSDAY 09:00 – 17:00 Concurrent Workshops		CICA Workshop		CAAA Workshop	
16:00 – 17:00			CAAA Education Committee		
17:00 – 18:30			CAAA Board Training Meeting (by invitation)		
FRIDAY 07:30 – 08:30			CAAA Liaisons Breakfast (by invitation)		
08:30 – 09:10	Opening Remarks				
09:10 – 10:25	Plenary Session I				
10:55 – 12:25 Concurrent Sessions 1		Education 1A Financial Reporting	1B Auditing	Risk	1D University Dept. Heads' Exchange
12:30 – 14:35	President's Luncheon				
14:40 – 16:10 Concurrent Sessions 2		Education 2A Technology	2B Tax	Management Accounting	2D Environmental & Social Acct'g
16:40 – 17:55	AGM				
SATURDAY 08:30 – 10:00 Concurrent Sessions 3		Education 3A Faculty Productivity	3B Corporate Governance	Analysts	
10:30 – 12:00 Concurrent Sessions 4		Education 4A Roundtable: Innovation		Standards Setting	4B Auditing — Economics
12:00 – 14:15	Members' Luncheon				
14:15 – 15:45 Concurrent Sessions 5		Education 5A Competency-Based Education	5D Accounting Innovations	Story Telling	5B Performance Measurement
16:15 – 17:25	Plenary Session II				
17:25 – 17:30	Closing Remarks				
	Ballroom B	Richelieu	Seigniory		
SUNDAY 08:15 – 12:00		Ethics Workshop			
08:30 – 12:00			Conference Assessment and Planning Meeting (by invitation)		
12:00 – 13:00	Lunch (Farewell Lunch for morning session attendees only)				

Horaire

	Ballroom B	Richelieu (Séance A)	Victoria	Frontenac (Séance C)	Joliet
JEUDI – SAMEDI	Inscription dans le Niveau inférieur Jeudi, petit déjeuner et pauses dans le Niveau inférieur Pétits déjeuners et pauses dans le Ballroom A avec exposition de livres et de logiciel (jusqu'à samedi midi)				
JEUDI – VENDREDI	Réceptions tenues dans la salle Panorama (Penthouse)				
JEUDI 09:00 – 17:00 Ateliers simultanés		Atelier de l'ICCA		Atelier de l'ACPC	
16:00 – 17:00			Comité de formation de l'ACPC		
17:00 – 19:00			Réunion-formation du Conseil de l'ACPC (sur invitation)		
VENDREDI 07:30 – 08:30			Petit déjeuner de liaison de l'ACPC (sur invitation)		
08:30 – 09:10	Mot d'ouverture				
09:10 – 10:25	Séance plénière I				
10:55 - 12:25 Séances simultanées 1		Formation 1A Présentation de l'information	1B Vérification	Le risque	1D Échange entre les chefs de département d'université
12:30 – 14:35	Déjeuner du président				
14:40 – 16:10 Séances simultanées 2		Formation 2A Technologie	2B La fiscalité	La comptabilité de gestion	2D La comptabilité environnementale et sociale
16:40 – 17:55	AGA				
SAMEDI 08:30 – 10:00 Séances simultanées 3		Formation 3A La productivité	3B La gouvernance d'entreprise	Les analystes	
10:30 – 12:00 Séances simultanées 4		Formation 4A Table ronde : L'innovation		La normalisation	4B Vérification — Économie
12:00 – 14:15	Déjeuner des membres				
14:15 – 15:45 Séances simultanées 5		Formation 5A La formation axée sur les compétences	5D Innovation en formation comptable	Narration d'une histoire	5B La mesure du rendement
16:15 – 17:25	Séance plénière II				
17:25 – 17:30	Mot de clôture				
	Ballroom B	Richelieu	Seignory		
DIMANCHE 08:15 – 12:00		Atelier sur l'éthique			
08:30 – 12:00			Évaluation du congrès et réunion de programmation (sur invitation)		
12:00 – 13:00	Déjeuner (Déjeuner d'adieu strictement réservé aux participants à la séance du matin)				

Thursday, May 29 / Jeudi 29 mai

Registration / Inscription

08:00 – 10:00 Conference Program / Programme du congrès

Lower Lobby,
Level L / Niveau I

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Conference Tote Bag / Sac du congrès

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Carleton University, Sprott School of
Business



Breakfast / Petit déjeuner

08:15 – 09:00 *Only for those registered in the CAAA Research or CICA/
CAAA Workshop.*

Lower Lobby,
Level L / Niveau I

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

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Concurrent Workshops / Ateliers simultanés

Workshop / Atelier I CICA Workshop / Atelier

09:00 – 17:00 ***CICA Capital Markets: The Accounting Profession's
Crossroads***

Richelieu,
Level C / Niveau C

***Atelier de l'ICCA sur les marchés financiers : La croisée
des chemins pour la profession comptable***

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Workshop / Atelier II CAAA Workshop / Atelier

09:00 – 17:00 ***The Craft of Accounting Research: Planning, Performing,
and Publishing Research in Accounting and Auditing***

Frontenac,
Level C / Niveau C

***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 29 / Jeudi 29 mai

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

09:00 – 10:30

Frontenac,
Level C / Niveau C

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

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Gordon D. Richardson
(University of Toronto)

Steven E. Salterio
(University of Waterloo)

Dan A. Simunic
(University of British
Columbia)

CICA Workshop 1 / ICCA Atelier

09:00 – 10:30

Richelieu,
Level C / Niveau C

Capital Market Reform / La réforme des marchés financiers

Speaker / Conférencier

J. L. Goodfellow (Deloitte & Touche LLP), Chair, Canadian
Performance Reporting Board

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Nutrition Break / Pause santé

10:30 – 11:00

Lower Lobby,
Level L / Niveau I

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

11:00 – 12:30

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Gordon D. Richardson
(University of Toronto)

Steven E. Salterio
(University of Waterloo)

Dan A. Simunic
(University of British
Columbia)

CICA Workshop 2 / Deuxième partie de l'atelier de l'ICCA

11:00 – 12:30

Richelieu,
Level C / Niveau C

Accounting, Empirical Measurement and Intellectual Capital

Comptabilité, mesure empirique et capital intellectuel

Speaker / Conférencier

Roland Burgman, President and CEO, AssetEconomics Inc.

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Lunch

12:30 – 13:30

Ballroom A,
Level L / Niveau I

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CICA / ICCA
CAAA / ACPC



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

13:30 – 15:00

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Level C / Niveau C

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(University of Toronto)

Steven E. Salterio
(University of Waterloo)

Dan A. Simunic
(University of British
Columbia)

CICA Workshop 3 / Troisième partie de l'atelier de l'ICCA

13:30 – 15:00

Richelieu,
Level C / Niveau C

Developments in Canadian Accounting Standards

L'évolution des normes canadiennes de comptabilité

Speaker / Conférencier

Paul Cherry, Chair, Canadian Accounting Standards Board

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Nutrition Break / Pause santé

15:00 – 15:30

Lower Lobby,
Level L / Niveau I

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

15:30 – 17:00

Frontenac,
Level C / Niveau C

*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 Toronto)

Steven E. Salterio
(University of Waterloo)

Dan A. Simunic
(University of British
Columbia)

Thursday, May 29 / Jeudi 29 mai

CICA Workshop 4 / Quatrième partie de l'atelier de l'ICCA

15:30 – 17:00 *Performance Measurement, Reporting and Accountability*
Richelieu, – A Panel

Level C / Niveau C

Mesure du rendement, présentation de l'information et reddition de comptes – Un débat d'experts

Speakers / Conférenciers

J.L. Goodfellow (Deloitte and Touche LLP)

Roland Burgman (AssetEconomics Inc.)

Paul Cherry (Canadian Accounting Standards Board)

Sponsor / Commanditaire

CICA / ICCA



Conference Registration / Inscription au congrès

16:00 – 19:00 Conference Program / Programme du congrès

Lower Lobby,
Level L / Niveau I

Sponsor / Commanditaire

Pearson Education Canada



Conference Tote Bag / Sac du congrès

Sponsor / Commanditaire

Carleton University, Sprott School of Business



CAAA Board Training Meeting /

Réunion de formation à l'intention des membres du conseil de l'ACPC

17:00 – 18:30 *(by invitation only / sur invitation seulement)*

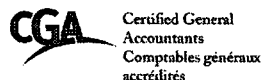
Victoria,
Level L / Niveau I

Welcome Reception / Réception d'accueil

19:00 – 22:00 **Sponsor / Commanditaire**

Panorama,
Level PH /
Niveau PH

CGA-Canada



Friday, May 30 / Vendredi 30 mai

Registration / Inscription

07:30 – 16:30 Conference Program / Programme du congrès

Richelieu,
Lower Lobby,
Level L / Niveau I

Sponsor / Commanditaire
Pearson Education Canada



Conference Tote Bag / Sac du congrès

Sponsor / Commanditaire
Carleton University, Sprott School of
Business



Book and Software Display / Exposition de livres et de logiciels

07:30 – 16:30

Ballroom A,
Level L / Niveau I

Breakfast / Petit déjeuner

07:30 – 08:30

Ballroom A,
Level L / Niveau I

Sponsor / Commanditaire
Queen's University



CAAA Liaisons Breakfast /

Petit déjeuner à l'intention des agents de liaison de l'ACPC

07:30 – 08:30

(by invitation only / sur invitation seulement)

Victoria,
Level L / Niveau I

Opening Remarks / Mot d'ouverture

08:30 – 09:10

Ballroom B,
Level L / Niveau I

Conference Chair / Président de l'ACPC
Merridee Bujaki (University of Ottawa)

CAAA President / Président de l'ACPC
Joan Conrod (Dalhousie University)

AAA President / Président de l'AAA
Peter Wilson (Boston College)

**Tribute to the Late Ross M. Skinner /
Homage à feu Ross M. Skinner**

Friday, May 30 / Vendredi 30 mai

Plenary Session 1 / Séance plénière d'ouverture

09:10 – 10:25

Ballroom B,
Level L / Niveau I

Focus on Applied Research

Gros plan sur la recherche appliquée

Institutional changes over the past few years have made accounting academics (and business education and research in general) more responsive to the needs of practitioners. This plenary will explore these changes to provide insights into what an applied perspective on education and research really means, including what it is, how it's funded, where it's published, and how it leads to university/college inter-reliance.

Les changements institutionnels qui sont survenus ces quelques dernières années ont rendu les professeurs de comptabilité (et le milieu de la recherche et de la formation en gestion d'entreprise, en général) plus sensibles aux besoins des praticiens. Durant cette plénière, les participants exploreront ces changements pour découvrir ce que signifie vraiment aborder la formation et la recherche dans une perspective appliquée, y compris ce qu'est la recherche appliquée, la façon dont elle est subventionnée, les organes de diffusion de ses résultats et la façon dont elle suscite les alliances entre les collèges et les universités.

Moderator / Animateur

Alan Richardson
(Queen's University; Editor,
Canadian Accounting Perspectives)

Panel / Groupe de discussion

Bernadette Schell
(Dean, School of Business,
University of Ontario Institute
of Technology)

Michael Hodgson
(SSHRC Program Officer —
Accounting, Finance,
Management Science, and
Productions & Operations
Management — Research
and Dissemination Grants
Division)

Jack Treuhaft
(Director of Applied Research
and Development, Algonquin
College)

Nutrition Break / Pause santé

10:25 – 10:55

Ballroom A,
Level L / Niveau I

Sponsor / Commanditaire

Certified Management Accountants of Ontario



Concurrent Sessions 1 / Séances simultanées 1

Session / Séance 1A

10:55 – 12:25

Richelieu,
Level C / Niveau C

A New Financial Reporting Model ... and More

Un nouveau modèle de présentation de l'information... et plus encore

Speaker / Conférenciers

Martha Jones-Denning (PSAB)

Friday, May 30 / Vendredi 30 mai

Session / Séance 1B

10:55 – 12:25

Victoria,
Level L / Niveau I

Auditing — Individual Effects

Vérification — Effets individuels

Session Chair / Animateur de séance

Martin Wu (University of Illinois)

Speakers / Conférenciers

Internal Control Evaluation and Interference Effects

Janet Morrill* (University of Manitoba)

Cameron Morrill (University of Manitoba)

Lori Kopp (University of Lethbridge)

Auditors' Selective Perception and Pattern Recognition Tasks

Guoping Liu (University of Waterloo)

Do Auditors Think as Frequentists?

