Center for Accounting Research
Newsletter
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DART Students Report on Their Visits to Top U.S. Universities

Elisabeth Plietzsch: In early 2018, the DART program provided me with the opportunity to spend six months as a visiting scholar at the McCombs School of Business, University of Texas at Austin, where Volker Laux kindly agreed to serve as my academic sponsor. The faculty and doctoral students at McCombs' Department of Accounting gave me a warm welcome and provided me with an office close to the other PhD students' offices. During my visit, I attended Volker Laux's course on analytical research in accounting as well as several research and recruiting workshops. In addition, I went to the AAA 2018 Auditing Section Midyear Meeting in Portland, where I presented my paper "The Role of Ex-Ante Beliefs in Auditor-Client Matches," co-authored with former DART student Sebastian Kronenberger (University of Hannover). Moreover, I attended the AAA 2018 FARS Midyear Meeting in Austin.

I am very grateful to the Department of Accounting in Austin, especially Volker Laux, and the DART program for this unforgettable experience, which was invaluable to my research and allowed me to extend my international network. Moreover, I was able to start an exciting new research project, on the measurement of accounting comparability, with Skylar DeTure, a PhD student at UT Austin.

Nikolina Krneta: I spent the spring semester of the academic year 2017/18 as a visiting scholar at the Columbia Business School in New York. My academic sponsor at Columbia was Jonathan Glover. During my stay, I had the opportunity to attend three courses: the theoretical PhD course "Applications of Economics of Information in Management and Accounting," held by Ilan Guttman; the empirical PhD course "Topics in Accounting Research," held by Shivaram Rajgopal; and the MBA course "Accounting for Consultants," held by Tim Baldenius. In addition to participating in courses and research seminars, I spent a lot of time working on my research projects. Therefore, I had a special opportunity to discuss my research with faculty members, such as Jonathan Glover, Tim Baldenius, and Xiaojing Meng. I also had the opportunity to interact with other PhD students and visiting scholars and discuss interesting research ideas. Overall, my visit at Columbia Business School was a very productive and motivating experience. I am very grateful to the DART doctoral program for this excellent opportunity to enhance my research skills and my international network.

XIV. Summer School on Accounting 2018

In early July, several DART students had the opportunity to participate in the "XIV. Summer School on Accounting 2018" in Munich. This year, Jonathan Glover (Columbia University) gave a lecture on "Accounting, Relationships, and Contracts", focusing on the contracting role in accounting, where contracting includes both explicit contracts that can be enforced by the courts and implicit/relational contracts that must be self-enforcing (typically through repeated encounters). The papers discussed covered a wide range of topics, such as earnings management, team incentives for mutual monitoring, relational incentives and bonus pools, relational contracts and the value of relationships, and accounting conservatism. In addition, Jonathan Glover presented some of his current working papers and discussed them with the participants.

13th Workshop on Accounting and Economics in Paris

On June 21-22, 2018, the SKEMA Business School in Paris hosted the 13th Workshop on Accounting and Economics. This biennial workshop, which promotes the application of economic analysis in accounting research, was jointly chaired by CAR's Alfred Wagenhofer, former CAR member Roland Königsgruber (SKEMA Business School Paris), and Eva Labro (University of North Carolina at Chapel Hill). The program featured two keynotes by Qi Chen (Duke University) and Steven Huddart (Pennsylvania State University), as well as presentations of 39 selected papers in three parallel sessions. DART students Katerina Ferentinou, Felix Niggemann, and Reinhard Schrank presented their research papers and participated in the lively discussions during the sessions. Also, DART alumni Kristina Berger (CAR) and Stefan Schantl (University of Melbourne) presented their current working papers.

"Vertical Boundaries and Endogenous Intensity of Social Comparison" (JITE)

In a paper recently accepted for publication in the *Journal of Institutional and Theoretical Economics*, CAR's Michael Kopel and former DART student Anna Ressi (WHU) show how inter-firm social comparison can alter a manufacturer's choice between vertical integration and vertical separation. They use a standard retailer-manufacturer setting where two competing manufacturers can sell their products through independent retailers. The retailers are status-concerned, i.e. in addition to their profits, their utility increases with the size of their retail outlet relative to their competitor. The novelty in this paper is that in line with empirical evidence, the intensity of social comparison depends on the spatial distance between retail outlets on a Hotelling line, and that this distance can be influenced by the manufacturer by adjusting the outlet's location. In contrast to the commonly studied case of a constant (distance-independent) intensity of status concern, social comparison with distance-dependent intensity of status concern does not necessarily intensify competition but can be strategically used by the manufacturer to increase profits. Moreover, the setting with endogenously determined intensity of social comparison predicts different ranges where vertical separation (or integration) is optimal. The conclusion is that if the manufacturers can actively manage the intensity of inter-firm social comparison, the optimal choice of firm boundaries changes and profits are crucially affected.

20th Anniversary of the "Deutsches Rechnungslegungs Standards Committee" (DRSC)

On July 2, 2018, the German accounting standard setter DRSC celebrated its 20th anniversary with a "Symposium on Financial Reporting in the Tension of Economic Activity and Social Change." The symposium included a keynote speech by Melanie Kreis, CFO of Deutsche Post, and two panels. CAR's Alfred Wagenhofer was invited as a panelist in the panel "Digital Reporting vs. Reporting in a Digital World," together with Hans Hoogervorst (Chairman, IASB), Roxana Damianov (ESMA), Christoph Hütten (CAO, SAP), and the chair Andreas Barckow (DRSC chairman). The panelists exchanged views on a number of topics related to the advances in information technology.

DAR Doctoral Seminar in Neuchâtel

In late August, DART's Swiss partner network, DAR, organized a seminar on "Empirical Research on Disclosure, Reporting, and Transparency in Markets and Regulation" held by Christian Leuz (University of Chicago). The class format was a mixture of lectures and discussion and focused especially on contribution and research design issues, which were analyzed based on selected papers. Among the topics covered were the usage of shocks for financial disclosure, international accounting, and the real effects of disclosure regulation. Moreover, Christian Leuz provided firsthand insights into the development and review process of several of his own papers.

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