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ASIA-PACIFIC MANAGEMENT ACCOUNTING ASSOCIATION 2016 (12TH) ANNUAL CONFERENCE

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ASIA-PACIFIC MANAGEMENT ACCOUNTING ASSOCIATION 2016 (12TH) ANNUAL CONFERENCE

SPONSORS

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英國皇家特許管理會計師公會	Chartered Institute of Management Accountants
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財團法人飛鷹會計教育基金會	Fly-Hawk Accounting Education Foundation

FOREWORD FROM CHAIR OF BOARD OF DIRECTORS, APMAA

Welcome to APMAA 2016 Annual Conference

This year the Asia-Pacific Management Accounting Association (APMAA) holds its 12th Conference (APMAA 2016) at The Sherwood Taipei and the downtown campus of National Taipei University (NTPU) from October 4th(Tuesday) – 7th (Friday), 2016. The Department of Accountancy, National Taipei University organized the conference under the leadership of Professor Hsuan-lien Chu, Chair of APMAA 2016 Annual Conference Organizing Committee.

National Taipei University began as Taiwan Provincial College of Public Administration in 1949 to educate and train the country's business and legal elite. Today, NTPU is known for educating and training talented students in the fields of business, law, public affairs, social sciences, humanities, electrical engineering and computer science. The Department of Accountancy of NTPU offers four degrees: Bachelor, Master, Executive Master, and PhD. Graduates of the department have long received recognition and affirmation for professionalism and academic strength. It is indeed a great honor for me as the Chair of APMAA Board of Directors to welcome you to the University, with its excellent history and reputation for research and education.

APMAA was founded in 2004 and has grown to be one of the world leading associations of scholars and specialists in the field of management accounting. The main goal of the APMAA conference is to bring together researchers and practitioners to exchange theories, ideas, techniques and experiences relating to all aspects of management and business accounting. This conference provides a very good opportunity for our members to interact face-to-face with experts from all over the world. This year's conference received 95 paper submissions from academics, doctoral students and accounting professionals whose countries and regions include Taiwan, Indonesia, Japan, Qatar, Malaysia, Poland, China, Thailand, USA, New Zealand, United Arab Emirates, Sweden, Australia, UK, Lithuania, Russian Federation, South Africa, Tunisia and Canada.

The 2016 conference includes a plenary session, five panel sessions (one English session and four Chinese sessions), and 19 parallel sessions, two doctoral colloquium sessions and a one-day cultural tour. The conference, with the theme of "*Opportunities and New Trends in Management Accounting*," sees a medley of programs catering to the needs of academics, doctoral students and accounting

professionals, and provides a unique global platform to facilitate the exchange of cutting-edge ideas for the advancement of knowledge in accounting, finance and management.

In the plenary session, Mr. Stan Shih will be our keynote speaker. He is the founder and honorary chairman of Acer Group. In 1996, Mr. Shih was selected as one of the 25 top managers in the world by business week. As a famous CEO with a worldwide reputation, he brings us valuable insight into conducting management accounting research that is relevant for practice. Our English Panel Session is organized by Dr. Liu, Shuen-Zen, Professor of Department of Accounting at National Taiwan University.

In the past two years, the NTPU Conference Organizing Team has poured their passion and tremendous energy to lead APMAA 2016 to success. It is time for their hard work to be rewarded fully. On behalf of APMAA, I would like to express my sincere appreciation to the devotion of the organizing team in making this conference unique and inspiring through the blend of different kinds of programs to cater to the different palates.

My special thanks go to the Professor Hsuan-Lien Chu, Conference Chair; Associate Professor Hsiao-Lun Lin, Chair of Doctoral Colloquium; Assistant Professor Li-Chun Kuo, Chair of Conference News; Ms. Yawen Mimy Hsu, Ms. Yen-Ying Chiang, Ms. Ching-Ni Hu, Ms. Pei-Hua Lu, Ms. Shu-Ling Yeh, Ms. Ching-Yi Yu, Conference Coordinators. There is no doubt that the 12th annual conference will be one of the most fantastic and impressive meetings in APMAA's history. Thank you very much for your participation to the conference. I am sure you will enjoy this conference and find the 2016 Program exciting.

Best regards,



Susumu Ueno

Chair, Board of Directors

Asia-Pacific Management Accounting Association

Message from APMAA 2016 Annual Conference President

Greetings to you all.

It is my privilege to say congratulation to the Taiwan Team for their success in organizing the 12th Asia-Pacific Management Accounting Association (APMAA) Conference, held in The Sherwood Taipei, Taipei, Taiwan on 4th – 7th October, 2016.

With the main theme: Opportunities and New Trends in Management Accounting and Plenary Session presented by Mr. Stan Shih (Chairman Emeritus of the Acer Group), this year Conference has successfully attracted participants from 18 countries in Asia Pacific; North America; Middle East; Europe; and South Africa, with the total papers: 85 for Parallel Sessions and 10 for Doctoral Colloquium.

I am pleased and would like to thank Prof. Hsuan-lien Chu, the Conference Chair and the Taiwan Team for their hard work and endless spirits. I also wish you all for a productive and successful Conference.

Best regards,



Grahita Chandrarin, M.Si. Ak., CA

2016 APMAA President

Message from Chair of APMAA 2016 Annual Conference

On behalf of the Department of Accountancy at National Taipei University (NTPU), I'd like to welcome everyone to the APMAA 2016 conference! We appreciate the APMAA having given us the chance to host this joint conference. The main theme of this conference is "Opportunities and New Trends in Management Accounting", and we are pleased to invite the founder and chairman of the Acer Group, Stan Shih, to be our keynote speaker for this conference's plenary session. As a global business leader, he will offer us a seminar that grants deeper insight into how management accounting research maintains relevance to the new era.