Natalia V. Kotchetova* (University of Waterloo)

William F. Messier (Georgia State University)

Aasmund Ellisen (Norwegian School of Economics
and Business Administration)

Discussant /

Commentateur

Hussein Warsame
(University of Calgary)

Session / Séance 1C

10:55 – 12:25

Frontenac,
Level C / Niveau C

Risk

Le risque

Session Chair / Animateur de séance

Philip McIlkenny, University of Ottawa

Speakers / Conférenciers

*Measuring and Accounting Market Price Risk Tradeoffs in Stock
for Stock Exchanges as Real Options*

Hemantha S.B. Herath* (University of Northern British
Columbia)

John S. Jahera (Auburn University)

Discussant /

Commentateur

Allan Hodgson
(Clarkson and Griffith
Universities)

* Presenter.

Friday, May 30 / Vendredi 30 mai

*Stabilization Activities by Underwriters in the IPO Aftermarket
and the Firm's Long-Run Risk and Return*

Duane B. Kennedy* (University of Waterloo)

Ranjini Sivakumar (University of Waterloo)

Kenneth R. Vetzal (University of Waterloo)

*Earnings Quality, Off-Balance Sheet Risk, and Accounting for
Transferring of Financial Assets: A Capital Market Investigation*

Flora Niu (University of Waterloo)

Session / Séance 1D

10:55 – 12:25

University Department Heads' Exchange

Joliet,

Level C / Niveau C

Échange entre les chefs de département d'université

Session Chair / Animateur de séance

Michael Gibbins (University of Alberta)

President's Luncheon / Déjeuner du président

12:30 – 14:35

Sponsor / Commanditaire

Ballroom B,

Level L / Niveau L

CMA Canada



Speaker / Conférencier

Michael Tinkler

Topic / Sujet

Strategic Cost Management

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

L. S. Rosen Award for Outstanding Educator /

Prix L. S. Rosen, éducateur exceptionnel

V. Bruce Irvine (University of Saskatchewan)

**Haim Falk Award for Excellence in Scholarly Achievement,
a distinguished contribution to the advancement of
accounting thought /**

**Remise du prix Haim Falk pour contribution remarquable
aux sciences comptables**

Michael Gibbins (University of Alberta)

* Presenter.

Concurrent Sessions 2 / Séances simultanées 2

Session / Séance 2A

14:40 – 16:10 *Enhancing Student Success by Using Technology
and Interactive Tools*
Richelieu,
Level C / Niveau C *Accroître le succès des étudiants au moyen de la
technologie et d'outils interactifs*

Presenter / Conférencière

Tilly Jensen (Northern Alberta Institute of Technology)

Session / Séance 2B

14:40 – 16:10 *Tax*
Victoria,
Level L / Niveau L *La fiscalité*

Discussant / Commentateur

Thomas Matthews
(University of Alberta)

Session Chair / Animateur de séance

François Brouard (Carleton University)

Speakers / Conférenciers

*The Impact of Personal Income Taxes on Returns and Rankings
of Canadian Equity Mutual Funds*

Amin Mawani,* Moshe Milevsky (York University)

Kam Panyagometh (IFID Centre)

*Empirical Evidence on Taxpayers' Perceptions of Their Marginal
Tax Rates*

Pauline Downer* (Memorial University of Newfoundland)

Alan Macnaughton (University of Waterloo)

Jeffrey Pittman (Memorial University of Newfoundland)

*Moral Suasion, Anonymity, Home Decision-Making and Tax
Compliance: A New Experimental Approach*

C. Bram Cadsby (University of Guelph)

Elizabeth Maynes (York University)

Viswanath Umashanker Trivedi* (York University)

*The Effects of Friendly Persuasion and Gender on Tax
Compliance Behavior*

Janne Chung (York University)

Viswanath Umashanker Trivedi* (York University)

* Presenter.

Friday, May 30 / Vendredi 30 mai

Session / Séance 2C

14:40 – 16:10

Frontenac,

Level C / Niveau C

Management Accounting

La comptabilité de gestion

Session Chair / Animateur de séance

Ron Eden (University of Ottawa)

Speakers / Conférenciers

The Balanced Scorecard: The Effects of Assurance and Process Accountability on Managerial Judgment

Theresa Libby (Wilfrid Laurier University)

Steven Salterio (University of Waterloo)

Alan Webb* (University of Waterloo)

A Mathematical Function for Managers' Moral Evaluation of Budgetary Slack Creation

Claude Pilote* (Université du Québec à Montréal)

Danièle Blanchette (Université de Sherbrooke)

Jean Cadieux (Université de Sherbrooke)

Management Accounting System Innovation: Insights from Dual Core Theory

Laura D. MacDonald* (Wilfrid Laurier University)

Alan J. Richardson (Queen's University)

Discussant /

Commentateur

Angela Downey

(University of Lethbridge)

Session / Séance 2D

14:40 – 16:10

Joliet,

Level C / Niveau C

Environmental & Social Accounting

La comptabilité environnementale et sociale

Session Chair / Animateur de séance

Nola Buhr (University of Saskatchewan)

Speakers / Conférenciers

The Moderating Effects of National Culture on Escalation of Commitment

Stephen B. Salter (University of Cincinnati)

David J. Sharp (University of Western Ontario)

Yasheng Chen* (University of Western Ontario)

Discussant /

Commentateur

Kathryn Pedwell

(University of Ottawa)

* Presenter.

Friday, May 30 / Vendredi 30 mai

Environmental Disclosure Research: Review and Synthesis

Sylvie Berthelot* (Université de Moncton)

Denis Cormier (Université du Québec à Montréal)

Michel Magnan (Concordia University)

Legitimacy Theory and Corporate Social Responsibility: Annual Report Disclosure after the Omai Mine Accident

Vanessa Magness (Ryerson University)

Nutrition Break / Pause santé

16:10 – 16:40

Ballroom A,
Level L / Niveau I

Sponsor / Commanditaire

Pearson Education Canada



CAAA Annual General Meeting / Assemblée générale annuelle de l'ACPC

16:40 – 17:55

Ballroom B,
Level L / Niveau I

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

17:55 – 20:10

Panorama,
Level PH /
Niveau PH

Sponsors / Commanditaires

John Wiley & Sons Canada Ltd.

University of Ottawa



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

20:10 – ?

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

* Presenter.

Saturday, May 31 / Samedi 31 mai

Fun Run

06:30 – 07:30 *Leave the hotel lobby at 6:30 a.m. for a run through Ottawa –
Gatineau (approximately 5 km). / Départ de l'entrée de l'hôtel
à 6 h 30 – Course d'environ 5 km entre Ottawa et Gatineau*

Hotel Lobby /
L'entrée de l'hôtel

Registration / Inscription

07:30 – 09:30 **Sponsor / Commanditaire**
Coat Check, Pearson Education Canada
Level L / Niveau I



Conference Tote Bag / Sac du congrès

Sponsor / Commanditaire
Carleton University, Sprott School of
Business



Book and Software Display / Exposition de livres et de logiciels

07:30 – 12:00
Ballroom A,
Level L / Niveau I

Breakfast / Petit déjeuner

07:30 – 08:30
Ballroom A,
Level L / Niveau I

Concurrent Sessions 3 / Séances simultanées 3

Session / Séance 3A

08:30 – 10:00 ***Accounting Faculty Productivity: Links Between Teaching
and Research***
Richelieu,
Level C / Niveau C ***La productivité des professeurs de comptabilité – Les
liens entre l'enseignement et la recherche***

Moderator / Animateur
Janet Morrill (University of Manitoba)

Panelists / Experts
Joel Demski (University of Florida)
Gary Entwistle (University of Saskatchewan)

Session / Séance 3B

08:30 – 10:00

An International Perspective on Corporate Governance

Une perspective internationale sur la gouvernance d'entreprise

**Discussant /
Commentateur**
Michael Maingot

Session Chair / Animateur de séance

Natalia Kotchetova, University of Waterloo

An Empirical Study of Audit Opinions and Auditor Switching in a Transitional Economy

K. Hung Chan (Lingnan University)

Kenny Z. Lin (Lingnan University)

Phyllis L.L. Mo (Hong Kong Polytechnic University)

Role and Functions of Audit Committees in The Indian Corporate Governance: Empirical Findings

Jawad A. Madhaki (University of Bahrain)

H.L. Joshi (University of Bahrain)

Auditor Designation, Corporate Governance, and Earnings Management: Evidence from Korea

Jeong-Bon Kim (Hong Kong Polytechnic University)

Chung-Ki Min (Hankuk University of Foreign Studies)

Cheong H. Yi (Hong Kong Polytechnic University)

Session / Séance 3C

08:30 – 10:00

Analysts

Frontenac,
Level C / Niveau C

Les analystes

**Discussant /
Commentateur**
Bixia Xu
(Wilfrid Laurier University)

Session Chair / Animateur de séance

Hemantha Herath, University of Northern British Columbia

Analyst Initiating or Discontinuing Coverage and Future Firm Performance

Jerry Yuekang Sun (University of Waterloo)

The Association between the Level of Economic Development of a Firm's Country of Domicile and Analysts' Forecast Accuracy and Bias: Some Evidence from American Depository Receipts

Tony Kang (Singapore Management University)

Saturday, May 31 / Samedi 31 mai

Gains to Valuation Accuracy of Direct Valuation Over Industry Multiplier Approaches

Lucie Courteau (Eastern Mediterranean University)

Jennifer L. Kao (University of Alberta)

Terry O'Keefe (University of Oregon and University of Queensland)

Gordon D. Richardson* (University of Toronto)

Nutrition Break / Pause santé

10:00 – 10:30

Ballroom A,
Level L / Niveau I

Sponsor / Commanditaire

Thomson Nelson



Concurrent Sessions 4 / Séances simultanées 4

Session / Séance 4A

10:30 – 12:00

Richelieu,
Level C / Niveau C

Innovation Session: Roundtable Discussion / Séance sur l'innovation : Table ronde

Moderator / Animateur

David Drake
(Centennial College)

Session / Séance 4B

10:30 – 12:00

Joliet,
Level C / Niveau C

Auditing – Economics

Vérification – Économie

Discussant /

Commentateur

Janet Morrill
(University of Manitoba)

Session Chair / Animateur de séance

Teresa Anderson (University of Ottawa)

Speakers / Conférenciers

An Economic Analysis of Audit and Non-Audit Services: The Tradeoff Between Competition Crossovers and Knowledge Spillovers

Martin G.H. Wu (University of Illinois at Urbana-Champaign)

Independence in Appearance, Non-Auditing Services, and Auditor Fee Disclosures

Bryan K. Church (Georgia Tech)

Ping Zhang* (University of Toronto)

* Presenter.

Saturday, May 31 / Samedi 31 mai

Session / Séance 4C

10:30 – 12:00

Frontenac,
Level C / Niveau C

Standards Setting / La normalisation

Session Chair / Animateur de séance

Antonello Callimaci (Université du Québec à Montréal)

**Discussant /
Commentateur**

Michel Magnan
(Concordia University)

Speakers / Conférenciers

*Auditor-Client Relationships and the Development of New
Accounting Standards in Canada*

Joe Abekah (University of New Brunswick)

*The Life and Death of the Canadian Contingent Gains and
Losses Accounting Standards Project*

Brock Dykeman* (University College of the Cariboo)

Gary Entwistle (University of Saskatchewan)

*Evaluation de la conformité aux normes comptables
internationales (IAS/IFRS) : Une étude empirique*

*Measurement of Compliance on International Accounting
Standards (IAS/IFRS): A Methodological Study*

Thi Hong Phu Dao (ESSEC Cergy-Pontoise)

Members' Luncheon / Déjeuner des membres

12:00 – 14:15

Ballroom B,
Level L / Niveau L

Sponsor / Commanditaire

Canadian Institute of Chartered Accountants



Speaker / Conférencier

Hon. John Godfrey, MP — "The Canada We Want"

**Presentation of the CAAA Education Awards /
Remise des prix de l'ACPC axés sur la formation :**

*Innovation in Accounting Education Awards /
Remise du prix pour l'innovation en comptabilité :*

First Prize / Premier prix : Gary M. Entwistle
(University of Saskatchewan)

Second Prize / Deuxième prix : Vanessa Magness
(Ryerson University)

* Presenter.

