



Center for Accounting Research

Newsletter

2013/4



DART Course on Analytical Research in Zürich

Six DART-Students followed Zürich University's invitation to Prof. Thomas Hemmer's (Rice University) Doctoral Seminar "Analytical Research in Financial Accounting" in September. Prof. Hemmer provided deep insights in his personal view of and the connection between some of the milestones in the information economics literature. Additionally, he presented his own working paper, "Optimal Relative Performance Evaluation", and discussed it with the course participants, which also included Prof. Ulf Schiller (Basel University) as well as the host Prof. Robert Göx (Zürich University).



DART Lunch Seminars

DART hosted two lunch seminars with international scholars in the Winter semester.

John Christensen, from the University of Southern Denmark, presented "The Determinants of Accounting Information". Christensen discusses the role of the qualitative characteristics of accounting information described in the IASB's and in the FASB's conceptual frameworks.

Christian Laux, from the Vienna University of Economics and Business, presented "Internal Auditing and Capital Structure", jointly written with

Gyöngyi Lóránth (University of Vienna) and Alan Morrison (Oxford University). The paper develops a model studying how internal auditing can affect the interaction between a firm's leverage and governance actions.

2014 VHB Annual Meeting

CAR's Rainer Niemann has managed the administration of the 76th scientific conference of the VHB (German Academic Association for Business Research), which will be held at the University of Leipzig from 11 to 13 June 2014. The deadline for the call for papers has already ended and 181 papers were submitted within 17 tracks. The detailed program, including accepted papers, will be announced in the first months of 2014. More information about the program and the conference can be found online under www.bwl2014.de.

CAR Recent International Presentations

CAR's Pietro Perotti presented "Managerial Discretion in Accruals and Informational Efficiency", coauthored by David Windisch (Institute of Accounting and Control), in an invited workshop at the Free University of Amsterdam in September. The paper examines the relation between accounting discretion, measured by the absolute value of discretionary accruals, and informational efficiency, measured by stock return predictability.

CAR's Alfred Wagenhofer was invited to present "Accounting Standards, Earnings Management, and Earnings Quality", jointly written with CAR's Ralf Ewert, at a workshop at the Wharton School at the University of Pennsylvania in October. The paper investigates how different characteristics of accounting systems and institutional factors affect earnings quality.

Prof. Wagenhofer also participated in the "Accounting and Auditing Convergence 2013

Convention” in Cluj Napoca, Romania, in September. He held the plenary presentation, titled “Accounting and Corporate Governance”, and participated in the symposium on “Research Methods in Accounting”.

World Standard Setters Conference



Alfred Wagenhofer represented AFRAC in the World Standard Setters Conference in London on 23-24 September 2013. In this conference, standard setters from around the world gather once a year to discuss the IASB's new project. This year much of the conference was devoted to an analysis of

issues arising from the Discussion Paper on the Conceptual Framework. Alfred Wagenhofer chaired a break-out session in which the definition and recognition of assets and liabilities was critically discussed.

AFRAC and EFRAG Meetings

In his role as chair of AFRAC's Working Group on International Financial Reporting, Alfred Wagenhofer chaired a conference organized by AFRAC with IASB representatives in Vienna on 5 November 2013. The main issues that were discussed with the some 200 attendants were the work plan of the IASB and the current development of the financial instruments and the leases standards.

In the afternoon of the same day, Prof. Wagenhofer chaired a joint Outreach Session of AFRAC and EFRAG on the Conceptual Framework. The participants heard from a project manager of the IASB and a preliminary response from EFRAG and gave detailed feedback on all main issues addressed in the IASB Discussion Paper.

The Ambivalent Attitude of the IASB Towards Conservatism

A new paper by Birgit Beinsen (Institute of Accounting and Control) and Alfred Wagenhofer has been published in the Zeitschrift für internationale Rechnungslegung (IRZ). The paper examines the partly ambivalent attitude of the IASB towards conservatism. Beinsen and Wagenhofer emphasize the important role of conservative accounting in both the recognition and measurement rules prescribed by the existing IFRS and in the Discussion Paper on the Conceptual Framework. This is in contrast to the recent elimination of conservatism from the Conceptual Framework. The authors conclude that reintegrating the principle of conservatism in the new framework would make its influence explicit and promote the consistent development of future standards.

To know more:

Beinsen, B., and A. Wagenhofer (2013). Das ambivalente Verhältnis des IASB zum Vorsichtsprinzip. Zeitschrift für internationale Rechnungslegung 8 (11), 413-419.

The Debate on the Property Tax

Rainer Niemann, in a paper recently published in the Računovodstvo, revizija i financije, jointly written with Branka Niemann and Katica Amidžić-Peročević, discusses the advantages and disadvantages of a property tax on the real estate. The article highlights the importance of considering the effects of the property tax on entrepreneurial decisions and the possible evasion reactions of taxpayers.

To know more:

Niemann, B., R. Niemann, and K. Amidžić-Peročević (2013). Zašto je porez na imovinu štetan. Računovodstvo, revizija i financije 11,121-125.

Imprint:

Professor Dr. Dr. h.c. Alfred Wagenhofer
Center for Accounting Research
Karl-Franzens-Universität Graz
Universitätsstraße 15/F1
8010 Graz

tel 0316 380 3500
e-mail car@uni-graz.at
web www.uni-graz.at/car

Editor in chief: Alfred Wagenhofer

Contributors: Birgit Beinsen, Sandra Kukec, Pietro Perotti, Oliver Schinnerl, Alfred Wagenhofer.

Pictures: Archive, Private

Date of Publication: December 2013