We have received 95 quality submissions from all over the world. However, due to limits on space, only 77 papers will be presented. We hope to provide a global platform for the exchange of research ideas, so that we can make significant advances for the field of management accounting.

We will also provide attendees with a tour of some of Taiwan's most special locations around Taipei. We will be going to Jiufen Old Street to have some Taiwanese street food. After that, we will have lunch at the famous A-Mei Restaurant to try traditional Taiwanese food. In the afternoon, we'll be going to release sky lanterns at Shifen Old Street, and then we'll walk together to Shifen Waterfall, which is the biggest waterfall in Taiwan. We're sure you will enjoy our tour and find it to be satisfying and rewarding.

During the past two years, we have poured our passion and energy into leading APMAA 2016 to success. We appreciate all of the generous support from the big four accounting firms, as well as ACCA, CIMA, the colleagues and alumni of our department, and other organizations. It's our hope that all of you enjoy the conference's activities and events, and have a good time during your visit to Taipei. It is our great honor to welcome you to NTPU, as well as to the APMAA 2016 conference.



Hsuan-Lien Chu, Chair of APMAA 2016

Professor and Chair, Department of Accountancy
College of Commerce, National Taipei University

Message from Chair of APMAA 2017 Annual Conference

The Department of Accounting of Shanghai Jiao Tong University will host the 13th APMAA conference from November 6th - 9th, 2017. On behalf of the APMAA Vice President, I would like to thank the APMAA committee for providing us the opportunity to host the upcoming conference.

We have a capable and experienced team on the conference committee. Professor Lijun Xia, the Chair of Department of Accounting, Professor Xiaodong Xu, Professor Shengquan Hao, Professor Guifeng Shi, and my colleague Dr. Renhui Fu, Dr. Wen Li, Dr. Wenyun Shi and Dr. Yu Chen are included in this committee.

The conference venue is in the campus of Shanghai Jiao Tong University, which is located near a transportation hub of Xujiahui, one of the major commercial centers in Shanghai. We have contacted several suitable hotels around the campus. To provide an outstanding computer service, we located a computer company to design the 2017 conference website. The website will be open on November 1, 2016. We also contacted some accounting institutes and firms and have their agreements to be our sponsors.

To promote the influence of 2017 APMAA conference, the members of our conference team have brought the message of the forthcoming conference to many important academic meetings such as the annual conferences of American Accounting Association, European Accounting Association, and CANAPA, etc. We hope to attract more fresh participants all over the world to our conference.

In the 2017 major program, we plan to have two or more plenary and panel sessions. One of them will be a special session for CEOs and CFOs to present their cases of management accounting practices. Therefore, we need to invite a group of excellent scholars and professionals to be our keynote speakers and moderators. Fortunately, we have good responses from outstanding professors and professionals.

The objective of the APMAA conference is to promote the advancement of management accounting theory and practice with particular reference to Asia-Pacific accounting issues. We are now going to take more efforts to achieve this goal. My team and I have been pleased to learn and grow with APMAA through participation in all of these activities. I promise to continue working hard on the conference.



Yiming Hu, Ph.D.

Professor, Department of Accounting,
Shanghai Jiao Tong University

Message from Chair of Asia-Pacific Management Accounting Journal (APMAJ)

The Asia-Pacific Management Accounting Journal (APMAJ) is jointly published by the Asia-Pacific Management Accounting Association (APMAA) and Universiti Teknologi MARA (UiTM), Malaysia. APMAJ focuses on publishing findings related to management accounting-related theory, concepts and empirical research within the Asia-Pacific region and beyond. The journal's maiden issue was released during the 2006 APMAA Annual Conference. It was initially published once a year and effective 2010, the journal publication frequency has been increased to twice a year. The journal is currently indexed in Ebscohost, Cabell's Directory of Publishing Opportunities in Management (www.cabell.com), Ulrichs (www.ulrichsweb.com), Journal Ranked List of Australia Research Council with ERA (Excellence in Research for Australia) and Australian Business Deans Council (ABDC). It is also indexed by UDLEDge Social Science & Humanities Citation Index (SS&HCI) and Focus Journals and Conference Proceedings. Since September 2015, APMAJ is indexed by the Emerging Sources Citation Index (ESCI) of Thomson Reuters. This was indeed an impressive achievement of APMAJ. In an effort to improve efficiency of the journal administration and management, APMAJ is now accessible through an online journal system (OJS) at the following URL: <http://arionline.uitm.edu.my/ojs/index.php/APMAJ>. Prospective authors can now register online and submit their papers. Once the system is stable, OJS would be able to provide online feedback and authors can check status of their papers through the system. We acknowledge the fact that during this infancy stage, the journal administrators are still learning the system and we hope you will bear with us some teething issues that may occur. As a secretariat to the journal, UiTM hopes to improve our system from time to time. Once the system is stable, we hope to submit the journal (APMAJ) for SCOPUS indexing. As a chief editor to APMAJ, I encourage all participants of APMAA conference to submit their papers to our journal.



Normah Omar, Ph.D.