Saturday, May 31 / Samedi 31 mai

Case Competition Awards / Prix du concours d'études des cas

English / Anglais : Elizabeth LaRegina (York University)

French / Français : François Brouard (Carleton University)

Presentation of CAAA plaques and sponsors' gifts

*Remise des plaques de l'ACPC et des cadeaux des
Commanditaires*

Concurrent Sessions 5 / Séances simultanées 5

Session / Séance 5A

14:15 – 15:45

Richelieu,

Level C / Niveau C

Competency-Based Education /

La formation axée sur les compétences

*Presenting different paradigms (flowing from the
teachings of the three professional bodies)*

*Présentation de trois paradigmes différents (découlant
des enseignements des trois organismes de comptables
professionnels)*

Moderator / Animateur

Lynda Carson (CGA-Canada)

Presenters / Conférencières

Irene Gordon (Simon Fraser University)

David McPeak (CGA-Canada)

Scott Sinclair (British Columbia Institute of Technology)

Donald G. A. Carter (CA School of Business)

Gary Spraakman (York University)

Saturday, May 31 / Samedi 31 mai

Session / Séance 5B

14:15 – 15:45

Joliet,
Level C / Niveau C

Performance Measurement / La mesure du rendement

Session Chair / Animateur de séance

Daniel Szpiro

Speakers / Conférenciers

The Value Relevance of Non-Financial Performance Information and Its Measurement: The Case of the Biotechnology Industry

Bixia Xu* (Wilfrid Laurier University)

Michel Magnan (Concordia University)

Paul André (HEC-Montréal)

Management Control Systems and Strategy: A Resource-Based Perspective

Jean-François Henri (Université Laval)

Publishing in the Majors: A Comparison of Accounting, Finance, Management, and Marketing

Edward P. Swanson (Texas A & M University)

Discussants / Commentateurs

Joy Begley
(University of British
Columbia)

Sandra Chamberlain
(University of British
Columbia)

Session / Séance 5C

14:15 – 15:45

Frontenac,
Level C / Niveau C

Story Telling / La narration d'une histoire

Session Chair / Animateur de séance

Natalia Kotchetova (University of Waterloo)

The Birth of a Nation: Accounting and Canada's First Nations, 1860-1900

Dean Neu (University of Calgary)

Cameron Graham* (University of Calgary)

The Rhetoric and Reality of Corporate Democracy: Evidence from the Domain of Accounting in an Employee-Owned Company

John D. Russell (University of Saskatchewan)

Honesty Is Not Necessarily the Best Policy: The Impact of Revealing the Accuracy of Prior Estimates

Linda Thorne (York University)

Viswanath Umashanker Trivedi* (York University)

Ping Zhang (University of Toronto)

Discussant / Commentateur

Raili Pollanen
(Carleton University)

* Presenter.

Saturday, May 31 / Samedi 31 mai

Session / Séance 5D

14:15 – 15:45

Victoria,
Level L / Niveau I

***Accounting Innovations / Innovation et formation
comptable***

Session Chair / animateur de séance

Janet Morrill

Speakers / Conférenciers

*Innovation in Accounting Education Award Winners Present
Their Submissions*

*Lauréats des prix axés sur l'innovation en formation comptable :
présentation des soumissions*

Discovering Accounting Research

Gary M. Entwistle (University of Saskatchewan)

Breaking the Mould: From Lectures to Learning

Vanessa Magness (Ryerson University)

Nutrition Break / Pause santé

15:45 – 16:15

Ballroom Lobby,
Level L / Niveau I

Plenary Session / Séance plénière II

16:15 – 17:25

Ballroom B,
Level L / Niveau I

Sponsor / Commanditaire

Institute of Chartered Accountants of Ontario



***Accounting for Stock Options /
La comptabilisation des options sur actions***

Moderator / animateur

Gordon Richardson (University of Toronto)

Panelists / Experts

Tricia O'Malley (International Accounting Standards Board)

Thomas Linsmeier (Michigan State University)

Accounting for Stock Options is a challenging and contentious issue. Our panellists will present their views on Accounting for Stock Options. In addition, local high technology executives have been invited to attend this session; they will have an opportunity to ask questions and offer their perspectives.

La comptabilisation des options sur actions est un sujet intéressant et épineux. Nos experts présenteront leur point de vue sur la question. En outre, des cadres supérieurs d'entreprises de haute technologie ont été invités à assister à cette séance; ils auront également l'occasion de poser des questions et d'offrir leur vue.

Saturday, May 31 / Samedi 31 mai

Closing Remarks / Mot de la fin

17:25 – 17:30 Merridee Bujaki (University of Ottawa)
Ballroom B, Dan Simunic (University of British Columbia)
Level L / Niveau I

Social Event: A View of the Capital / Activité Sociale : Un Aperçu De La Capitale

17:30 – 23:00 **Sponsors / Commanditaires**
Lower Lobby, McGraw-Hill Ryerson, Ltd.
Level L / Niveau I Microsoft Business Solutions



Take a Guided Tour of Canada's Parliament Buildings;
dine and dance at the National Arts Centre's Terrace Tent
overlooking the Rideau Canal.

Profitez d'une visite guidée des édifices du Parlement du
Canada; dîner et dansez au Pavillon du Centre national des
Arts, qui donne sur le canal Rideau.

17:30 – 17:50 Meet in the Lower Lobby to catch the chartered buses to the
Lower Lobby, Parliament Buildings for a tour conducted in English or French
Level L / Niveau I (see below):

Rassemblement dans le hall inférieur pour prendre les
autobus nolisés à destination des édifices du Parlement pour
ce qui est des visites en anglais ou en français, voir ci-
dessous :

17:30 Bus to English tour / Autobus de la visite en anglais

17:40 Bus to French tour / Autobus de la visite en français

17:50 Bus to English tour / Autobus de la visite en anglais

Buses will continue on to the National Arts Centre after the
parliamentary tour, returning guests to the hotel at the end of
the evening.

Les autobus se rendront jusqu'au Centre national des Arts
après la visite des édifices du Parlement, puis reconduiront
les invités à l'hôtel à la fin de la soirée.

Buses leave the National Arts Centre at 23:00 and 23:30 for
the hotel.

Les autobus quittent le Centre national des Arts à 23 h et à
23 h 30 à destination de l'hôtel.

Sunday, June 1 / Dimanche 1 juin

Ethics Workshop / Éthique

08:15 – 12:00 **Whistle Blowing — A First-Hand Account**

Richelieu,
Level C / Niveau C **Atelier sur l'éthique : La dénonciation — un compte rendu de première main**

Sponsor / Commanditaire
Centre for Accounting Ethics,
University of Waterloo



Breakfast / Petit déjeuner

08:15 – 09:00

Richelieu,
Level C / Niveau C

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 / Conférencier**
Michael Hilson

Nutrition Break / Pause santé

10:15 – 10:30

Presentation and Discussion / Exposé et discussion

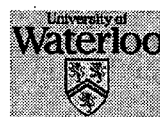
10:30 – 12:00 **Speaker / Conférencier**

08:30 – 12:00 **Conference Assessment and Planning Meeting /
Évaluation du congrès et réunion de programmation**
Seignior,
Level C / Niveau C
(by invitation only / sur invitation seulement)

Farewell Lunch / Déjeuner d'adieu

12:00 – 13:00 (For morning session attendees only / à l'intention des participants à la séance du matin)
Ballroom B,
Level L / Niveau I

Sponsors / Commanditaires
Waterloo
CAAA



End of Conference / Fin du congrès

**Join us next year,
May 27 – 30, 2004,
in Vancouver, British Columbia
for the CAAA's
28th Annual Conference**

**Soyez des nôtres
l'an prochain à l'occasion du
28^e congrès annuel de l'ACPC,
qui aura lieu à Vancouver
(Colombie-Britannique)
du 27 mai au 30 mai**

Education Session Synopses

Aperçu des séances sur la formation

CICA Canada / CAAA Workshop

Capital Markets: The Accounting Profession's Crossroads

(Full day workshop)

Sponsor: Canadian Institute of Chartered Accountants

Moderator: Tim Forristal, CICA

This year's PD session should be of interest to everyone who wants to be informed on current and upcoming developments in the capital markets and is looking for an opportunity to discuss the issues with those on the 'front lines'.

Morning Presentations:

Capital Market Reform

**Speaker: James L. Goodfellow, FCA, Deloitte & Touche LLP,
Chair, Canadian Performance Reporting Board**

The capital markets are in a period of unprecedented change and reform: the impact of Sarbanes-Oxley; SEC, OSC, and TSX current and pending developments; issues of corporate governance, accountability, and audit committees. Jim Goodfellow directs his firm's activities related to audit committees and corporate governance and is the Chair of the Canadian Performance Reporting Board. He will discuss the changes in our capital markets — what has happened and what is to come.

Accounting, Empirical Measurement and Intellectual Capital

Speaker: Roland Burgman, PhD, President and CEO, AssetEconomics Inc.

This session provides a unique perspective on performance measurement in today's capital markets. Roland Burgman and his colleagues focus on the measurement and optimizing of intellectual capital assets by identifying intervention points to influence value creation and measurement of firm performance. Burgman's methods are used to exemplify problems of measuring and optimizing intellectual capital assets and therefore business and shareholder value.

(... continued)

CICA Canada / CAAA Workshop

Capital Markets: The Accounting Profession's Crossroads

Afternoon Presentations:

Developments in Canadian Accounting Standards

Speaker: Paul Cherry, FCA, Chair, Canadian Accounting Standards Board

This session will present an update on Canadian accounting standard setting activities through an examination of new standards that have recently been completed, a discussion of the projects currently underway and issues on the horizon.

Performance Measurement, Reporting and Accountability – A Panel Discussion

Moderator: Tim Forristal, CICA

Panel: James L. Goodfellow, FCA
Roland Burgman, PhD
Paul Cherry, FCA

The panel discussion will focus on accountability needs, performance measurement and reporting innovations required in today's capital markets. Participants will be provided an opportunity for questions and dialogue with members of the panel.

Atelier ICCA / ACPC

Les marchés financiers – La croisée des chemins pour la profession comptable

Atelier d'une journée

Commanditaire : *L'Institut Canadien des Comptables Agréés*

Animateur : Tim Forristal, ICCA

L'année écoulée a été une année remplie de défis et de réformes au sein des marchés financiers. Or, la séance de perfectionnement professionnel de 2003 devrait intéresser quiconque veut en savoir davantage sur l'évolution actuelle et future des marchés financiers et aimerait discuter des enjeux avec des intervenants de « première ligne ».

Exposés donnés en avant-midi

La réforme des marchés financiers

Conférencier : James L. Goodfellow, FCA, Deloitte & Touche LLP;

Président du Conseil de l'initiative liée à l'information
sur la performance au Canada

Les marchés financiers traversent une période de changements et de réformes sans précédent. De l'incidence de la loi Sarbanes-Oxley à l'évolution actuelle et future de la SEC, de la CVMO et du TSX en passant par les enjeux liés au gouvernement d'entreprise, à la reddition de comptes et aux comités de vérification, nulle autre période a été marquée par tant de défis et de possibilités. Jim Goodfellow dirige les activités de son cabinet qui touchent les comités de vérification et le gouvernement d'entreprise et il est président du Conseil de l'initiative liée à l'information sur la performance au Canada. Ces responsabilités lui donnent un point de vue particulier sur les réformes que subissent les marchés financiers. M. Goodfellow proposera aux participants un aperçu rétrospectif et un aperçu prospectif des changements touchant les marchés financiers – ce qui s'est passé et ce qui reste à venir.

(... suite)

Atelier ICCA / ACPC

Les marchés financiers – La croisée des chemins pour la profession comptable

Comptabilité, mesure empirique et capital intellectuel

Conférencier : Roland Burgman, Ph. D., Président et chef de la direction, AssetEconomics Inc.

Dans le cadre de cette séance, on présentera aux participants une perspective unique en son genre sur la mesure du rendement dans les marchés financiers d'aujourd'hui. En effet, Roland Burgman et ses collègues examinent l'application de techniques solides de mesure à des sociétés qui produisent des biens, des services et des mouvements de trésorerie et qui acquièrent une réputation en grande partie grâce à leur capital intellectuel. Ce qui les intéresse surtout en matière de mesure et d'optimisation du capital intellectuel, c'est la détermination des points d'intervention qui influent sur la création de la valeur et la mesure du rendement de l'entreprise. Les modèles et les méthodes de M. Burgman servent à illustrer les nombreuses difficultés que posent la mesure et l'optimisation du capital intellectuel et, par conséquent, de la valeur de l'entreprise et de la valeur actionnariale.

Les marchés financiers – La croisée des chemins pour la profession comptable

Exposés donnés en après-midi

L'évolution des normes canadiennes de comptabilité

Conférencier : Paul Cherry, FCA, Président du Conseil des normes comptables canadien

Au cours de cette séance, les participants seront mis au fait des activités de normalisation comptable au Canada grâce à un examen des nouvelles normes qui viennent d'être achevées ainsi que d'une discussion sur les projets en cours et des enjeux à l'horizon.

