

Eighth Accounting Research Workshop

June 6-7, 2013

University of Basle

Switzerland

University of Basel

University of Zurich

Editorial

Welcome to the Eighth Accounting Research Workshop in Basle.

We would like to thank our two keynote speakers, Phil Stocken and Peter Ove Christensen, as well as all other presenters and discussants who allowed us to put together a very interesting program. As in the previous years, the quality of the accepted papers is remarkable and we expect many of them to be published in top journals. We are particularly happy about the large number of young accounting researchers that contribute to the program as presenters and/or discussants as well as those who were simply attracted by the workshop program.

We gratefully acknowledge the financial and administrative support provided by the University of Basel, the University of Zurich, and the Swiss National Science Foundation. We also thank our institute staff for their tremendous efforts in preparing the conference.

We wish you stimulating and fruitful discussions and an enjoyable time in Basle.

June 2013

Robert F. Göx, University of Zurich
Ulf Schiller, University of Basel



Conference Program

Wednesday, June 5, 2013

19:00 **Informal get together for early birds**
(beverages not included in the conference fee)
Rosario's Lo Spuntino, Spalenberg 53, Basel
<http://goo.gl/maps/JOPhk>

Thursday, June 6, 2013

08:30-18:00 Ground floor **Workshop registration**
Conference site, WWZ University of Basle
Peter Merian Weg 6, Basel
<http://goo.gl/maps/bQvQr>

09:00-09:05 Auditorium **Welcome address (Ulf Schiller)**

09:05-10:20 Auditorium **Invited speaker session 1**
*Accounting Standards, Regulatory Enforcement,
and Investment Decisions*
Professor Phillip C. Stocken
Chair: Ulf Schiller

10:20-10:50 La Pausa
(Basement) **Coffee break**

10:50-12:30 **Parallel sessions I**

Auditorium I.a Chair: Christian Hofmann

- Jonathan Glover: A Multi-period Foundation for Bonus Pools (with Hao Xue). Discussant: Jörg Budde
- Dae-Hee Yoon: The Incentive for Separation: Job Training and Buyout Options. Discussant: Christian Hofmann

Room S13
(Basement) I.b Chair: Konrad Lang

- Xue Jia: On the interaction between mandatory and forward-looking disclosures (with Jeroen Suijs). Discussant: Jack Stecher
- Jack Stecher: A theory of prominent disclosure (with Mark Penno). Discussant: Konrad Lang

	Room S15 (Basement)	<p>I.c Chair: Caren Sureth</p> <ul style="list-style-type: none"> • Yu Flora Kuang: Do powerful CEOs influence compensation contract design? (with Margaret A. Abernethy). Discussant: Yanmin Gao • Wim Janssen: To Work or to Shirk: How Do Auditors Deal with Tax Enforcement? Discussant: Caren Sureth
12:30-14:00	Caf�teria (Ground Floor)	Lunch break
14:00-15:40		Parallel sessions II
	Auditorium	<p>II.1 Chair: Christian Laux</p> <ul style="list-style-type: none"> • Edwige Cheynel: Asset measurement and the real economy. Discussant: Sabine B�ckem • Pingyang Gao: A Measurement Approach to Binary Classifications and Thresholds. Discussant: Christian Laux
	Room S13	<p>II.b Chair: Andreas Scholze</p> <ul style="list-style-type: none"> • Francois Larmande: Fishing for excuses and performance evaluation (with JP. Ponsard). Discussant: Robert Gillenkirch • Jacco L. Wielhouwer: Goal congruence with residual income performance evaluation: the effect of debt (with Anja De Waegenaere; Peter M. Kort). Discussant: Andreas Scholze
	Room S15	<p>II.c Chair: Martin Wallmeier</p> <ul style="list-style-type: none"> • Jan Klobucnik: Bankruptcy prediction based on stochastic processes: a new model class to predict corporate bankruptcies? (with Soenke Sievers) Discussant: Igor Goncharov • Yao Tian: Can Financial Analysts Identify Diamonds in the Rough? The Case of Loss-Reporting Firms (with Masako Darrrough; Donal Byard). Discussant: Martin Wallmeier
15:40-16:00	La Pausa	Coffee break
16:00-17:40		Parallel sessions III
	Auditorium	<p>III.a Chair: Anna Boisits</p> <ul style="list-style-type: none"> • Jeremy Bertomeu: Mandatory Disclosure and the Asymmetry in Financial Reporting (with Robert P. Magee). Discussant: Jeroen Suijs

- Jeroen Suijs: Disclosure frequency, private information, and the cost of capital. Discussant: Anna Boisits

Room S13 III.b Chair: Romana Autrey

- Daniel Kaiser: Effective Central Control over Transfer Pricing Negotiations. Discussant: Anna Rohlfing
- Clemens Loeffler: Market- versus cost-based transfer pricing, intra-company coordination and competitive behavior on the intermediate market (with Thomas Pfeiffer). Discussant: Romana Autrey