Chief Editor

Asia-Pacific Management Accounting Association Journal

Program for 2016 APMAA Conference
(October 4th – 7th, 2016)

Time	Program	Location
October 4 th , 2016, Tuesday (Day One)		
9:00-11:50	<p>Board of Directors Meeting <u>(All steering committee members are welcome to attend)</u></p> <p>(1) Susumu Ueno, Board of Directors Chair</p> <p>Reporting:</p> <p>(1) Reporting from APMAA 2016 Chair: Hsuan-Lien Chu, National Taipei University (2) Reviewing past conferences (3) Progress of 2015 Memorandum (4) APMAJ</p> <p>Deliberations:</p> <p>(1) APMAA 2017: Yiming Hu, Shanghai Jiao Tong University, China (2) APMAA 2018: Takayuki Asada, Ritsumeikan University, Japan (3) APMAA 2019: Mohammed Elgammal, Qatar University (4) Governance structure and Sustainability Issue</p>	The Sherwood Taipei, 3F
11:30-18:00	Registration	The Sherwood Taipei, 3F
11:50-13:30	Lunch (Board of Directors Only)	The Sherwood Taipei, B1
13:30-17:30	Doctoral Colloquium :	NTPU Taipei Campus, 7F
	<ul style="list-style-type: none"> ● Session DC1 Earnings Management and Financial Performance 	NTPU 719

	<ul style="list-style-type: none"> ● Session DC2 Management Control System 	NTPU 713
Note: 10-Minute walk from Sherwood to NTPU Taipei Campus		
Time Allocated for each paper in the parallel sessions DC1 with 4 papers and DC2 with 3 papers per session is 25 minutes presentations/ 15 minutes review/ 10 minutes Q&A (50 minutes per one paper)		
18:00-21:00	<p>Welcome Reception</p> <p>Welcome Greetings:</p> <p>(1) Hsuan-Lien Chu, Chair, APMAA 2016 Conference</p> <p>(2) Dalton Lin, Vice President, NTPU</p> <p>(3) Susumu Ueno, Chair, APMAA Board of Directors</p> <p>Toast:</p> <p>(Led By) Normah Omar, Deputy Chair, APMAA Board of Directors</p> <p>Picture Taking (All Participants Are Invited)</p>	The Sherwood Taipei, 3F
October 5 th , 2016, Wednesday (Day Two)		
8:00-	Registration	The Sherwood Taipei, Ballroom, 3F
9:00-9:30	<p>Opening Ceremony</p> <p>Opening Speech:</p> <p>(1) Grahita Chandrarin, President, 2016 APMAA</p> <p>(2) Hsuan-Lien Chu, Chair, APMAA 2016 Conference</p> <p>Greeting:</p> <p>(1) Dalton Lin, Vice President of NTPU</p> <p>(2) Shu-Hsing Li, President, Taiwan Accounting Association</p>	The Sherwood Taipei, Ballroom, 3F
9:20-9:30	Picture Taking (VIP and Board Director Are Invited)	The Sherwood Taipei, Ballroom, 3F

9:30-10:30	<p>Keynote Speech</p> <p>Topic: Wangdao Accounting</p> <ul style="list-style-type: none"> ● Moderator: Shuen-Zen Liu, Professor, National Taiwan University ● Speaker: Stan Shih, Chairman of iD SoftCapital Group, Co-founder and Chairman of the Acer Group 	The Sherwood Taipei, Ballroom, 3F
10:30-10:45	Morning Break	The Sherwood Taipei, 3F
10:45-12:00	<p>Panel Session A</p> <p>Topic: Wangdao Accounting in Business Practices</p> <ul style="list-style-type: none"> ● Moderator: Yang-Tzong Tsay, Professor, National Taiwan University ● Speaker: Stan Shih, Chairman of iD SoftCapital Group, Co-founder and Chairman of the Acer Group ● Speaker: Shuen-Zen Liu, Professor, National Taiwan University ● Speaker: John Tien, Grundfos Handels AG Taiwan Branch 	The Sherwood Taipei, 3F
12:00-13:40	Lunch	The Sherwood Taipei, B1
13:40-15:10	Parallel Sessions	The Sherwood Taipei, 3F
	<ul style="list-style-type: none"> ● Session A1 Manager and Organizational Behavior 	Yuan Room
	<ul style="list-style-type: none"> ● Session A2 Internal Control 	Ming Room
	<ul style="list-style-type: none"> ● Session A3 Performance Measurement 	Ching Room
Time allocated for each paper in the parallel sessions A with 3 papers per session is 25 minutes (20 minutes		

for presentation and 5 minutes for discussion), 15 minutes Q&A for all papers		
15:10-15:30	Afternoon Break	The Sherwood Taipei, 3F
15:30-17:00	Parallel Sessions	The Sherwood Taipei, 3F
	● Session B1 Corporate Governance I	Yuan Room
	● Session B2 Corporate Social Responsibility I	Ming Room
	● Session B3 Forecast and Transfer Pricing	Ching Room
Time allocated for each paper in the parallel sessions B with 3 papers per session is 25 minutes (20 minutes for presentation and 5 minutes for discussion), 15 minutes Q&A for all papers		
17:30-18:00	Pre-Dinner Refreshments (Non-Alcoholic Beverages) - Picture Taking	The Sherwood Taipei, 3F
18:00-18:15	Seating	
18:15-18:25	Taiwanese Folklore Show	The Sherwood Taipei,
18:30-21:30	Gala Dinner with Cultural Performance Welcome Speech: (1) Hsuan-Lien Chu, Chair, APMAA 2016 Conference (2) Fujiing Shiue, Previous President, NTPU (3) Susumu Ueno, Chair, APMAA Board of Directors (4) Toast: Fujiing Shiue, Previous President, NTPU (5) Promotion of APMAA 2017: Yiming Hu, Shanghai Jiao Tong University, China (6) Thank you greeting from the APMAA2015: Mimba, Ni Putu Sri	Ballroom, 3F

