



Center for Accounting Research

# Newsletter

2014/1



## FWF Extends Funding for DART

The Austrian Science Fund (Fonds zur Förderung der wissenschaftlichen Forschung, FWF) has granted an extension of the funding of the Doctoral Program in Accounting, Reporting and Taxation (DART) for a second term that ends in 2018.

DART is a joint project of the University of Graz, the University of Vienna and the Vienna University of Economics and Business. The program specializes in economic-based research, applying quantitative research methods and modeling. It is fully taught in English and covers all major fields of accounting: financial accounting, management accounting, auditing, taxation, and corporate governance. The doctorate is designed for outstanding students from around the world who seek a career in leading academic institutions. Admitted students are granted a scholarship, financed by the FWF. Applications for the Winter term 2014/2015 are invited by March 31, 2014. For further information visit the website of the Doctoral Program: [www.dart.ac.at](http://www.dart.ac.at).

## DART Minigraduate Workshop



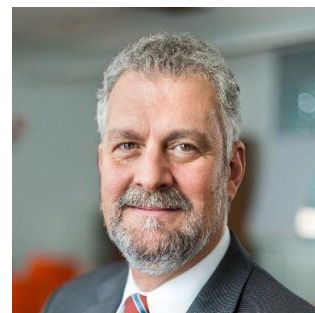
Repeating and extending last year's collaboration, DART hosted a two-day doctoral workshop with participants from fellow universities in January 2014. Prof. Simons and

his team from the University of Mannheim visited Graz for the second time this year accommodated by Prof. Szczeny (picture) and colleagues from the University of Würzburg. The workshop is designed to allow PhD students and young faculty to present their progress in dissertation projects and research papers including empirical as well as analytical work. The vivid discussions amongst professors and students provided valuable outputs for presenters

and inspiration for new research ideas. These two days were viewed as a success from all parties involved who agreed to continue the collaboration in the future and to make the DART workshop a new tradition.

## DART Practice Workshop

In January 2014 DART-students had the opportunity to participate in a practice workshop with Dr. Aslan Milla (picture), senior partner of PwC Austria. Dr. Milla has not only experience in



auditing business for more than 30 years but is also a member of many regulatory institutions in Austria like AFRAC (Austrian Financial Reporting and Auditing Committee) and the Austrian Corporate Governance Working Group. The students discussed recent developments in the regulatory environment of accounting and auditing and gained additional insights into the political process of standard setting.

## Lunch Seminar with Jörg Budde

Jörg Budde, University of Bonn, presented two of his papers in a workshop hosted by CAR in January 2014. The first paper, entitled "Verifiable and Nonverifiable Information in a Two-Period Agency Problem", examines how a firm's opportunity to verify information influences the joint use of verifiable and unverifiable information for incentive contracting. The second paper, "The Interaction of Subjective and Objective Performance Information in Bonus Pools" examines the use of bonus pools in situations where incentive compensation for a group

of agents may be based on both objective and subjective performance evaluations.

### Alfred Wagenhofer Receives the Dr. Kausch-Prize

CAR's Alfred Wagenhofer received the 2013 Dr. Kausch-Prize on February 27 2014 at the



University of St. Gallen. The prize is awarded annually by the Fritz Carl Wilhelm Foundation at the University of St. Gallen for achievements in the area of accounting research. The prize was given to Prof. Wagenhofer (in the picture, with Prof. Giorgio Behr, chair of the Dr. Kausch-Prize jury) for "his theoretical and empirical work that led to fundamental developments in both financial and managerial accounting." In his talk at the award ceremony, Alfred Wagenhofer critically analyzed the implications of the recent IASB Discussion Paper on the Conceptual Framework on the future of IFRS.

### ICAEW Conference

CAR's Alfred Wagenhofer was an invited speaker at the conference "Information for Better Markets", organized by the Institute of Chartered Accountants in England and Wales (ICAEW) that was held in London in December 2013. The conference is aimed at bringing together academics, standard setters and practitioners. The other academic speakers were Charles Lee (Stanford), Robert Libby (Cornell) and Steven Young (Lancaster). Prof. Wagenhofer presented his paper "Performance Reporting: Recognition". The article examines revenue and profit or loss recognition and how these measures provide financial information about companies' performance. After a critical review of the academic

literature, the paper presents an evaluation of the recent revenue recognition standard of the IASB, which aims to state a single consistent principle for revenue recognition.

### IAS/IFRS Adoption and Audit Fees

A paper by CAR's Pietro Perotti, jointly written with Mara Cameran (Bocconi University) is forthcoming in the International Journal of Auditing. The paper, entitled "Audit Fees and IAS/IFRS Adoption: Evidence from the Banking Industry", examines audit fee determination in the Italian banking industry and documents a 19% increase in fees after IAS/IFRS adoption. The observed increase in fees is positively associated with the presence of financial derivatives held for hedging purposes.

### Book in Honor of Prof. Ballwieser's 65<sup>th</sup> Birthday

CAR's Ralf Ewert and Alfred Wagenhofer contributed chapters to "Accounting, Auditing and Firm Valuation", a book honoring the 65th birthday of Prof. Wolfgang Ballwieser (LMU Munich, picture). Prof. Ewert wrote a contribution on audit liability and the decision to accept a client. Prof. Wagenhofer wrote an evaluation of achievements of economic research in accounting.



### Exchange with University of Mannheim

Oliver Schinnerl, from the Institute of Accounting and Taxation, chaired by CAR's Rainer Niemann, visited, for two weeks in February 2014, the Chair of Business Administration and Accounting at the University of Mannheim.

#### Imprint:

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