Mesure du rendement, présentation de l'information et reddition de comptes — Un débat d'experts

Animateur : Tim Forristal, ICCA

Panel : James L. Goodfellow, FCA; Roland Burgman, Ph. D.; Paul Cherry, FCA

Ce débat d'experts mettra l'accent sur les besoins en matière de responsabilisation, la mesure du rendement et les innovations sur le plan de la présentation de l'information nécessaires dans les marchés financiers d'aujourd'hui. Les participants auront l'occasion de poser des questions aux membres du panel et de s'entretenir avec eux.

Jeudi 29 mai 09:00 – 17:00 Richelieu, Niveau C
Atelier L'Institut Canadien des Comptables Agréés / ACPC

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

Sponsor / Commanditaire : CAAA / ACPC

Gordon D. Richardson (University of Toronto)
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 rôle d'examineurs 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 29 / Jeudi 29 mai 9:00 – 17:00 Frontenac, Level C / Niveau C
CAAA Research Workshop / Atelier de recherché de L'ACPC

Focus on Applied Research / Gros plan sur la recherche appliquée

Moderator / Animateur : Alan Richardson, Queen's University; Editor, *Canadian Accounting Perspectives*

Panel / Groupe de discussion : Bernadette Schell, Dean, School of Business, University of Ontario Institute of Technology
Michael Hodgson, SSHRC Program Officer (Accounting, Finance, Management Science, and Production and Operations Management), Research and Dissemination Grants Division
Jack Treuhaff, PhD, Director of Applied Research and Development, Algonquin College

Although accounting is an applied discipline, there have been recurrent debates about the schism between academic accounting and practice. This has included concerns that academic accounting programs do not adequately prepare students for practice, and concerns that academic research does not address the issues of concern to practitioners.

Over the last few years, specific institutional changes have occurred to make accounting academics (and business education and research in general) more responsive to the needs of practice. For example, the CAAA created the journal, *Canadian Accounting Perspectives*, as an outlet for applied accounting research and the research funds administered by the CAAA are now explicitly open to applied research projects.

On a broader scale, the Ontario government has created a new university, the University of Ontario Institute of Technology, to provide a focus for applied studies and the community colleges have been encouraged to produce applied research.

This plenary will explore these changes to provide insights into what an applied perspective on education and research really means, including what it is, how it's funded, where it's published, and how it leads to university/college inter-reliance.

(... continued)

Focus on Applied Research / Gros plan sur la recherche appliquée

Bien que la comptabilité soit une discipline appliquée, il y a périodiquement des débats au sujet du schisme entre le monde universitaire et l'exercice de la profession. On se préoccupe, entre autres, du fait que les programmes universitaires de comptabilité ne préparent pas bien les étudiants à l'exercice de la profession et du fait que la recherche universitaire ne traite pas de questions d'intérêt pour les praticiens.

Or, au cours des quelques dernières années, on a apporté des changements institutionnels précis afin de sensibiliser les professeurs de comptabilité (et le milieu de la recherche et de la formation en gestion d'entreprise) aux besoins de la profession. Par exemple, l'ACPC a créé la revue *Perspectives comptables canadiennes* à titre d'organe de diffusion de travaux de recherche appliquée en comptabilité. De même, les fonds de recherche administrés par l'ACPC sont maintenant explicitement ouverts aux projets de recherche appliquée.

À plus grande échelle, le gouvernement de l'Ontario a établi une nouvelle université, soit l'Institut de technologie de l'Université de l'Ontario, dans le but de favoriser les études appliquées, sans compter qu'il encourage les collèges communautaires à réaliser des travaux de recherche appliquée.

Durant cette plénière, les participants exploreront ces changements pour découvrir ce que signifie vraiment aborder la formation et la recherche dans une perspective appliquée, y compris ce qu'est la recherche appliquée, la façon dont elle est subventionnée, les organes de diffusion de ses résultats et la façon dont elle suscite les alliances entre les collèges et les universités.

A New Financial Reporting Model ... and More /

Un nouveau modèle de présentation de l'information, et plus encore

Presenter / Conférencière : Martha Jones-Denning, Public Sector Accounting Board (PSAB)

A 1980 study proclaimed that “the financial statements of Canadian governments are now so complex and varied in presentation and terminology that even persons familiar with government accounting have difficulty in appreciating the significance of information conveyed.” The *CICA Public Sector Accounting Board* (PSAB) was established in the early 1980s to set public sector accounting standards. As a result, we now have a significant body of generally accepted accounting principles.

Governments differ from business and not-for-profit organizations and require unique financial reporting standards. A recent standard approved by the PSAB encompasses a new financial reporting model for federal, provincial, and territorial governments. It incorporates a “full” accrual basis of accounting, with the financial reports delivering five key messages.

This session sets out the context for current public sector financial reporting, reviews the recommended model, highlights the main accountability information provided by the summary statements, identifies current issues of particular importance, and provides a view of the directions in which the PSAB is headed.

Whether you teach public sector reporting or are just a taxpayer, this presentation will provide valuable insights.

Une étude réalisée en 1980 avançait que « les états financiers des gouvernements canadiens sont maintenant tellement complexes et variés sur le plan de la présentation et de la terminologie que même les personnes qui s’y connaissent bien en comptabilité publique ont de la difficulté à comprendre l’importance des informations qui y sont véhiculées ». Au début des années 1980, on a donc mis sur pied le Conseil sur la comptabilité dans le secteur public (CCSP) de l’ICCA dans le but justement d’établir des normes comptables pour le secteur public. Par conséquent, nous avons aujourd’hui un ensemble appréciable de principes comptables généralement reconnus à ce chapitre.

Les gouvernements se distinguent des entreprises et des organismes à but non lucratif et ont besoin de normes particulières en matière de présentation de l’information. Or, une des normes que le CCSP a approuvées dernièrement offre un nouveau modèle de présentation de l’information applicable aux gouvernements fédéraux, provinciaux et territoriaux. Ce modèle met en jeu la comptabilité d’exercice pour toutes les opérations et les états financiers établis sur la base du nouveau modèle communiquent aux lecteurs cinq messages sur l’état des finances d’un gouvernement.

La séance prévue vise à jeter la toile de fond concernant la présentation de l’information dans le secteur public, à passer en revue le modèle recommandé, à mettre en évidence les principales informations financières fournies dans les états récapitulatifs, à définir les enjeux actuels qui revêtent une certaine importance et à donner un aperçu des voies vers lesquelles se dirige le CCSP.

Que vous enseigniez la présentation de l’information dans le secteur public ou que vous soyez un simple contribuable, cet exposé vous donnera des renseignements utiles.

Friday, May 30 / Vendredi 30 mai 10:55 – 12:25 Richelieu, Level C / Niveau C

Session 1A / Séance 1A

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

Session Chair / Animateur de séance : Michael Gibbins

This is the third planned session for Canadian university accounting department or area heads, after sessions in Calgary 2001 and Montréal 2002. It will again be convened by Mike Gibbins, University of Alberta.

There are three main purposes behind the planned 2003 session:

To continue to provide a venue for interchange of ideas among those who are responsible for managing Canadian university accounting programs;

To focus on any particular issues that attendees wish to raise (send ideas to Mike anytime); and

To suggest some action plans to CAAA (see below).

In 2001, the attendees discussed these topics:

The business of business schools

Financial pressures

University and faculty quality

Faculty salaries problem

Faculty demographics

Research pressures

Promotion and tenure

Teaching loads and the tenure clock

Student and teaching issues

Prior to the 2002 session, potential attendees had received a list of topics drawn from the 2001 session, and responses to that list had produced the following rough importance ordering:

Hiring and retaining faculty, and faculty demographics;

Business and financial situation of business schools &/or accounting departments/areas;

(tie) Research, publication and scholarly contribution, promotion and tenure effects;

Students, teaching, teaching loads.

The 2002 discussion focused on topic #1 and developed a list of ways CAAA might assist. Summaries of the 2002 and 2001 discussions are available from CAAA or Mike Gibbins.

(... continued)

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

For 2003, discussion might focus on any of the issues above, such as 2002 topic #2, or others that attendees wish examined. In addition, it seems appropriate to develop more fully the ideas for assistance by CAAA listed in 2002 and suggest some concrete strategies and actions for CAAA. Solving the problem of developing, recruiting and retaining accounting faculty identified in 2001 and 2002 is central to the future of Canadian university accounting. This problem permeates all the other issues discussed in 2001 and 2002, and, while operational solutions will differ on each campus, and some schools have workable plans and resources in place for themselves, the discussions have shown that the problem is Canada-wide, systemic, long-standing and worsening, which suggests an opportunity for CAAA action.

Ce sera la troisième séance organisée à l'intention des chefs de département de comptabilité d'universités canadiennes. Elle suit dans la foulée de celles de Calgary, en 2001, et de Montréal, en 2002. Elle sera de nouveau animée par Mike Gibbins de l'Université de l'Alberta.

La séance de 2003 vise les trois principaux objectifs suivants :

Continuer à fournir une tribune pour faciliter l'échange d'idées entre les personnes chargées de gérer les programmes de comptabilité des universités canadiennes;

Examiner attentivement des questions précises que les participants pourraient soulever (envoyez vos idées à Mike n'importe quand);

Proposer des plans d'action à l'ACPC (voir ci-dessous).

En 2001, les participants ont discuté des sujets suivants :

Le mandat des écoles de commerce

Les pressions financières

La qualité des universités et du corps professoral

Les pressions liées aux salaires des professeurs

Les caractéristiques démographiques du corps professoral

Les pressions en matière de recherche

L'avancement et la permanence

Les charges d'enseignement et l'horloge de la permanence

Les questions liées aux étudiants et à l'enseignement

(... continued)

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

Avant la séance de 2002, les participants éventuels avaient reçu la liste des sujets tirés de la séance de 2001. Par suite des réactions à cette liste, il a été possible d'établir l'ordre approximatif de priorité ci-dessous.

L'embauche et le maintien en poste de professeurs, et les caractéristiques démographiques du corps professoral.

Le mandat et la situation financière des écoles de commerce ou des départements ou secteurs de comptabilité.

(Égalité) Recherche, publication et apport à la recherche, avancement et effets de la permanence; et étudiants, enseignement et charges d'enseignement.

La séance de 2002 a porté essentiellement sur le premier sujet et a permis l'élaboration d'une liste de mesures que pourrait prendre l'ACPC pour aider.

Cette année, la discussion pourrait s'articuler autour d'une des questions susmentionnées, telles que le sujet no 2 de 2002, ou viser d'autres questions dont les participants aimeraient traiter. En outre, il semblerait indiqué de préciser davantage les idées lancées en 2002 concernant les façons dont l'ACPC pourrait prêter son concours et de proposer des stratégies et des mesures concrètes à l'intention de l'association. La résolution du problème que posent le perfectionnement, le recrutement et le maintien en poste des professeurs de comptabilité, point soulevé en 2001 et en 2002, est essentielle à l'avenir de la formation universitaire en comptabilité au Canada. Ce problème s'infiltré dans toutes les autres questions abordées en 2001 et en 2002 et, bien que les solutions opérationnelles à ce chapitre diffèrent d'un campus à l'autre et que certaines écoles ont en place des plans réalistes et disposent de ressources, les discussions révèlent que ce problème est répandu dans tout le Canada, qu'il est systémique, qu'il date de longtemps et qu'il s'aggrave, ce qui laisse entendre que l'ACPC pourrait avoir un rôle à jouer.

Summary of Issues Discussed at the 2002 Meeting

(Note the Meeting's Focus on Hiring and Retaining Faculty)

Numerous issues were identified and discussed (below, “business” schools and programs are used generically to represent the various arrangements under which accounting programs run).

Attendees suggested various solutions to issues identified below, based on the circumstances in each university. The meeting involved much sharing of experiences, but as these were usually particular to the attendees and their universities and would require identifying them, they are not specified below.

The 25 universities represented at the meeting averaged a demand for about 2 additional accounting faculty per university in the next year, and discussion estimated a total a supply of about 6 accounting PhD graduates from Canadian programs: a 50 to 6 demand/supply imbalance. No improvement in this imbalance was foreseen in the near future. Impending retirements of older faculty instead appeared likely to make the imbalance worse.

Most business schools require a variety of faculty members: full-time tenure-track with a research focus, full-time “clinical” faculty more focused on teaching, part-time sessional instructors, and various other helpers. The importance of each of these roles depends on the school’s “brand,” such as whether there is a focus on research, undergraduate teaching, MBA programs, or executive programs. Some schools may end up with a small group of tenure-track faculty and a large number of “clinical” types, though there may be accreditation problems if not enough faculty have PhDs. In francophone universities, there is an additional difficulty in that research faculty must teach in French but read and write research in English.