	<p>Harta, Udayana University, Indonesia (Chair)</p> <p>(7) Appreciation to the Department of Accountancy, National Taipei University</p> <p>(8) Appreciation to the APMAA 2016 Conference Sponsors</p> <p>(9) Picture Taking (All Participants Are Invited)</p>	
October 6 th , 2016, Thursday (Day Three)		
8:30-	Registration	The Sherwood Taipei, 3F
9:00-10:30	Parallel Sessions	The Sherwood Taipei, 3F
	<ul style="list-style-type: none"> ● Session C1 Other Accounting-Related Issues I 	Yuan Room
	<ul style="list-style-type: none"> ● Session C2 Management Control System I 	Ming Room
	<ul style="list-style-type: none"> ● Session C3 Intangible Assets 	Ching Room
	<ul style="list-style-type: none"> ● Panel Session C (PWC, in Chinese) Challenge of Non-Financial Information 	Ballroom I
Time allocated for each paper in the parallel sessions C with 4 papers per session is 20 minutes (15 minutes for presentation and 5 minutes for discussion), 10 minutes Q&A for all papers		
10:30-10:45	Moring Break	The Sherwood Taipei, 3F
10:45-12:15	Parallel Sessions	The Sherwood Taipei, 3F
	<ul style="list-style-type: none"> ● Session D1 Cost Management 	Yuan Room

	<ul style="list-style-type: none"> ● Session D2 Corporate Governance II 	Ming Room
	<ul style="list-style-type: none"> ● Session D3 Performance Management 	Ching Room
	<ul style="list-style-type: none"> ● session D4 Other Accounting-Related Issues II 	Ballroom II
	<ul style="list-style-type: none"> ● Panel Session D (EY, in Chinese) G20 Hangzhou Summit: The Opportunities and Impact for Corporate Sustainability 	Ballroom I
Time allocated for each paper in the parallel sessions D with 4 papers per session is 20 minutes (15 minutes for presentation and 5 minutes for discussion), 10 minutes Q&A for all papers		
12:15-13:50	Lunch	The Sherwood Taipei, B1
13:50-15:20	Parallel Sessions	The Sherwood Taipei, 3F
	<ul style="list-style-type: none"> ● Session E1 Information Content 	Yuan Room
	<ul style="list-style-type: none"> ● Session E2 Nonprofit Organization 	Ming Room
	<ul style="list-style-type: none"> ● Session E3 Issues Related to Regulation or Disclosure 	Ching Room
	<ul style="list-style-type: none"> ● Panel Session E (KPMG, in Chinese) The Impact of Carbon Accounting on Corporate Reporting Post COP21 	Ballroom I
Time allocated for each paper in the parallel sessions E with 4 papers per session is 20 minutes (15 minutes for presentation and 5 minutes for discussion), 10 minutes Q&A for all papers		

15:20-15:35	Afternoon Break	The Sherwood Taipei, 3F
15:35-17:05	Parallel Sessions	The Sherwood Taipei, 3F
	● Session F1 Corporate Social Responsibility II	Yuan Room
	● Session F2 Management Control System II	Ming Room
	● Session F3 Risk Management and AIS	Ching Room
	● Panel Session F (Deloitte, in Chinese) Business Analytics and Process Improvement with Big Data	Ballroom I
Time allocated for each paper in the parallel sessions F with 4 papers per session is 20 minutes (15 minutes for presentation and 5 minutes for discussion), 10 minutes Q&A for all papers		
October 7 th , 2016, Friday (Last day)		
8:45-9:00	Pick up at The Sherwood Hotel	The Sherwood Taipei, 1F
9:00-17:00	Day Tour (Dress Code: Casual)	New Taipei City

DOCTORAL COLLOQUIUM:
DATE: OCTOBER 4TH, 2016, TUESDAY
TIME: 13:30-17:30

VENUE: NATIONAL TAIPEI UNIVERSITY, TAIPEI CAMPUS, 7F

SESSION (DC1): “EARNINGS MANAGEMENT AND FINANCIAL PERFORMANCE”

Moderator: Ni Luh Putu Sri Harta Mimba, Udayana University, Indonesia
CENTRAL BI RATE, FINANCIAL PERFORMANCE AND SAVING: AN EMPIRICAL STUDY OF CORPORATE IN INDONESIA

Iqbal Firdausi, STIE Indonesia Banjarmasin, Indonesia

Jumirin Asyikin, STIE Indonesia Banjarmasin, Indonesia

Discussant: Sari Yuniarti, University of Merdeka Malang, Indonesia

THE EFFECTS OF PRODUCT MARKET COMPETITION, FIRM SIZE, AND LEVERAGE ON EARNINGS MANAGEMENT THROUGH RELATED PARTY TRANSACTIONS

MAF. Suprapti, Merdeka University, Malang, Indonesia

Grahita Chandrarin, Merdeka University, Malang, Indonesia

Prihat Assih, Merdeka University, Malang, Indonesia

Discussant: Chien-Min Pan (Kevin), National Chengchi University, Taiwan

THE INFLUENCE OF A FIRM'S BUSINESS STRATEGY ON ITS EARNINGS MANAGEMENT FOLLOWING CHIEF EXECUTIVE OFFICER CHANGES

Chia-Hsin Chiang, National Taipei University, Taiwan

Discussant: Hsin-Tsai Liu, National Taiwan University, Taiwan

ACCOUNTING ENVIRONMENT TO IMPROVE ENVIRONMENTAL PERFORMANCE IN SUSTAINABLE DEVELOPMENT AT MANUFACTURING COMPANIES IN EAST JAVA– INDONESIA

Sihwahjoeni Dardiri, Asih University Merdeka Malang, Indonesia

Ratna Ningtyas, Asih University Merdeka Malang, Indonesia

Discussant: Ni Luh Putu Sri Harta Mimba, Udayana University, Indonesia

SESSION (DC2): “MANAGEMENT CONTROL SYSTEM”

Moderator: Masumi Nakashima, Chiba University of Commerce, Japan
**THE ROLE OF CORPORATE GOVERNANCE IN MODERATING THE
RELATION BETWEEN CEO INCENTIVES AND INTERNAL CONTROL
QUALITY**