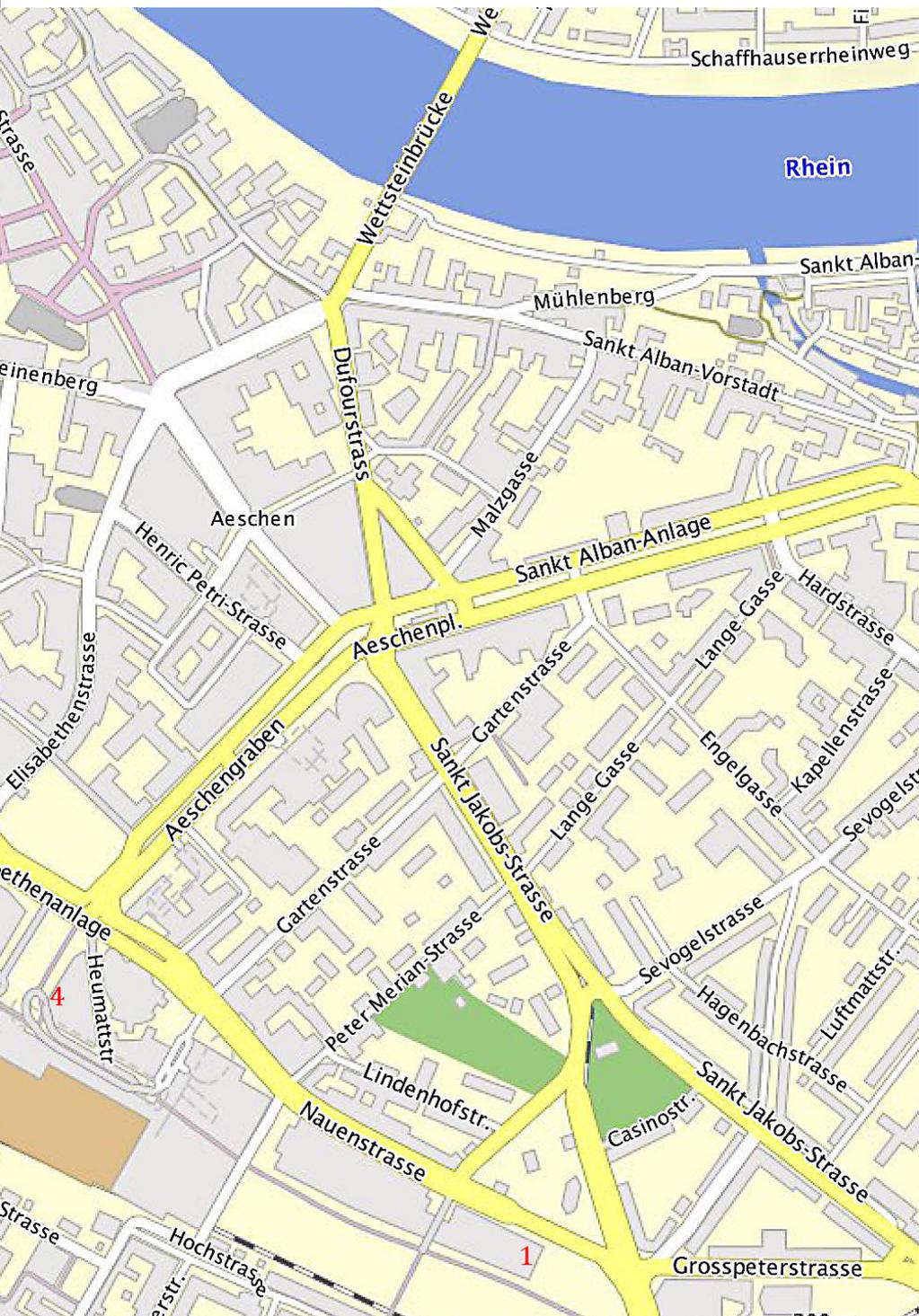
Room S15 III.c Chair: Naomi Rothenberg

- Hendrik Hakenes: Does relationship lending require opaque financial reporting? (with Jochen Bigus). Discussant: Radhika Lunawat
- Michael Ebert: Is segment reporting useful for creditors? Discretion in aggregating information (with Dirk Simons; Jack Stecher). Discussant: Naomi Rothenberg

19:15

Conference dinner

Restaurant Schützenhaus
Schützenmattstrasse 56, Basel
Tel. +41 (0)61 272 67 60
<http://goo.gl/maps/rCigX>



Orientation Map, Addresses, Phone Numbers

- 1 **Conference Site:** WWZ University of Basle
Peter-Merian-Weg 6, 4002 Basel
+41 (0)77 413 91 84 <http://goo.gl/maps/bQvQr>
- 2 **Conference Dinner (Thursday):** Restaurant Schützenhaus
Schützenmattstrasse 56, 4051 Basel
+41 (0)61 272 67 60 <http://goo.gl/maps/rCigX>
- 3 **Get-Together Evening (Wednesday):** Rosario's Lo Spuntino
Spalenberg 53, 4051 Basel
+41 (0)61 261 03 76 <http://goo.gl/maps/JOPhk>