The lack of supply of new PhDs was discussed at length. The shortage is of long-standing and partly reflects the greater opportunities in the U.S. (programs and positions) and the more financially attractive professional alternatives. Few students do/should go on to PhD studies direct from bachelors degrees, and by the time they get professional qualifications or other business experience, their opportunity costs for entering a PhD program and looking ahead to years untenured become too large. Business programs don’t provide a natural progression to a doctorate, and the economics of most schools prevent either academic masters programs to provide a better progression or more admissions to PhD programs. Some attendees felt that university administrations and the accounting professions may not be sufficiently supportive, since accounting PhD programs seem chronically underfunded. PhD programs are resource-intensive, both for programs and for individual faculty working with PhD programs.

(... continued)

Ways of increasing good applicants to PhD programs were discussed. Strategies to develop our own students are needed, including better funding but also more academically attractive content in our undergraduate programs (as most arts and science areas have). Perhaps our course material is too professionally oriented to provide motivation for further academic study. Increased use of “clinical” faculty may make this situation worse. Perhaps there has been lack of improvement in the delivery and structure of our courses over the years. More might be done to appeal to good students and to use team-teaching and other methods to improve the impact of scarce faculty on course content.

The difficulty of recruiting from the U.S. was also discussed, though several schools have succeeded in that, thankfully given the lack of supply of Canadian graduates. All schools have to strain to compete in the U.S. market for salaries and support, and some are apparently unable to compete in that market, at least for sufficiently competent faculty.

Increased workloads on scarce full-time faculty, especially those trying to do research, reduce the attractiveness of academic careers, especially as academic salaries become less attractive relative to professional or foreign academic opportunities.

There was much discussion of the implications of the critical shortage of faculty, high market salary rates, the extra problems faced by francophone universities, and related resource problems, and there was also considerable discussion of possible solutions.

CAAA assistance was suggested in some areas:

- Keep in touch with doctoral programs and developing a “clearing house” of accounting PhD graduates.

- Provide a PhD programs website with links to PhD programs (the meeting was told that the CAAA has plans along this line).

- Develop ways to sell the academic side of the accounting profession to the better students: videos on academic careers, descriptions of appropriate preparation and experience, descriptions of what an academic career involves in workload, research, teaching, etc.

- Further encourage student attendance at CAAA conferences to provide an incentive for an academic career.

- Develop other ways to increase undergraduate and MBA student involvement in the CAAA, such as pre-PhD seminars.

- Accounting programs should participate in “career fairs” for students, and while this would likely be a local activity, the CAAA might help in providing literature or contact information.

- CAAA could do serious lobbying on the supply/demand issues identified above.

In the list of issues above, most of the focus was on tenure-track and research faculty. The CAAA could perhaps give more attention to the “clinical” faculty in universities, who are an important part of accounting teaching and will remain so.

Compte rendu de la réunion des directeurs de département d'université tenue durant le Congrès 2002 de l'ACPC

En avant-midi, le vendredi 31 mai 2002, bon nombre de chefs de secteur et de directeurs de département de comptabilité se sont réunis pour échanger points de vue et renseignements. Étaient présentes 27 personnes, représentant 25 universités de pratiquement partout au Canada. Une discussion très animée a eu lieu et le groupe a décidé, en bout de piste, qu'une autre séance semblable, soit la troisième depuis le lancement de cette activité au Congrès de Calgary en 2001, devrait aussi avoir lieu dans le cadre du Congrès 2003, qui se tiendra à Ottawa.

Avant la séance, les participants éventuels ont reçu une liste de sujets tirés de la séance originale, à Calgary. D'entrée de jeu, les participants ont convenu de se concentrer sur l'embauche de professeurs et le maintien en poste de ces derniers étant donné qu'il s'agit d'un problème important avec lequel sont aux prises la plupart des universités du pays, tant dans les régions anglophones que dans les régions francophones. Par exemple, les 25 universités représentées auraient besoin de deux autres professeurs de comptabilité au cours de la prochaine année. Cependant, les programmes canadiens de doctorat ne produiront environ que 6 diplômés en comptabilité. Les délégués ont traité abondamment des répercussions de cette grave pénurie de professeurs, des taux de salaire élevés, des problèmes supplémentaires auxquels doivent faire face les universités francophones ainsi que des problèmes connexes en matière de ressources. Ils ont également beaucoup discuté de solutions possibles.

Enhancing Student Success by Using Technology and Interactive Tools / Accroître le succès des étudiants au moyen de la technologie et d'outils interactifs

Presenter / Conférencière : Tilly Jensen, Northern Alberta Institute of Technology

Our business, interpersonal, and educational environments are changing such that computers and related technologies have become an integral part of our ever evolving culture. As a result, employers require graduates who have embraced technology. In response, educational institutions have created smart classrooms and/or lab settings but lacking is readily available subject specific content that would render the technology to be an effective teaching/learning tool.

This presentation demonstrates how traditional content was retooled using existing technologies to enhance the teaching/learning of accounting in a wired and wireless environment. This session should particularly benefit accounting instructors interested in improving student success and making accounting more fun for students who have internet access on and off campus.

Le monde des affaires, des relations et de l'éducation dans lesquels nous vivons aujourd'hui changent de telle sorte que les ordinateurs et les technologies connexes font maintenant partie intégrante de notre culture en pleine évolution. Par conséquent, les employeurs exigent que les diplômés embrassent la technologie. Pour satisfaire à cette exigence, les établissements d'enseignement ont créé des salles de classe intelligentes et des laboratoires d'études. Toutefois, ce qu'il manque, c'est l'accès à du contenu lié à des sujets précis qui pourrait faire de la technologie un outil efficace d'enseignement et d'apprentissage.

Au cours de cette séance, la conférencière démontrera comment le contenu traditionnel a été restructuré à l'aide des technologies actuelles pour améliorer l'enseignement et l'apprentissage de la comptabilité dans un milieu câblé ou un milieu sans fil. Cette séance devrait profiter, en particulier, aux enseignants qui veulent accroître le succès des étudiants et rendre la comptabilité plus amusante pour ceux qui ont accès à Internet sur le campus et à l'extérieur.

Accounting Faculty Productivity: Links Between Teaching and Research / La productivité des professeurs de comptabilité – Les liens entre l'enseignement et la recherche

Moderator / Animatrice : Janet Morrill, University of Manitoba

Panel : Joel Demski, University of Florida
Gary Entwistle, University of Saskatchewan

In this session, we will be hearing the viewpoints of two distinguished accounting academics: Joel Demski, from the University of Florida, and Gary Entwistle, from the University of Saskatchewan. Professors Demski and Entwistle will explore the synergies between research, teaching, and service, that can be leveraged to enhance our productivity and effectiveness as accounting faculty.

Dans le cadre de cette séance, nous entendrons le point de vue de deux éminents professeurs de comptabilité, soit Joel Demski, de l'Université de la Floride, et Gary Entwistle, de l'Université de la Saskatchewan. Les professeurs Demski et Entwistle examineront la synergie qui existe entre la recherche, l'enseignement et les services, laquelle peut être multipliée pour accroître notre productivité et notre efficacité en tant que professeurs de comptabilité.

Innovation Session: Roundtable Discussion / Séance sur l'innovation – Table ronde

Facilitator / Animateur : David Drake, Centennial College

Innovate and integrate. Meet with your cross-Canada colleagues to learn what they are doing to change the face of accounting education from philosophical, delivery, and content perspectives. Discuss new ideas; New programs; New courses; New methods of delivery; New content. This session will be a facilitated roundtable discussion that allows each attendee to either share or learn about successful and not so successful teaching and learning, program, classroom or course innovations.

Participants please remember — frequently those innovations that didn't work quite as well as we had hoped are as instructive to hear about as those that win educator of the year awards! This is a no-holds-barred session on what's great, as well as ideas that need a bit of work, in the world of accounting education innovations.

The days when the accounting professor stands at the front of the room and lectures to the class with little interaction are numbered. Do you agree or disagree and what have you done to counteract this method of delivery?

Innover et intégrer. Entretenez-vous avec vos collègues des quatre coins du Canada pour découvrir ce qu'ils font pour changer le visage de l'enseignement de la comptabilité sur le plan de la philosophie, de la prestation et du contenu. Discutez de nouvelles idées, de nouveaux programmes, de nouveaux cours, de nouveaux modes de prestation et de nouveaux contenus. Cette séance aura l'allure d'une table ronde dirigée qui permettra à chacun des participants de partager ses innovations ou d'en apprendre sur les innovations, les bonnes comme les moins bonnes, relativement aux méthodes d'enseignement ou d'apprentissage, à la salle de classe ou aux cours.

Et rappelez-vous, participants, dans bien des cas, il est tout aussi utile d'en apprendre sur les innovations qui n'ont pas aussi bien marché qu'on l'aurait espéré que sur celles qui valent à leurs auteurs le prix de professeur de l'année! Ce sera une séance sans restrictions sur les idées extraordinaires, et sur celles qui nécessitent encore un peu de travail, dans le monde des innovations en enseignement de la comptabilité.

Les jours où le professeur de comptabilité se tient debout devant sa classe pour donner un cours magistral, avec peu d'interaction, sont comptés. Êtes-vous d'accord ou en désaccord? Qu'est-ce que vous avez fait pour contrebalancer ce mode de prestation?

Competency-Based Education / La formation axée sur les compétences

**Why do I have to learn this? /
« Pourquoi dois-je apprendre cela? »**

**Presenting different paradigms (flowing from the teachings
of the three professional bodies) /
Présentation de trois paradigmes différents (découlant des enseignements
des trois organismes de comptables professionnels)**

Moderator / Animatrice : Lynda Carson, CGA-Canada

Presenters / Animateurs : Gary Spraakman, York University
Irene Gordon, Simon Fraser University
David McPeak, CGA-Canada
Scott Sinclair, BC Institute of Technology
Donald Carter, CA School of Business

This session showcases instructional methods that lead students to answer this question for themselves. Instructors will provide classroom examples that emphasize and integrate competencies to bridge the gap between professional accounting practice and education. These examples allow students to demonstrate skills that are relevant to current practice and to understand the criteria used to assess their performance.

Cette séance servira à présenter des méthodes d'enseignement qui aideront les étudiants à répondre eux-mêmes à cette question. Les conférenciers donneront des exemples concrets de mesures à prendre en classe pour mettre l'accent sur les compétences et intégrer celles-ci de manière à réduire le fossé qui existe entre l'exercice de la profession et la formation comptable. Ces mesures permettent aux étudiants de faire preuve des compétences nécessaires à la pratique actuelle et de comprendre les critères qui servent à évaluer leur performance.

Innovation in Accounting Education Award Winners:

Presentation of Submissions /

Lauréats des prix axés sur l'innovation en formation comptable :

Présentation des soumissions

Moderator / Animatrice : Janet Morrill, University of Manitoba

Presenters / Conférenciers : **First prize / Premier prix :**

Gary M. Entwistle, University of Saskatchewan
"Discovering Accounting Research"

Second prize / Deuxième prix :

Vanessa Magness, Ryerson University
"Breaking the Mould: From Lectures to Learning"

Accounting for Stock Options / La comptabilisation des options sur actions

Sponsor / Commanditaire : Institute of Chartered Accountants of Ontario

Moderator / Animateur : Gordon Richardson, University of Toronto

Panel : Patricia O'Malley, International Accounting Standards Board
Thomas Linsmeier, Michigan State University

The International Accounting Standards Board (IASB) has proposed expensing stock options, a move which will have a negative effect on the income statements of companies. The earnings of the technology sector will be the hardest hit. While US and Canadian accounting standards do not currently require the expensing of options, the Financial Accounting Standards Board (FASB) is considering possible changes to its standards related to stock options. The new standard will be controversial, and all sides of the issue need to be aired. The plenary session will provide a focus on the arguments in favour and against the new IASB proposal, followed by discussion from session participants.

L'International Accounting Standards Board (IASB) a proposé de passer en charges les options sur actions, mesure qui aurait un effet négatif sur les états des résultats des sociétés. Les bénéfices des entreprises du secteur de la technologie seraient les plus durement touchés. À l'heure où les normes comptables canadiennes et américaines n'exigent pas qu'on impute les options à l'exercice, le Financial Accounting Standards Board (FASB) songe à apporter des changements à ses normes concernant les options sur actions. La nouvelle norme sera controversée et il importe de faire entendre tous les points de vue à ce sujet. La séance plénière sera une occasion d'exposer les arguments pour et contre la proposition de l'IASB et de permettre aux participants d'en discuter.