Yan-Yi Chiou, National Taipei University, Taiwan

Discussant: Masumi Nakashima, Chiba University of Commerce, Japan

**DETERMINANTS AND EVALUATION OF OPERATIONAL BUDGETING
SUCCESS IN POLISH COMPANIES**

Żaneta Pietrzak, University of Lodz, Poland

Discussant: Chung-Huey Huang, National Taipei University, Taiwan

**THE IMPACT OF QUALITY OF COMPENSATION COMMITTEES ON THE
RELATION BETWEEN MANAGER’S ABILITY AND COMPENSATION**

Yen-Chi Chen, National Taipei University, Taiwan

Discussant: Tomasz Wnuk-Pel, University of Lodz, Poland

PARALLEL SESSIONS

DATE: OCTOBER 5TH, 2016, WEDNESDAY

TIME: 13:40-15:10

VENUE: THE SHERWOOD TAIPEI, 3F

**SESSION (A1): “MANAGER AND ORGANIZATIONAL
BEHAVIOR”**

**Moderator: Peng-Chia Chiu, The Chinese University of Hong Kong, Hong
Kong**

**DO CEO PAY-PERFORMANCE SENSITIVITIES AFFECT FIRM
INNOVATION?**

Ming-Hsien Ethan Hsueh, National Changhua University of Education, Taiwan

Heng-Yu Chang, School of Business, Chang Gung University, Taiwan

Hao-Wen Shiu, Department of Accounting, National Changhua University of
Education, Taiwan

Discussant: Peng-Chia Chiu, The Chinese University of Hong Kong, Hong Kong

MANAGERIAL ABILITY AND OVERINVESTMENT

Hsuan-Lien Chu, Department of Accounting College of Commerce, National Taipei University, Taiwan

Yan-Yi Chiou, Ph.D. student, Department of Accounting College of Commerce, National Taipei University, Taiwan

Wan-Chien Chiu, Accounting and Finance, Adam Smith Business School, University of Glasgow, UK

Discussant: Peng-Chia Chiu, The Chinese University of Hong Kong, Hong Kong

EFFECT OF MANAGEMENT MATURITY LEVELS ON GLOBAL NETWORK MANAGEMENT IN VALUE CHAIN RELATIONS

Jaewook Kim, Department of Management Studies, Hiroshima University, Japan

Takayuki Asada, Business Administration, Ritsumeikan University, Japan

Makoto Tomo, Faculty of Economics, Seijo University, Japan

Discussant: Ming-Sian Shiue, National Changhua University of Education, Taiwan

SESSION (A2): “INTERNAL CONTROL”

Moderator: Min-Jeng Shiue, National Taipei University, Taiwan

THE VALUE EFFECT OF BANK INTERNAL CONTROL WEAKNESS DISCLOSURE: EVIDENCE FROM TAIWAN

Li-Chun Kuo, Department of Accountancy, National Taipei University, Taiwan

Yi-Ping Liao, Department of Accounting, Ming Chuan University, Taiwan

Discussant: Shu-Miao Lai, Department of Accounting, Kainan University, Taiwan

CEO-BOARD NETWORK AND INTERNAL CONTROL QUALITY

Shu-Miao Lai, Department of Accounting, Kainan University, Taiwan

Chih-Liang Liu, Institute for Financial & Accounting Studies, Xiamen University, China

Discussant: Masumi Nakashima, Chiba University of Commerce, Japan

IS THE COMPOSITION OF THE BOARD OF DIRECTORS ASSOCIATED WITH ACCOUNTING FRAUD? EVIDENCE FROM JAPAN

Masumi Nakashima, Chiba University of Commerce, Japan

Discussant: Min-Jeng Shiue, National Taipei University, Taiwan

SESSION (A3): “PERFORMANCE MEASUREMENT”

**Moderator: Ahmed Abdel-Maksoud, United Arab Emirates University,
United Arab Emirates**

THE EFFECT OF PERFORMANCE MEASUREMENT SYSTEM, MOTIVATION AND PROACTIVE BEHAVIOR ON EMPLOYEES’ CREATIVITY

Vincent K Chong, The University of Western Australia, Australia

Uta Bindl, London School of Economics, UK

Stijn Masschelein, The University of Western Australia, Australia

Discussant: Tomasz Wnuk-Pel, University of Lodz, Poland

RESEARCH & DEVELOPMENT EFFICIENCY AT HIGH PERFORMANCE COMPANIES: IMPLICATIONS FOR PERFORMANCE MEASUREMENT

Belverd E. Needles, DePaul University, USA

Mark L. Frigo, DePaul University, USA

Marian Powers, Kellogg Graduate School of Management, Northwestern University,
USA

Anton Shigaev, Kazan Federal University, Russian Federation

Discussant: Vincent K Chong, The University of Western Australia, Australia

ENVIRONMENTAL REPORTING IN SWEDISH MUNICIPALITIES

Jan Alpenberg, Department of Accounting, Linnaeus University, Sweden

Amanda Henebäck, Department of Accounting, Linnaeus University, Sweden

Tomasz Wnuk-Pel, Department of Accounting, University of Lodz, Poland

**Discussant: Ahmed Abdel-Maksoud, United Arab Emirates University, United
Arab Emirates**

DATE: OCTOBER 5TH, 2016, WEDNESDAY

TIME: 15:30-17:00

VENUE: THE SHERWOOD TAIPEI

SESSION (B1): “CORPORATE GOVERNANCE I”

Moderator: Nam-Sang Cheng, Singapore Management University, Singapore

CREDIT RATING OF CONTROLLING SHAREHOLDER AND CORPORATE BOND PRICING: EVIDENCE FROM CHINA

Xin Chen, Department of Accounting, School of Management and Economics, Shanghai Jiaotong University, Shanghai, China

Pengfei Han, Department of Accounting, School of Management and Economics, Shanghai Jiaotong University, Shanghai, China

Yiming Hu, Department of Accounting, School of Management and Economics, Shanghai Jiaotong University, Shanghai, China