- 4 **Hotel Victoria:** Centralbahnplatz 3, 4051 Basel
 +41 (0)61 270 70 70 <http://goo.gl/maps/IGDAV>
- 5 **Hotel Steinenschanze:** Steinengraben 69, 4051 Basel
 +41 (0)61 272 53 53 <http://goo.gl/maps/ywzB5>
- 6 **Hotel Ibis:** Margarethenstrasse 33-35, 4053 Basel
 +41 (0)61 201 0707 <http://goo.gl/maps/ndGDT>

Conference hotline	Benjamin Stake Tel. +41 (0)77 413 91 84
General emergency	112
Police	117
Ambulance	144
Taxi	+41 (0)61 222 22 22



Friday, June 7, 2013

09:00-10:40

Parallel sessions IV

- Auditorium IV.a Chair: Hui Chen
- Alfred Wagenhofer: Accounting Standards, Earnings Management, and Earnings Quality (with Ralf Ewert). Discussant: Judson Caskey
 - Andrew Yim: Mixture and Continuous 'Discontinuity' Hypotheses: An Earnings Management Model with Auditor-Required Adjustment. Discussant: Hui Chen
- S13 IV.b Chair: Edwige Cheynel
- Anna Boisits: The disciplining role of mandatory earnings announcements on voluntary earnings forecasts. Discussant: Jeremy Bertomeu
 - Konrad Lang: Voluntary Disclosure and Analyst Forecast. Discussant: Edwige Cheynel
- S15 IV.c Chair: Michael Stich
- Igor Goncharov: Comparing the usefulness of historical-cost income and fair-value based income (with Sanjay Bissessur; Dieter Wirtz). Discussant: Peter Fiechter
 - Stephan Fuhrmann: The Contents of Assurance Statements of Sustainability Reports and Information Asymmetry (with Christian Ott; Elisabeth Looks; Thomas Günther). Discussant: Michael Stich

10:40-11:00 La Pausa

Coffee break

11:00-12:40

Parallel sessions V

- Auditorium V.a Chair: Stefan Wielenberg
- Judson Caskey: Corporate Governance, Accounting Conservatism, and Manipulation (with Volker Laux). Discussant: Alfred Wagenhofer
 - Yanmin Gao: Accounting Conservatism and Board Efficiency (with Alfred Wagenhofer). Discussant: Stefan Wielenberg
- S13 V.b Chair: Andrew Yim
- Minlei Ye: What Happens after Auditing Standards Convergence? An Analysis of Standards Interpretation and Institutional Changes (with Dan A Simunic; Ping Zhang). Discussant: Jacco Wielhouwer

		<ul style="list-style-type: none"> • Romana Autrey: The Importance of Auditing Standards (with Richard Crowley). Discussant: Andrew Yim
S15		<p>V.c Chair: Christian Lukas</p> <ul style="list-style-type: none"> • Markus Arnold: Uncertainty and Information Asymmetry in Budget Negotiations (with Robert M. Gillenkirch). Discussant: Bart Dieryinck • Robert Grasser: Outcome Effects and Bayesian Updating in Effort Estimates and Investment Decisions – Experimental Evidence on the Effect of Compensation Disclosure. Discussant: Christian Lukas
12:40-13:40	La Pausa	Lunch break
13:40-15:20		Parallel sessions VI
	Auditorium	<p>VI.A Chair: Dae-Hee Yoon</p> <ul style="list-style-type: none"> • Hui Chen: Firm Exit Through Liquidation – The Effect of Accounting Bias on Product Market Competition (with Bjorn Jorgensen). Discussant: Pingyang Gao • Richard Saouma: Conservative accounting policies in oligopolies (with Henry Friedman; John S. Hughes). Discussant: Dae-Hee Yoon
	S13	<p>S2.B Chair: Oliver M. Dürr</p> <ul style="list-style-type: none"> • Naomi R. Rothenberg: Timeliness versus Accuracy and Information Externalities. Discussant: Francois Larmande • Yoshimi Chujo: Optimal Disclosure Policy for Supplier Firms (with Atsushi Shiiba). Discussant: Oliver M. Dürr
15:20-15:45	La Pausa	Coffee break
15:45-17:00	Auditorium	<p>Invited speaker session 2 <i>Equity Valuation</i> Professor Peter-Ove Christensen Chair: Robert Göx</p>
17:00		End of workshop

Alte Universität Basel (Old University, main building until 1939)

Founded in 1460, the University of Basel is Switzerland's oldest university. Among those associated to the university are

Erasmus,
Paracelsus,
Karl Barth,
Carl Albrecht Bernoulli,
Daniel Bernoulli,
Jakob Bernoulli,
Jacob Burckhardt,
Leonhard Euler,
Friedrich Nietzsche,
Eugen Huber,
Carl Jung,
Hermann Peter,
Hans Urs von Balthasar,
Huldrych Zwingli





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www.arw-suisse.ch

The Seventh Accounting Research Workshop is jointly organized by the Universities of Basel and Zurich (Switzerland).