Whistle-Blowing — A First-Hand Account / La dénonciation – Un compte rendu de première main

Sponsor / Commanditaire : Centre for Accounting Ethics, University of Waterloo

Moderator / Animatrice : Sally Gunz, Director, Centre for Accounting Ethics,
University of Waterloo

Speakers / Conférenciers : Michael Hilson, University of Waterloo
J. Efrim Boritz, University of Waterloo

Panel : W. Morley Lemon, University of Waterloo
Sally Gunz, University of Waterloo

The Centre for Accounting Ethics is pleased to announce that it will again present a workshop on current issues relating to ethics in accounting for all CAAA Conference attendees.

Michael Hilson, CA, the accountant who blew the whistle at Philip Environmental, will present a first-hand account of whistle blowing. Efrim Boritz will discuss his case, *Philip Services*, and how this case is used in the classroom. Mr. Hilson and Professor Boritz will be joined by others who will explore the processes and consequences of whistle blowing from an ethical and legal perspective. We look forward to another interesting and lively workshop.

Le Centre for Accounting Ethics a le plaisir d'annoncer que, cette année encore, il offrira à tous les congressistes de l'ACPC un atelier portant sur des questions d'actualité touchant l'éthique en comptabilité.

Michael Hilson, CA, le comptable qui a dénoncé la situation à Philip Environmental, donnera un compte rendu de première main sur la dénonciation. Efrim Boritz discutera de son étude de cas, *Philip Services*, et de la façon dont il s'en sert en classe. Se joindront ensuite à eux d'autres personnes qui exploreront les processus et les conséquences de la dénonciation d'un point de vue éthique et juridique.

Nous nous réjouissons à la perspective de profiter d'un autre atelier qui promet d'être intéressant et animé.

Abstracts

Résumés

Internal Control Evaluation and Interference Effects

Janet Morrill* (University of Manitoba)
Cameron Morrill (University of Manitoba)
Lori Kopp (University of Lethbridge)

Internal control evaluation is a series of sub-tasks, generally conducted in the following order: (1) obtain an understanding of internal control design and operation; (2) identify specific controls for relevant transaction-related objectives; (3) identify and evaluate weaknesses; and (4) test controls. In contrast, Bell et al. (1997) suggest that an understanding of the risks should precede acquiring an understanding of the client's key processes. In an experimental setting, we investigate the extent to which the order of the sub-tasks (i.e., identifying risk first vs. identifying controls first) affects the identification of risks, controls and weaknesses. Our results indicate that participants who identified risks first identified significantly more weaknesses, but significantly fewer controls, than did participants who identified controls first. Alternative internal control questionnaire formats (risk-based vs. transaction-based) had no effect on participant performance in the task. We conclude that our results are consistent with output interference.

* Presenter

Auditors' Selective Perception and Pattern Recognition Tasks

Guoping Liu (University of Waterloo)

This study examines how selective perception affects auditors' acquisition of relevant information in a pattern recognition task. A 2 x 2 experiment is conducted with seventy master accounting students. The results show that, when not informed of the usefulness of balances and ratios that do not deviate from projected data, participants may tend to discount the importance of these invariant task cues when developing a single reason for the discrepancies between unaudited and projected financial data. Further, participants are better able to successfully identify the seeded error when they are given direction regarding the usefulness of invariant task cues. Although participants do not ignore irrelevant information, the presence of irrelevant information does not necessarily lead them to underrate the perceived importance of invariant task cues further, compared with when they are provided with relevant information only. These results extend current research in auditors' information acquisition behavior and have implications for audit practice.

Do Auditors Think as Frequentists?

Natalia V. Kotchetova* (University of Waterloo)

William F. Messier, Jr. (Georgia State University)

Aasmund Eilifsen (Norwegian School of Economics and Business Administration)

We investigate whether auditors are more likely to make probabilistic judgments in accordance with Bayes rule and less likely to neglect base rates when they make their assessments in a frequency format versus a probability format. We test 3 hypotheses based on research in cognitive psychology by Gigerenzer and his colleagues (e.g., Gigerenzer et al. 1988; Gigerenzer 1991). Four factors are manipulated (base rate, response format, case context, and order) in a 2^4 mixed factorial design. Seventy-six auditors participated in the experiment.

The results indicate that (1) consistent with prior research, auditors are more likely to attend to base rate when they are high, versus low, when both are based on realistic data, (2) for combinations of experimental materials containing auditing cases with high base rate of fraud, auditors' assessments of probabilities differ when evaluating an auditing case versus a non-auditing case, and most importantly, (3) auditors' responses using a frequency format are closer to the base rate and scaled Bayesian response than those auditors using a probability format. The study contributes to the literature on auditors' probabilistic decision-making by suggesting a possible way to mitigate base-rate neglect bias via application of frequency response format.

* Presenter

Measuring and Accounting Market Price Risk Tradeoffs in Stock for Stock Exchanges as Real Options

Hemantha S.B. Herath* (University of Northern British Columbia)
John S. Jehara (Auburn University)

Real options is an emerging area of research in management accounting (Brabazon 1999, Booth 1999). In recent years, practitioners and academics have argued that traditional discounted cash flow (DCF) valuation models do not adequately capture the value of managerial flexibility to delay, grow, scale down or abandon projects. The insight is that a business investment opportunity can be conceptually compared to a financial option.

The structure of merger/acquisition deals has important risk management implications to both an acquiring and a target firm in terms of operational risk and market price risk. The level of risk shared by an acquiring firm and a target firm will depend on how the acquisition is structured. In a fixed value deal, the number of shares issued is not fixed until the closing date and depends on the prevailing stock price of the acquiring firm. When the exchange ratio is fixed, the number of shares to be issued is certain but the value of the deal may fluctuate between the announcement of the deal and closing date depending on the acquirer's share price. An acquiring firm overpays when its stock price is higher on completion date than on announcement date. Alternatively, the target loses if an acquiring firm stock price is lower on completion date. As discussed above, when stock prices are volatile, stock for stock exchanges may cause adverse selection-dilution of shareholder wealth of an acquiring firm or a target firm.

The purpose of this paper is to develop a theoretical model based on option pricing theory to value managerial flexibility arising in stock for stock exchanges. We show how an acquisition may be alternatively structured as a real option collar by including managerial flexibility of both the acquiring and target firms. The real options collar allows managers as agents to effectively hedge the market price risk when stock prices are volatile from the time a deal is announced to when it is completed. While theoretically one may argue that individual shareholders may more easily hedge this risk by selling their shares majority of the shareholders are unaware that dilution occurs. The value of the collar is shown to depend on the optimal exchange ratios. We also discuss accounting issues related to business combinations and whether these real options should be accounted as contingencies. Inclusion of a collar arrangement at the negotiation stage is a likely to induce favorable managerial behaviors since contingencies arising from stock price variability are measured and accounted.

(... continued)

Using a recent acquisition case example from US banking industry the paper illustrates how the proposed collar is used to hedge the market price risk and how this acquisition structure avoids earnings per share (EPS) dilution to both parties. Appropriate valuation of managerial flexibility is important given the historical premiums paid in takeovers. While the fact that such premiums exist lends some credibility to the idea that at least implicitly managerial flexibility is valued, the real options approach allows for more explicit valuation of such flexibility.

* Presenter

Stabilization Activities by Underwriters in the IPO Aftermarket and the Firm's Long-Run Risk and Return

Duane B. Kennedy* (University of Waterloo)
Ranjini Sivakumar (University of Waterloo)
Kenneth R. Vetzal (University of Waterloo)

We investigate the long-run risk and return of firms that experience price stabilization by underwriters in the U.S. IPO aftermarket. Firms with stabilized issues exhibit steadily increasing risk after the stabilizing period while non-stabilized issues have a drop in risk after early trading and then small increases in risk over time. We find no association between price stabilization and return performance in the year following the IPO. We also find that stabilized firms are significantly less likely to issue seasoned equity than non-stabilized firms. The timing of seasoned equity offerings differ between the two types of firms.

* Presenter

Earnings Quality, Off-Balance Sheet Risk, and Accounting for Transferring of Financial Assets: A Capital Market Investigation

Flora Niu (University of Waterloo)

This study examines the reliability of the financial-components approach under FAS125 for transferring financial assets. For the purpose of this study, “reliability” refers to whether financial statement information is associated with the information set used by investors when assessing systematic equity risk. Based on a sample of US public companies, I document a positive association between the constructed Off-Balance Sheet (OBS) risk proxy and the market risk measure, incremental to traditional measures of leverage based on items captured in financial statements. The evidence is consistent with the hypothesis that the financial-components approach is not reliable enough to adequately capture the risk creating effect of implicit recourse obligations from the transfers. Further tests show that the recognized gains from securitization have a lower stock return association as OBS risk increases. This is consistent with the interpretation that, given the perceived OBS risk involvement, investors view securitization related gains to be less reliable. However, additional analyses assessing financial statement information across the pre and post-FAS125 regimes suggest that the financial-components approach under FAS125 is more capable of reflecting the market’s perception of the effects of securitization on equity risk; also, the recognized gains from securitization have a higher valuation multiplier in the post-FAS125 period, relative to the pre-FAS125 period. Collectively, these results raise questions about the reliability of the financial-components approach, although FAS125 does represent a refinement compared to prior regulations.

The Impact of Personal Income Taxes on Returns and Rankings of Canadian Equity Mutual Funds

Amin Mawani* (York University)
Moshe Milevsky (York University)
Kam Panyagometh (IFID Centre)

We examine 10-years of returns of 343 Canadian equity and balanced mutual funds to assess the impact of personal income taxes on their relative performance and rankings. To this end, we start by proposing an algorithm for computing after-tax returns, which we then use to generate after-tax mutual fund rankings. We also motivate and compute measures for tax efficiency and tax overhang in the Canadian context, highlighting the assumptions made.

Our main and robust result is that ranking of funds on a pre-tax return basis is significantly different from ranking of funds on an after-tax return basis. We also find that funds ranked in proximity on a pre-tax have a 50 percent probability of having their ranking reversed when the ranking is done on an after-tax basis. Furthermore, an investor with the highest personal marginal tax rate lost approximately 135 basis points to taxes on fund distributions from the average annual pre-tax return of 9.01 percent in our sample of funds.

These results should be of interest to the large number of Canadians who hold mutual funds outside their registered accounts. If mutual funds are selected based on past performance, investors may want to focus on historical after-tax performance measures, since fund managers do have substantial control over tax efficiency.

* Presenter

Empirical Evidence on Taxpayers' Perceptions of Their Marginal Tax Rates

Pauline Downer* (Memorial University of Newfoundland)

Alan Macnaughton (University of Waterloo)

Jeffrey Pittman (Memorial University of Newfoundland)

We examine the accuracy of taxpayer perceptions of their marginal tax rates. We estimate that the mean absolute value of the difference between their actual and perceived marginal tax rates is about 12 percentage points, implying that these large perception errors may undermine optimal decision-making. This paper also reports evidence on the potential determinants of perception inaccuracy. Consistent with our predictions, we find that perception errors are smaller for persons with higher net income; experiencing certain tax situations; expecting a tax refund; having more dependent children under seven years of age; who consider the tax implications of their financial decisions to be important; and who are confident in their estimate of their marginal tax rate. However, we find no evidence that having a professional consultant or self-reporting familiarity with the tax system affects the accuracy of persons' perception of their tax status.

* Presenter

Moral Suasion, Anonymity, Home Decision-Making and Tax Compliance: A New Experimental Approach

C. Bram Cadsby (University of Guelph)
Elizabeth Maynes (York University)
Viswanath Umashanker Trivedi* (York University)

In most experimental studies on tax evasion, participants are instructed that they may report any amount of income from zero to whatever amount they actually earn or receive (e.g., Alm et al., 1992a; 1992b; 1992c; 1993; 1995; 1999; Moser et al., 1995). Thus, within this framework, underreporting is not cheating, but a legitimate action explicitly permitted by the rules of the game. This stands in stark contrast to what is expected of taxpayers by tax authorities, namely full compliance. Furthermore, many earlier studies do not ensure participants of complete anonymity, and in some cases endow subjects with fixed incomes known to the experimenter (e.g. Moser et al., 1995). These factors together may encourage subjects to think of the experimental setting as a simple risk-return game, and to behave accordingly, underreporting their incomes whenever the expected returns are high enough to justify the risk of being penalized if audited. However, the results of such experiments may have little to do with actual tax compliance decisions because tax authorities present taxpayers not with a risk-return game, but with instructions that unambiguously demand compliance.