Discussant: Nam-Sang Cheng, Singapore Management University, Singapore

UNDERSTANDING BOARD CHARACTERISTICS OF NON-PROFIT ORGANISATIONS IN MALAYSIA

Norliza Omar, MRS, Universiti Teknologi MARA, Malaysia

Roshayani Arshad, DR, Universiti Teknologi MARA, Malaysia

Nur Hayati Ab Samad, MRS, Universiti Teknologi MARA, Malaysia

Rina Fadhilah Ismail, DR, Universiti Teknologi MARA, Malaysia

Discussant: Yiming Hu, Shanghai Jiaotong University, China

THE DIRECTLY AND INDIRECTLY IMPACTS OF GOOD CORPORATE GOVERNANCE ON BANKING STABILITY: AN EMPIRICAL STUDY IN INDONESIA

Sari Yuniarti, University of Merdeka Malang, Indonesia

Grahita Chandrarin, University of Merdeka Malang, Indonesia

Edi Subiyantoro, University of Merdeka Malang, Indonesia

Discussant: Norliza Omar, MRS, Universiti Teknologi MARA, Malaysia

SESSION (B2): “CORPORATE SOCIAL RESPONSIBILITY I”

Moderator: Tetsuhiro Kishita, Ryukoku University, Japan

THE RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE VALUE FROM THE ISO 26000 PERSPECTIVE

Maki Tomoya, Department of Industrial Administration, Tokyo University of Science, Japan

Ling Feng, Faculty of Science and Technology, Tokyo University of Science, Japan

Ryuta Tsubouchi, Faculty of Science and Technology, Tokyo University of Science, Japan

Discussant: Li-Peng Hsiao, Chinese Culture University, Taiwan

ARE CSR FIRMS THAT ARE DOING GOOD ALSO DOING WELL? A REEXAMINATION FROM THE PERSPECTIVE OF THE ADVERTISING-ANALOGOUS EFFECT

Hsuan-Chu Lin, Department of Accountancy and Graduate Institute of Finance, National Cheng Kung University, Taiwan

She-Chih Chiu, Department of Accountancy, National Cheng Kung University, Taiwan

Discussant: Maki Tomoya, Tokyo University of Science, Japan

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON FINANCIAL RISK

Li-Peng Hsiao, Department of Accounting, Chinese Culture University, Taiwan

Weitzu Chen, Department of Accountancy, National Taipei University, Taiwan

Jwu-Rong Lin, Department of International Business, Tunghai University, Taiwan

Chi-Chun Liu, Department of Accounting, National Taiwan University, Taiwan

Discussant: She-Chih Chiu, National Cheng Kung University, Taiwan

SESSION (B3): “FORECAST AND TRANSFER PRICING”

Moderator: Shih-Tsun Chiu, National Taipei University, Taiwan

IMPACT OF INFORMATION LINKAGE SYSTEM ON FIRM’S ORGANIZATION STRUCTURE, TRANSFER PRICE, AND PROFIT

Jumpei Hamamura, Graduate School of Business Administration, Kobe University, Japan

Discussant: Shih-Tsun Chiu, National Taipei University, Taiwan

MOTIVES IN THE DECISION OF TRANSFER PRICING

Alimuddin Mappaesa Mappuji, University Hasanuddin, Indonesia

Siti Nafisah Azis, Universitas Fajar, Indonesia

Abdul Saming, Universitas Hasanuddin, Indonesia

Discussant: Jumpei Hamamura, Kobe University, Japan

MANAGER'S FORECASTING STRATEGY AND PROJECT COMPLEXITY

Yoshikazu Ishinagi, Kobe City University of Foreign Studies, Japan

Atsushi Shiiba, Graduate School of Economics, Osaka University, Japan

Discussant: Shih-Tsun Chiu, National Taipei University, Taiwan

DATE: OCTOBER 6TH, 2016, THURSDAY

TIME: 9:00-10:30

VENUE: THE SHERWOOD TAIPEI

SESSION (C1): “OTHER ACCOUNTING-RELATED ISSUES I”

Moderator: Normah Omar, Universiti Teknologi MARA, Malaysia

**DEMISE OR RECONFIGURATION OF TRADITIONAL HRM PRACTICES
IN JAPANESE MANUFACTURERS IN GLOBALIZING ECONOMY?**

Tetsuhiro Kishita, Ryukoku University, Japan

Naoki Hayashi, Ryukoku University, Japan

Discussant: Susumu Ueno, Konan University, Japan

**THE STAGE OF MANAGEMENT ACCOUNTING EVOLUTION IN
THAILAND—PRELIMINARY RESULTS**

Nimnual Visedsun, Rangsit University, Thailand

Kanitsorn Terdpaopong, Rangsit University, Thailand

Discussant: Tetsuhiro Kishita, Ryukoku University, Japan

**JAPANESE MANAGEMENT ACCOUNTING: AN OVERVIEW OF
CURRENT METHODS AND PRACTICES**

Susumu Ueno, Konan University, Japan

Paul Scarbrough, The Goodman School of Business, Brock University, Canada

Discussant: Normah Omar, Universiti Teknologi MARA, Malaysia

ADJUSTMENT OF TRADITIONAL ENTRY STRATEGIES FOR BOP MARKETS

Naoki Hayashi, Ryukoku University, Japan

Tetsuhiro Kishita, Ryukoku University, Japan

Cheng Chian, Ryukoku University, Japan

Kazuo Murauchi, Ryukoku University, Japan

Discussant: Kanitsorn Terdpaopong, Rangsit University, Thailand

SESSION (C2): “MANAGEMENT CONTROL SYSTEM I”

