



Center for
Accounting
Research

Newsletter

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46th Annual Congress of the European Accounting Association (EAA) in Bucharest

From May 15th to 17th, the Bucharest University of Economic Studies hosted the 46th Annual Congress of the European Accounting Association (EAA). Several CAR researchers and PhD students participated in the event.

Current DART student Lisa Walcher, as well as CAR members Bernhard Haberl, Martin Klösch, Stefanie Pendl, Benedikt Sieghartsleitner, David Windisch, and Theresa Wittreich were invited to present their current working papers at the congress and benefited from high-level feedback from internationally recognized accounting researchers. In addition to her presentation, Theresa Wittreich also served as a discussant in a parallel session. Other CAR faculty members were also involved in the conference. Rainer Niemann served as session chair, while Georg Schneider participated as Board Member of the EAA and as a member of the Standing Scientific Committee, charged with selecting papers for the congress. DART alumna Negin Attar-Niggemann also presented her current research project. In addition to the highly productive research sessions, the congress participants also attended interesting symposia and several social events, where they networked with international research fellows.



CAR delegation at the EAA Annual Congress in Bucharest.

Economic Research Seminar

On 7th March, CAR's Michael Kopel was invited to present at the Economics Research Seminar in Graz. The seminar presents a platform for invited speakers across all fields of economics. Michael Kopel presented his current working paper "NGO Competition and the Disclosure of Cost Information", receiving valuable feedback from the audience.

Visiting Scholar: Stefan Schantl

Between late April and the end of May 2024, I had the special privilege of returning to my alma mater, the University of Graz, as a visiting scholar at the Center for Accounting Research. It was an amazing opportunity to reconnect with former colleagues and friends and to exchange experiences related to research, teaching, and service. It was great to hear how the university at large, and the Faculty of Business and Economics in particular, is progressing in its mission to provide relevant teaching and learning programs and to conduct impactful research aimed at contributing to the solution of some of the biggest problems of our times. I was especially pleased to see that the local academic accounting area continues to flourish and develop, retaining and furthering its competitive edge and excellent international reputation. This was evident in the highly lively, critical yet constructive discussion during the presentation of one of my more controversial research papers. Importantly, I was also able to continue my long-standing collaboration with the Center for Accounting Research in general and my research projects with my long-term mentor, co-author, and friend Alfred Wagenhofer in particular. Frequent and extensive discussions enabled us to significantly progress on one of our joint papers.



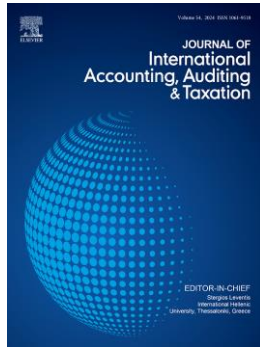
I am very grateful to all who took time out of their busy schedules to exchange notes over a shared beverage or meal, especially Alfred Wagenhofer, Michael Kopel, David Windisch, Georg Schneider, Rainer Niemann, and Martin Kloesch. I am looking forward to my next visit!

Accounting Research Seminar: Nanny Dewi Tanzil

On 13th May 2024, Prof. Nanny Dewi Tanzil (Padjadjaran University Bandung, Indonesia) held a lecture at the Center of Accounting Research as part of her Erasmus+ stay in Graz. Nanny presented an overview of research in accounting in Indonesia, giving the audience insight into current research topics, the accounting profession in Indonesia, and the Indonesian economy.

JIAAT: “Do taxes explain why firms rarely use performance-based malus contracts?”

In this article, published in the *Journal of International Accounting, Auditing and Taxation* in June 2024, CAR’s Rainer Niemann and Mariana Sailer (WU Wien) analyze why firms rarely implement performance-based malus contracts in executive remuneration packages. Since one reason for this may lie in the tax treatment of corporate losses and executive remuneration, they analytically examine the effects of the most common forms of corporate taxation (symmetric and asymmetric) and personal wage taxation (proportional and progressive) on a firm owner’s contract choice. Their findings show that neither symmetric corporate nor proportional wage taxation impede malus contracts. However, asymmetric corporate taxation tends to disadvantage malus contracts compared to bonus contracts. Furthermore, progressive wage taxation has the potential to make malus contracts less attractive. This insight can add to the explanation for why firms rarely use performance-based malus contracts.



Defense of Bettina Mandl

Bettina Mandl successfully defended her Doctoral thesis “The Role of Cognitive Biases, Incentives, and Optimal Contracts in Accounting” at the University of Graz on May 29th. Her thesis was supervised by CAR’s Georg Schneider and Alfred Wagenhofer. The dissertation consists of two analytical essays and a literature review. The thesis investigates the impact of

managerial overconfidence and overoptimism on various decision-making areas, such as investment, innovation, and contracting.

The first analytical paper investigates how overoptimism and overprecision affect the manager’s incentives to provide innovative project ideas and to make optimal investment decisions in the owner’s best interest. Her second paper analyzes the effect of managerial overconfidence and contracting on internal controls and how optimal contracting can motivate the overconfident manager to mitigate internal control weaknesses. The literature review examines the analytical and empirical literature on the role of managerial overconfidence and overoptimism in the three decision-making areas investment, innovation, and contracting.

Defense of Viktoria Kern

On June 10th, Viktoria Kern successfully defended her Doctoral thesis “The Role of Regulation in Auditing” which was supervised by CAR’s Ralf Ewert and David Windisch. Her dissertation consists of a literature review, an analytical paper, and an empirical essay. The objective of Viktoria’s thesis is to improve the understanding of the role of regulation in auditing, particularly focusing on how regulatory frameworks influence auditor independence, financial reporting transparency, and overall audit quality.

In her literature review, Victoria investigates how audit regulations shape auditor independence and financial reporting transparency, thereby influencing the overall quality of audits. The analytical paper focuses on the role of accounting conservatism in the regulatory landscape and analyzes the complex interplay among corporate governance, managerial manipulation, and accounting conservatism. The empirical essay addresses the question of how certain disclosure requirements influence the dynamics between auditors, investors, and firms within the audit ecosystem and specifically examines the impact of audit matter disclosure following the introduction of ISA 701 across Europe.

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