The first purpose of this paper is to develop a “moral-suasion” setting in which participants are told they must fully report their earnings, and compare it with a “risk-return” setting in which participants are instructed to choose how much to disclose as in the earlier literature. We also consider the effect of removing some anonymity in both settings by requiring participants to sign receipts. We find that the moral-sausion setting produces much higher levels of compliance than the traditional risk-return setting. Removing some anonymity results in significantly lower compliance in the moral suasion setting. We explore the moral suasion setting further by varying tax, penalty and audit rates, and find less sensitivity to such changes than in the earlier “risk-return” based literature.

* Presenter

The Effects of Friendly Persuasion and Gender on Tax Compliance Behavior

Janne Chung (York University)
Viswanath Umashanker Trivedi* (York University)

Friendly persuasion, in contrast to deterrent measures like tax audits and penalties on underreported taxes, is a positive and possibly a cost effective method of increasing taxpayer compliance. However, prior studies have failed to show that friendly persuasion has a significant impact on compliance (Blumenthal et al., 2001; McGraw and Scholz, 1991). In our study, in contrast to prior studies, we examine the impact of generating and reading reasons supporting compliance as friendly persuasion on individuals' income reporting behavior as well as control for gender effects. Specifically, we predict an interaction effect between friendly persuasion and gender on compliance behavior. We carried out a 2 (friendly persuasion and control) x 2 (men and women) full factorial experiment, where participants earned \$30 by completing two questionnaires. Participants in the friendly persuasion group were required first to generate and second to read a list of reasons why they should comply fully. Afterwards, participants in both groups were asked to report the income they earned and pay tax on the reported income. The results show a significant main effect for gender as well as a significant interaction effect between gender and friendly persuasion on income reported. Women in the friendly persuasion group reported significantly higher income compared to men in that group. Other comparisons were not significant. Policy implications for increasing taxpayers' ethics and compliance are highlighted.

* Presenter

The Balanced Scorecard: The Effects of Assurance and Process Accountability on Managerial Judgment

Theresa Libby (Wilfrid Laurier University)

Steven Salterio (University of Waterloo)

Alan Webb* (University of Waterloo)

The balanced scorecard has been hailed as one of the major developments in management accounting in the last decade. Lipe and Salterio (2000) show that one of the key features of this development, the inclusion of measures that are unique to the strategic objectives of a business unit, tend to be ignored by managers when making performance evaluation judgments. This study employs a debiasing framework (Kennedy 1993, 1995) to examine whether assurance over the reliability and relevance of the performance measures and/or invoking process accountability via a requirement to justify one's performance evaluation mitigates this bias. Results suggest that both an assurance report over all measures and the requirement to justify an evaluation to a superior reduce the common measures bias. Implications for theory and practice are discussed.

* Presenter

A Mathematical Function for Managers' Moral Evaluation of Budgetary Slack Creation

Claude Pilote* (Université de Québec à Montréal)

Danièle Blanchette (Université de Sherbrooke)

Jean Cadieux (Université de Sherbrooke)

This research investigates managers' ethical evaluations of specific levels of budgetary slack. It is predicted that managers would evaluate various levels of slack differently, displaying a negative relationship between their ethical evaluations of specific levels of slack and these specific levels of slack. A general measure of ethical evaluations of slack is compared to the measure of ethical evaluations of specific levels of slack, hypothesizing that these measures are related. A difference between the genders in regard to their ethical evaluations of specific levels of slack is also expected. Based on actual managers' ethical evaluations in their organizational setting, the results support the predicted negative relationship between ethical evaluations of levels of slack and the specific slack levels. Managers present a wide range of ethical evaluations of specific levels of slack, with a transition zone (from ethical (positive) to unethical (negative) evaluations) between 10.92% and 15.23%. A mathematical function modeling managers' ethical evaluation of slack is presented. Results also indicate that the general measure of ethical evaluations of slack is not related to the measures of ethical evaluations of specific levels of slack. Finally, as expected, differences between the genders in regard to their moral evaluations of specific levels of slack are found, with men displaying lower moral evaluations than women.

* Presenter

Management Accounting System Innovation: Insights from Dual Core Theory

Laura D. MacDonald* (Wilfrid Laurier University)
Alan J. Richardson (Queen's University)

Despite widespread interest in the development of new management accounting techniques (e.g. activity based costing) over the last two decades, there is considerable empirical evidence that many of these techniques have not diffused widely. Thus, there exists a paradox - if these new techniques are beneficial, why are they not widely adopted by firms? Our study addresses this question by building upon an Organizational Theory of innovation to develop and test a theory of management accounting innovation. Our main research question is: What factors facilitate the adoption of management accounting system (MAS) innovation within firms?

We outline the Dual Core theory of innovation (Daft, 1978), modified to apply to management accounting innovation adoption. The theory posits that firm characteristics influence the amount and type of innovation (administrative or technical) adopted, dependent on the type of management accounting system (governance or operational) and who controls its design. We then test that theory using a survey of Canadian manufacturing firms. The results indicate that in the majority of firms surveyed, some innovation has occurred over the decade studied, but most firms achieved a low innovation score. In the majority of firms, the management accounting system is controlled by administrators, implying that production/operations staff have little influence over the design of the system that is intended to provide them information for operational decisions.

The theory's predictions were supported to some extent, indicating that firm characteristics (professionalism, formalization, centralization and task complexity) affect adoption. As predicted the relationship between firm characteristics and innovation is moderated by the type of innovation (administrative or technical), who controls the management accounting system design and the type of management accounting system. However, the theory appears to be somewhat lacking in explaining innovation in governance MAS innovation. We suggest that future research should focus on replicating these results and delving further into the process of governance (administrative) MAS innovation to further build the theory.

* Presenter

The Moderating Effects of National Culture on Escalation of Commitment

Stephen B. Salter (University of Cincinnati)
David J. Sharp (University of Western Ontario)
Yasheng Chen* (University of Western Ontario)

This study extends the research in escalation of commitment in a cross-cultural setting, testing the robustness of three previously identified determinants of escalation behavior: adverse selection conditions, negative framing, and self-justification motives. A multiple-case experiment, using a sample of 1208 MBA students in nine countries, was conducted to investigate the moderating effects of national cultures. We found that the effect of negative framing is significant, and largely unaffected by different national cultures. In contrast, adverse selection conditions have a stronger effect in high individualism cultures than in low individualism cultures, and managers in cultures higher on Confucian dynamism are more likely to escalate projects with potential long-term effects.

* Presenter

Environmental Disclosure Research: Review and Synthesis

Sylvie Berthelot* (Université de Moncton)
Denis Cormier (Université de Québec à Montréal)
Michel Magnan (Concordia University)

The purpose of the paper is to review environmental disclosure research. First, we propose a corporate environmental disclosure framework with stakeholders obtaining information about a firm's environmental management either from the firm itself (through voluntary or mandated disclosures) or from external sources such as the media. Second, we provide an overview of environmental disclosure literature, with an emphasis on reviewing key findings. Thirdly, we discuss how our current understanding of corporate environmental reporting potential has implications for future research.

* Presenter

Legitimacy Theory and Corporate Social Responsibility: Annual Report Disclosure after the Omai Mine Accident

Vanessa Magness (Ryerson University)

This study uses regression analysis to examine environmental information in annual reports in light of Ullmann's contingency framework. I find evidence that companies which actively manage stakeholder impressions disclose more information than companies with a passive approach. I also find more extensive disclosures from those companies that obtained external financing in the year following the accident. Furthermore, the significance of the external financing variable remains, when disclosure is restricted to discretionary and non-financial items, but disappears if the variable represents mandatory financial disclosures. While the data support the conclusion that strategic posture as defined by Ullmann is positively associated with disclosure, my results do not support his suggestion that disclosure is also moderated by economic performance.

This paper builds on prior legitimacy theory research, and suggests that stakeholder concern for environmental management has grown to the point where the relationship of environmental and economic performance should be revisited. My findings also suggest that management goes beyond professional disclosure guidelines in order to provide information the capital markets may want, but do not find in handbook recommended financial disclosures. While the idea that users go outside the accounting profession for information is hardly new, the suggestion that the providers do the same, even for information that affects cash flow, is something for the accounting standard setting bodies to ponder.

Analyst Initiating or Discontinuing Coverage and Future Firm Performance

Jerry Yuekang Sun (University of Waterloo)

Based on the analyst data from the McNichols and O'Brien (1997) study, this paper empirically investigates the relationship between analysts' initiating or discontinuing coverage decisions and their information about future firm performance. First, the study shows that the adding coverage event itself signals more favorable information on future earnings performance of added stocks with "Buy" or "Hold" ratings, and on one-month post-rating market performance of added stocks with "Strong Buy", "Buy", or "Hold" ratings. Second, it shows that future earnings performance and six-month post-dropping market performance significantly differentiate among five ordinal categories such as "Strong Buy", "Buy", "Hold", "Sell" and "Strong Sell", or between non-negative and negative categories of final ratings on dropped stocks. Third, it shows that the dropping coverage event itself signals some unfavorable information on future earnings performance that has not been reflected in final ratings of "Strong Buy", "Buy", "Hold", or "Sell" on dropped stocks. Overall, this study enriches the research on analysts' adding or dropping stock coverage, and also provides some implications for investors' decision making.

The Association between the Level of Economic Development of a Firm's Country of Domicile and Analysts' Forecast Accuracy and Bias: Some Evidence from American Depositary Receipts

Tony Kang (Singapore Management University)

This study examines whether the accuracy and bias in analysts' earnings forecasts are associated with macroeconomic uncertainty a firm faces, proxied by the level of economic development of a multinational firm's country of domicile. In a sample of non-U.S. firms cross-listed in the U.S., I document that the forecasts are on average less accurate and more optimistically biased for emerging economy firms. Further analysis shows that the inflation rate difference across countries is mainly driving this phenomenon. Collectively, the evidence suggests that the uncertainty in business operations associated with the macroeconomic environment of a multinational firm represents a unique dimension in the difficulties/complexities associated with predicting future firm performance.

Gains To Valuation Accuracy of Direct Valuation over Industry Multiplier Approaches

Lucie Courteau (Eastern Mediterranean University)

Jennifer L. Kao (University of Alberta)

Terry O'Keefe (University of Oregon and University of Queensland)

Gordon D. Richardson* (University of Toronto)

The primary objective of this paper is to assess the gain in valuation accuracy when the analyst performs an exhaustive pro-forma about the target firm beyond the four-year forecast horizon under the direct method, compared to the alternative of using heuristic industry multiples to compute continuing values if she is uncertain about the firm's post-horizon prospects. We also examine the determinants of the edge to direct valuation *vis-à-vis* industry multiplier approaches.

Given variations in size and growth prospects across firms within an industry, we expect to achieve greater valuation accuracy under the direct method when the continuing value is computed by drawing on the analyst's detailed knowledge about the target firm, as opposed to relying on inferences made from information about comparables under any of the industry-multiplier approaches.

Results from the study are consistent with our prediction. The direct method generates significantly lower median absolute percentage pricing errors and higher regression R^2 than any of the multiplier approaches that we examine. The valuation gains to directly forecasting firm-specific continuing value are greatest for small and fast growing target firms from highly heterogeneous industries.

We contribute to the academic literature by presenting a benchmark model against which the efficacy of various multiplier approaches may be evaluated; identifying firm characteristics and industries under which gains to direct forecasts of continuing value is greatest; and showing the analyst and students of financial statement analysis how to use reverse engineering techniques to extract from comparable firms inferences about industry average growth prospects at the horizon.

* Presenter

An Economic Analysis of Audit and Non-Audit Services: The Tradeoff between Competition Crossovers and Knowledge Spillovers

Martin G.H. Wu (University of Illinois at Urbana-Champaign)

In this paper, I point out a significant economic force—the competition crossover effect—that auditors ought to consider when they provide non-audit services (NAS) for their audit clients. If the audit market is *perfectly* competitive, this effect equals zero; and, therefore, it would be appropriate to focus on auditors' cost structure in order to examine knowledge spillovers as the primary reason for providing both audit and NAS. The audit market, in practice, however, tends to be *imperfectly* competitive (oligopolistic): Auditors react to each other. Changes in productivity and competition for NAS in *the consulting market* can induce auditors to alter their strategies and competition in *the audit market* so that some or all auditors could be hurt. The competition crossover effect is *non-zero*. Consequently, auditors must consider not only the benefit of knowledge spillovers, but also the “cost” of competition crossovers. This benefit-cost tradeoff helps to explain the audit fee puzzle, to analyze the impact of restricting NAS (e.g., the Sarbanes-Oxley Act of 2002), and to shed light on auditor independence in appearance. Empirically, recognizing this benefit-cost tradeoff requires both explanatory variables of audit-market concentration and auditors' specialization (*in terms of NAS, particularly*) be included in audit-fee regressions to appropriately examine audit fee “premiums.”