Moderator: Masao Tsuji, Nagoya University of Commerce & Business, Japan

OPERATIONAL BUDGETING PRACTICES. POLISH AND LITHUANIAN COMPANIES EXPERIENCE

Tomasz Wnuk-Pel, Department of Accounting, University of Lodz, Poland

Ceslovas Christauskas, Accounting and Finance Department, Kaunas University of Applied Sciences, Lithuania

Discussant: Bambang Tjahjadi, Universitas Airlangga, Indonesia

MEDIATING EFFECT OF PSYCHOLOGICAL CAPITAL AND JOB SATISFACTION ON BUDGET PARTICIPATION- MANAGERIAL PERFORMANCE RELATIONSHIP: A CASE STUDY OF A PUBLIC SECTOR ORGANIZATION IN INDONESIA

Mustika Yuli, Universitas Airlangga, Indonesia

Ellita Kusumaningrum, Universitas Airlangga, Indonesia

Bambang Tjahjadi, Universitas Airlangga, Indonesia

Noorlailie Soewarno, Universitas Airlangga, Indonesia

Discussant: Ismayani Lebang, University of Hasanuddin, Indonesia

THE INFLUENCE OF INDIVIDUAL CHARACTERISTIC TOWARD PERFORMANCE MEASUREMENTS

Ismayani Lebang, S.E., Ak., Magister Science Accountancy, University of Hasanuddin, Indonesia

Muh. Ridha Risya Putra, S.E., Magister Science Accountancy, University of Hasanuddin, Indonesia

Dr. Grace T. Pontoh, S.E., Ak., M.Si, CA, Magister Science Accountancy, University of Hasanuddin, Indonesia

Discussant: Mayada A. Youssef, United Arab Emirates University, United Arab Emirates

**THE RELATIONSHIP BETWEEN SOCIETAL INSTITUTIONS AND
MANAGEMENT ACCOUNTING TECHNIQUES ADOPTION: IS IT REALLY
DIRECT?**

Mayada A. Youssef, United Arab Emirates University, United Arab Emirates

Esam E. Moustafa, United Arab Emirates University, United Arab Emirates

Nizar M. Alsharari, United Arab Emirates University, United Arab Emirates

Discussant: Masao Tsuji, Nagoya University of Commerce & Business, Japan

SESSION (C3): “INTANGIBLE ASSETS”

Moderator: Takayuki Asada, Ritsumeikan University, Japan

**THE RELATIONSHIP OF INTELLECTUAL CAPITAL TO PERFORMANCE
OF PRIVATE UNIVERSITY PERFORMANCE IN JAKARTA**

Yvonne Augustine Sudibyo, Trisakti University, Indonesia

Discussant: Muttanachai Suttipun, Prince of Songkla University, Thailand

**EMPIRICAL STUDY ABOUT ADVERTISING EXPENSES’ EFFECTS ON
BRAND VALUE**

Masahiko Fukuda, Bunkyo University, Japan

Harumi Ishida, Bunkyo University, Japan

Michiko Toyama, Bunkyo University, Japan

Discussant: Yvonne Augustine Sudibyo, Trisakti University, Indonesia

**THE EFFECT OF FINANCIAL AND NON-FINANCIAL PERFORMANCE
TOWARD CSR DISCLOSURE OF THE COMPANY**

Ulfah Rizky Muslimin, Science Magister of Accounting, Faculty of Economic and
Business, Hasanuddin University, Indonesia

Muhammad Ridwan, Science Magister of Accounting, Faculty of Economic and
Business, Hasanuddin University, Indonesia

Grace T. Pontoh, Science Magister of Accounting, Faculty of Economic and Business,
Hasanuddin University, Indonesia

Ainil Mufidah Tanra, S.E, Science Magister of Accounting, Faculty of Economic and
Business Hasanuddin University, Indonesia

Discussant: Masahiko Fukuda, Bunkyo University, Japan

**ASSOCIATION BETWEEN BOARD COMPOSITION AND INTELLECTUAL
CAPITAL DISCLOSURE: EMPIRICAL EVIDENCE FROM THAILAND**

Muttanachai Suttipun, Prince of Songkla University, Thailand

Discussant: Ulfah Rizky Muslimin, Hasanuddin University, Indonesia

DATE: OCTOBER 6TH, 2016, THURSDAY
TIME: 10:45-12:15
VENUE: THE SHERWOOD TAIPEI, 3F

SESSION (D1): “COST MANAGEMENT”

Moderator: Masaaki Aoki, Tohoku University, Japan

**ANALYSIS ON THE IMPACT OF FINANCING DECISION TO MDGs
ACHIEVEMENT, CAPITAL EXPENDITURES AND ECONOMIC GROWTH
AS MODERATING VARIABLES (CASE STUDY IN INDONESIA)**

Elfiatur Roikhah, University of Merdeka Malang, Indonesia

Anwar Sanusi, University of Merdeka Malang, Indonesia

Grahita Chandrarin, University of Merdeka Malang, Indonesia

Discussant: Kanitsorn Terdpaopong, Rangsit University, Thailand

**TIME-DRIVEN ACTIVITY-BASED COSTING (TDABC) IN CUSTOMER
PROFITABILITY ANALYSIS: A CASE OF A HOTEL IN JOGJAKARTA,
INDONESIA**

Garry Billy Ardiansyah, Universitas Airlangga, Indonesia

Bambang Tjahjadi, Universitas Airlangga, Indonesia

Noorlailie Soewarno, Universitas Airlangga, Indonesia

Discussant: Katsuyuki Takahashi, Waseda University, Japan

**THE DIFFERENCE OF COST BEHAVIORS BETWEEN DOMESTIC
SEGMENTS AND FOREIGN COUNTRY SEGMENTS: EVIDENCE FROM
JAPAN**

Katsuyuki Takahashi, Waseda University, Japan

Discussant: Bambang Tjahjadi, Universitas Airlangga, Indonesia

**THE SIGNIFICANCE OF PREPARATION PROCESS IN BSC
INTRODUCTION: A JAPANESE SME’s CASE**

Masaaki Aoki, Tohoku University, Japan

Mitsuya Hasebe, Arcept Consulting Co.Ltd., Japan

Discussant: Alimuddin Mappaesa Mappuji, Hasanuddin University, Indonesia

SESSION (D2): “CORPORATE GOVERNANCE II”

