



New DART Member Introduces Himself



Matthias Müllner: I completed my Bachelor's and Master's degrees in business at the University of Graz. In my Master's studies, I specialized in accounting and auditing and developed a strong interest in quantitative research. I also had the opportunity to gain practical insights and apply my theoretical knowledge

to practice in an internship as a management accountant. The DART program offers me the ideal opportunity to enhance my knowledge by undertaking my doctoral studies in an excellent academic environment. I am very grateful and honored to be part of the DART program.

DART and CAR Members Present Their Work at GEABA 2018

In September 2018, several DART and CAR members participated in the German Economic Association of Business Administration (GEABA) conference at Goethe University in Frankfurt, Germany. Three current and former DART members presented their papers: Kristina Berger presented her paper on "Audit Oversight, Manipulation Incentives and Cost of Capital," Aikaterini Ferentinou on "Accounting Conservatism and Long-Term Debt Contracts: Taking Into Account Renegotiation," and Elisabeth Plietzsch on "Auditor-Client Misalignment and its Effect on Audit Quality." Aikaterini Ferentinou and Elisabeth Plietzsch were both nominated for the Walther-Rathenau Prize for the best conference paper.



13th IAAER World Congress and IASB's IFRS Research Forum

The 13th IAAER World Congress of Accounting Educators and Researchers was held in November 2018 at the University of Sydney, Australia. This event takes place every four years, typically after the IFAC World Congress. CAR's Alfred Wagenhofer served as co-chair of the scientific committee that selected the papers and helped with organizing the symposia. He also moderated a plenary panel that discussed "The Future of Financial Reporting across the Globe" on the first day of the congress.



The photo shows the panelists from left to right: Paul Munter (KPMG and University of Colorado), Ann Tarca (IASB board member), CAR's Alfred Wagenhofer, Kris Peach (chair of AASB), Tom Scott (IASB board member), and Andreas Barckow (president of DRSC).

Immediately after the World Congress, the IASB held its annual IFRS Research Forum at the University of Sydney, this time jointly with Abacus. Six academic research papers were presented and discussed by the audience, which consisted of 50 academics and 50 non-academics chosen from standard-setters, regulators, auditors, and preparers.

"Investment timing effects of wealth taxes under uncertainty and irreversibility" (JBE)

In a paper recently accepted for publication in the *Journal of Business Economics* (JBE), CAR's Rainer Niemann and Caren Sureth-Sloane (University of Paderborn) analyze the impact of wealth taxes on investment timing decisions under uncertainty and irreversibility by employing a real options model of the Dixit/Pindyck type. Therefore, they integrate different valuation methods for wealth tax purposes, distinguish between broadly and narrowly defined wealth taxes, and



vary the wealth tax rate to ascertain which wealth tax design is more or less likely to accelerate or delay investment. Their findings indicate that if a wealth tax is considered to be politically inevitable, possible harmful investment effects can be mitigated by choosing appropriate valuation methods and parameters.

Recent Presentations by CAR Researchers

Alfred Wagenhofer was invited to give a workshop and a PhD presentation at the University of Melbourne, Australia, in November 2018. He presented his paper titled “Effects of Increasing Enforcement on Financial Reporting Quality and Audit Quality,” which was co-authored with Ralf Ewert, at the faculty accounting workshop. In a three-hour PhD session with students and several faculty members, he discussed the modelling of earnings management as well as conservatism and its empirical implications.

In December 2018, Wagenhofer gave the plenary talk on “Tendencies of the Future Development of IFRS” at the annual AFRAC Conference in Vienna. The rest of the program included an overview of AFRAC’s current projects.

In November, DART’s Claire Estebanez was invited to present her paper titled “The Effect of Taxation on Intermediate Subsidiary Location,” which is co-authored with Harald Amberger (WU) and Silke Runger (Institute of Accounting and Taxation), at the 4th Vienna Doctoral Consortium in Taxation at WU in Vienna. The paper was discussed by Deborah Schanz (LMU).

CAR’s David Windisch presented his current working paper, “Management Performance Measures and Earnings Management: Evidence from Segment Earnings,” which was co-authored with Christian Gro and Alfred Wagenhofer, during his research visit to the University of North Carolina at Chapel Hill (UNC), United States. He also presented joint work with Matthias Breuer, titled “Investment Dynamics and Earnings-Return Properties: A Structural Approach,” in the accounting seminar series at Duke University. In addition, he was invited to participate in this year’s Duke/UNC Fall Camp and in Columbia University’s Burton Accounting Conference.

DAR Doctoral Seminar in Zurich

In late October, several DART students took the opportunity to participate in the doctoral seminar organized by DART’s Swiss partner network DAR. The seminar, held by Hareesh Sapra (Booth School of Business, University of Chicago), was on “Analytical Research in Financial Accounting: Accounting Measurement and Real Effects.” The class format was a mixture of lectures and discussions. In the seminar, Sapra provided a real-effects perspective on accounting measurement and disclosure, covering such topics as signaling versus signal jamming, the imprecision of accounting measurements, the costs and benefits of increased transparency, financial reporting, and mark-to-market accounting. In addition to the seminar, Sapra also presented his latest research paper, “Accounting versus Prudential Regulation,” which was co-authored with Jeremy Bertomeu and Lucas Mahieux.



IASB&EFRAG@AFRAC

On November 19, 2018, AFRAC held its annual IASB&EFRAG@AFRAC event, which provided an opportunity to discuss recent accounting developments with IASB and EFRAG members. CAR’s Alfred Wagenhofer, chairman of AFRAC’s International Financial Reporting working group, has traditionally assumed responsibility for the contents of the event. This year’s invited speakers were Nick Anderson (IASB), who presented IASB’s work plan and discussed the presentation of primary financial statements, as well as Andrew Watchman (EFRAG) and Filipe Alves (EFRAG), who addressed financial instruments with characteristics of equity.

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