Independence in Appearance, Non-Auditing Services, and Auditor Fee Disclosures

Bryan K. Church (Georgia Tech)
Ping Zhang* (University of Toronto)

We conduct four experiments to examine whether investors' behavior is affected by the auditor's provision of non-auditing services and the magnitude of fees generated from such services. In the first two experiments, participants are endowed with an asset and, then, asked to provide the price at which they will sell it. We do not find evidence that participants' assessments of asset value are negatively affected by the provision of non-auditing services, regardless of the magnitude of fees generated from such services. In the third and fourth experiments, participants are asked to decide whether to sue the auditor to recoup losses that result from a large decline in asset value. We find that the frequency of auditor lawsuits is significantly higher when the auditor provides non-auditing services, again regardless of the fees generated from such services. Overall, our findings suggest that when a negative outcome occurs, participants view the provision of non-auditing services negatively. The magnitude of fees generated from such services, however, does not have an incremental effect on participants' behavior.

* Presenter

Auditor-Client Relationships and the Development of New Accounting Standards in Canada

Joe Abekah (University of New Brunswick)

This study examines constituent participation in the accounting standards setting process in Canada to determine whether the positions of auditors and their clients relative to new accounting standards proposals are independent of each other. Using responses to the ten accounting exposure drafts receiving the highest public responses, the active role of Big Eight (now Big Four) firms is underscored. For all responses, significant agreement between Big Eight/Four auditors and their clients in their respective positions on proposed new accounting standards is found. However, domination of the process by Big Eight/Four firms through indirect influence of their clients responses to individual exposure drafts is not supported. Disagreements among Big Eight /Four firms and between Big Eight/Four firms and their clients are found. Overall test results indicate that relative to the core issues on which new accounting standards are needed, auditors and their clients generally respond independently, even if there were some new proposals on which they had the same views. The findings suggest that independent corporate and audit-firm motivations explain the decision to participate in the accounting standards setting process. The real motivations for the active participation in the process by auditors and corporations are subjects for continued research.

The Life and Death of the Canadian Contingent Gains and Losses Accounting Standards Project

Brock Dykeman* (University College of the Cariboo)
Gary Entwistle (University of Saskatchewan)

In April 1994, the Canadian Accounting Standards Board made the following announcement (CICA 1994):

The Accounting Standards Board (AcSB) approved, subject to modifications needed to explanatory paragraphs and a written ballot vote, a revised CICA Handbook Section 3290, *Contingent Gains and Losses*.

This new approved standard would have significantly changed the existing Canadian accounting standard for contingencies, arguably shifting the balance in favor of financial statement users. This shift was to be achieved by requiring, or perhaps more accurately, by forcing, management and their legal advisers into making predictions, estimates, and disclosures the existing accounting standard enabled them to avoid. Specifically, the new standard would have resulted in an increase in the accruals of contingent losses, would have enhanced disclosures of both contingent losses and gains, and would have provided limited scope to accrue contingent gains (not allowed under the existing standard). Subsequently however, and owing primarily to a late innings campaign by the Canadian Bar Association, including the threat to not respond to legal enquiry letters, the new standard was ultimately never released, and the contingencies' project was formally abandoned in July 1999.

Drawing on the review of internal documentation and meeting notes, the analysis of exposure draft responses, and through a series of interviews with key individuals involved in the standard setting project, this paper provides a telling of the genesis, development, and ultimate demise of the contingencies standard. The story should prove instructive for future accounting standard setters, both in Canada and beyond.

* Presenter

Measurement of Compliance on International Accounting Standards (IAS/IFRS): A Methodological Study

Évaluation de la conformité aux normes comptables internationales (IAS/IFRS) : Une étude empirique

Thi Hong Phu Dao (ESSEC Cergy-Pontoise)

This research investigates the extent to which the IAS disclosure requirements and measurement/presentation practices are complied with for four European groups claiming to respect the International Accounting Standards (IASs) without any exception in their 2001 financial statements. This study is particularly interested in the IAS technical enforcement method. An IAS checklist is elaborated and an unweighted index is then used in order to measure the extent of compliance with the IASs. The findings reveal that the compliance with the IAS is very partial for all the companies in the sample. The main problems raised up during our evaluation process, are discussed in the perspective to set up in the future research an effective control system of application of the IAS/IFRS. Finally, the research supports the significance of the enforcement issue of the International Accounting Standards, especially in the context in which the European Union requests all the European listed companies to use the IAS for the preparation of their consolidated financial statements in 2005.

The Value Relevance of Non-Financial Performance Information and Its Measurement: The Case of the Biotechnology Industry

Bixia Xu* (Wilfrid Laurier University)
Michel Magnan (Concordia University)
Paul André (HEC-Montréal)

In the context of the biotechnology industry, we investigate how non-financial performance information can enhance the value relevance of the current financial reporting model. More specifically, we assess the value relevance of key industry-specific non-financial performance indicators such as a firm's product markets status, R&D innovation and business relations. Our measure of R&D innovation comprises both R&D inputs and outputs. Results suggest that non-financial performance information is value-relevant and significantly enhances our understanding of the current financial reporting model.

* Presenter

Management Control Systems and Strategy: A Resource-Based Perspective

Jean-François Henri (Université Laval)

The resource-based view of the firm is based on the principle that competitiveness is a function of distinctive and valuable resources and capabilities controlled by a firm. The aim of this study is to examine, from a resource-based perspective, the relationships between the use of management control systems (MCS) and internal capabilities leading to a market position. More specifically, the study focuses on the diagnostic and interactive uses of one important aspect of MCS, namely performance measurement systems (PMS), and four internal capabilities contributing to a differentiation strategy (i.e. market orientation, entrepreneurship, innovativeness, and organizational learning). Three specific research questions are investigated: (i) To what extent do the diagnostic and interactive use of PMS contribute specifically to the creation and maintenance of internal capabilities leading to a position of differentiation? (ii) To what extent do the diagnostic and interactive uses of PMS act jointly in order to create tensions and foster the attainment of a differentiation strategy? (iii) To what extent does the use of PMS contribute to performance? This study contributes to the accounting literature by being one of the first empirical papers to test the model of Simons (1990). Moreover, it simultaneously considers the contribution of MCS to the implementation of intended strategies, and the emergence of new ones.

Publishing in the Majors: A Comparison of Accounting, Finance, Management, and Marketing

Edward P. Swanson (Texas A & M University)

Publication in top-tier journals is the primary criterion for promotion at many business schools and a strong influence on salary, teaching load, and research support. Business schools evaluate publication records by comparing the quality and quantity of top-tier research articles to those of peers within the same discipline (intradisciplinary) and to those of academics from other business disciplines (interdisciplinary). An analytical model of the research review process predicts that interdisciplinary differences exist in the standards that top-tier journals use for accepting articles. If true, decision makers should consider these differences. I examine the period from 1980 to 1999 and, consistent with the model's predictions, find that significant differences exist in the number of articles and proportion of faculty who published in the "major" journals in accounting, finance, management, and marketing. Most notably, top-tier accounting journals publish substantially fewer major articles than journals in the other three business disciplines. In addition, I find the proportion of doctoral faculty publishing a major article has declined in all four disciplines over the 1980 to 1999 period.

The Birth of a Nation: Accounting and Canada's First Nations, 1860-1900

Dean Neu (University of Calgary)
Cameron Graham* (University of Calgary)

The 1860-1900 period was both the “birth” of Canada but also the birth and institutionalization of a specific set of social relations between the federal government and First Nations peoples. This study examines the roles played by accounting and funding relations within the process of nation building. Throughout this formative period in Canada's history, the dialectic of settlement, dispossession and control was continually replayed as government bureaucrats attempted to liberate land for settlement, minimize the costs of liberation and control the use of the proceeds to indigenous peoples. As the analysis highlights, accounting and funding mechanisms were introduced to regulate certain aspects of indigenous activities and over time such techniques created a web of financial relations which penetrated and permeated all aspects of indigenous affairs. This study not only explores *how* the federal government has used accounting/funding mechanisms in the attempt to translate government policy regarding indigenous peoples into practice but also provides a history of the present by examining the historical consequences of these interventions.

The funding provided by the Canadian Academic Accounting Association is gratefully acknowledged.

* Presenter

The Rhetoric and Reality of Corporate Democracy: Evidence from the Domain of Accounting in an Employee-Owned Company

John D. Russell (University of Saskatchewan)

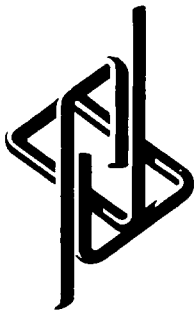
This paper provides evidence, obtained through an ethnographic study, about the problematic nature of corporate-democracy as revealed through the domain of accounting in a company recently purchased by its workers via an employee stock option plan. The paper shows how on the one hand management used accounting media to re-construct positive images of the new worker-stockholders. The value of worker participation in tactical and operational decision-making was especially emphasized. On the other hand management acted differently in the case of strategic decisions involving accounting policy and the secondary issue of common stock, even though both issues had significant economic consequences for the worker-owners. It is shown that in these cases management violated fundamental tenets of democracy in order to secure compliance with its decisions by using misleading and coercive communications. Employee-owner reaction to management's strategy is described together with the ultimate outcome which included cosmetic changes in corporate governance.

Honesty Is Not Necessarily the Best Policy: The Impact of Revealing the Accuracy of Prior Estimates

Linda Thorne (York University)
Viswanath Umashanker Trivedi* (York University)
Ping Zhang (University of Toronto)

In this paper, we use an experimental economics approach to consider the impact of revealing the accuracy of prior estimates on individual and market behaviour in a multi-period setting. Contrary to expectation, we find that the reward for the negative bias (conservative) estimates is greatest, followed by the reward for unbiased estimates. Positive bias (optimistic) estimates are not rewarded. Our findings suggest honesty in revelation of financial estimates is not rewarded as much as negative estimates even when the accuracy of prior estimates is disclosed. Our findings suggest that individual investors and the market are “fooled” by inaccurate estimates in a multi-period setting, even when the accuracy of estimates is subsequently revealed to investors.

* Presenter



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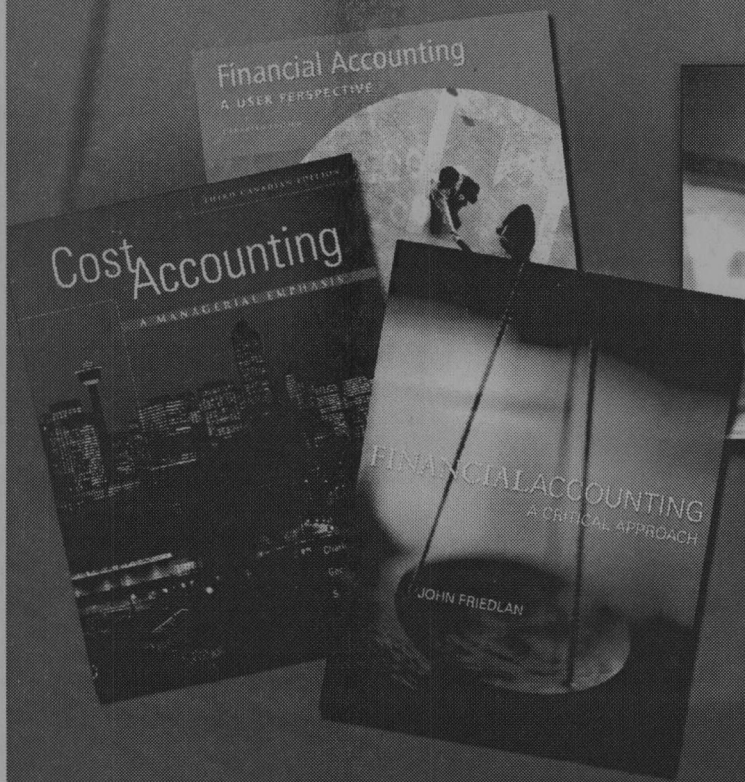
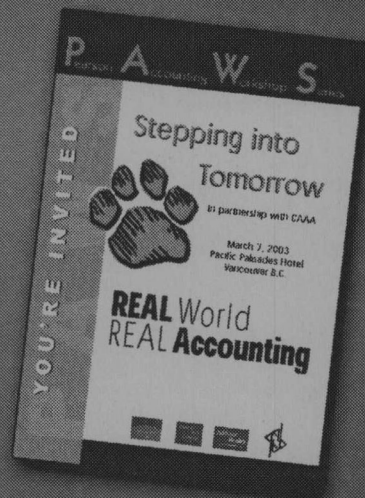
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