Moderator: Vincent K Chong, The University of Western Australia, Australia

THE EFFECTS OF AUDITOR’S QUALITY AND GOOD CORPORATE GOVERNANCE ON EARNINGS MANAGEMENT (EVIDENCE IN INDONESIA STOCK EXCHANGE)

I.G.A. Made Asri Dwija Putri, Udayana University, Indonesia

Ni Made Dwi Ratnadi, Udayana University, Indonesia

Ni Luh Putu Sri Harta Mimba, Udayana University, Indonesia

Cokorda Istri Julyana Dewi, Fakultas Ekonomi Universitas Udayana (Unud), Indonesia

Discussant: Wei-Heng Lin, National Taipei University of Business, Taiwan

THE EFFECT OF SARBANES-OXLEY ON THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE AND ACCOUNTING CONSERVATISM

Wenyun Shi, Shanghai Jiao Tong University, China

Robert Kieschnick, The University of Texas at Dallas, USA

Discussant: Ni Luh Putu Sri Harta Mimba, Udayana University, Indonesia

THE EFFECT OF EMOTIONAL INTELLIGENCE ON THE RELATIONSHIP BETWEEN ROLE STRESSORS AND BURNOUT AUDITOR

Ni Ketut Rasmini, Faculty of Economics and Business Udayana University, Indonesia

Made Gede Wirakusuma, Faculty of Economics and Business Udayana University, Indonesia

Ni Made Dwi Ratnadi, Faculty of Economics and Business Udayana University, Indonesia

Ni Made Wiryathi, Faculty of Economics and Business Udayana University, Indonesia

Discussant: Vincent K Chong, The University of Western Australia, Australia

HIERARCHY PROCESS ANALYSIS ON INDIVIDUAL FACTORS OF ETHICAL DECISION MAKING

Suryadi Winata, lecturer at Buddhi School of Economics, Tangerang, Indonesia

Discussant: Wenyun Shi, Shanghai Jiao Tong University, China

SESSION (D3): “PERFORMANCE MANAGEMENT”

Moderator: Belverd E. Needles, DePaul University, USA

EFFECT OF HUMAN RESOURCES, VILLAGE FINANCIAL INFORMATION AND ORGANIZATION COMMITMENT TO VILLAGE HEAD PERFORMANCE WITH VILLAGE FINANCIAL MANAGEMENT AS INTERVENING VARIABLE

Dian Fitriana, Airlangga University, Indonesia

Zaenal Fanani, Airlangga University, Indonesia

Discussant: Belverd E. Needles, DePaul University, USA

TECHNICAL EFFICIENCY ANALYSIS OF MAJOR INTERNATIONAL AIRPORTS IN CHINA: EVIDENCE FROM A STOCHASTIC OUTPUT DISTANCE FUNCTION APPROACH

Ru Ji, Haojing College, Shaanxi University of Science and Technology, China

Kok Fong See, Universiti Sains Malaysia, Malaysia

Discussant: Muh Rachmat Putra Utama, The University of Hasanuddin, Indonesia

DETERMINANT NON PERFORMING FINANCING AND PROFITABILITY COOPERATIVE SHARIA AT INDONESIA

Oyong Lisa, STIE WIDYA GAMA, Indonesia

Kurniawan, STIE WIDYA GAMA, Indonesia

Noviansyah Rizal, STIE WIDYA GAMA, Indonesia

Ratna Wijayanti, STIE WIDYA GAMA, Indonesia

Discussant: Zaenal Fanani, Airlangga University, Indonesia

ANALYSIS OF THE INFLUENCE OF THE PRICE AND SALES VOLUME OF THE FINANCIAL PERFORMANCE ON PT SERMANI STEEL MAKASSAR

Grace T Pontoh, The University of Hasanuddin, Indonesia

Muh Rachmat Putra Utama, The University of Hasanuddin, Indonesia

Munadi Agri Saswan, The University of Hasanuddin, Indonesia

Discussant: Kok Fong See, Universiti Sains Malaysia, Malaysia

SESSION (D4): “OTHER ACCOUNTING-RELATED ISSUES II”

Moderator: Li-Chun Kuo, National Taipei University, Taiwan

THEORETICAL CORPORATE FINANCE TECHNIQUES USED BY MOROCCAN LISTED FIRMS

Hicham Benjelloun, Qatar University, Qatar

Discussant: Abdulsamad Alazzani, Qatar University, Qatar

INDEXING IN MOROCCO

Hicham Benjelloun, Qatar University, Qatar

Discussant: Ahmed Abdel-Maksoud, United Arab Emirates University, United Arab Emirates

ANALYSIS OF FINANCIAL STATEMENTS FRAUD THROUGH FRAUD DIAMOND FACTORS

Murtanto Tanto, Faculty of Economic and Bussiness, Trisakti University, Indonesia

Haryono Umar, Faculty of Economic and Bussiness, Trisakti University/STIE,

Muhammadiyah Jakarta, Indonesia

Discussant: Li-Chun Kuo, National Taipei University, Taiwan

MANAGING LOBBYIST INVOLEMENT IN PUBLIC PROCUREMENT THROUGH E-PROCUREMENT SYSTEM AS CORRUPTION PREVENTIVE MECHANISM

Marlina Wati Ishak, Malaysia Agricultural Research and Development Institute, Serdang, Selangor, Malaysia

Normah Omar, Accounting Research Institute, Universiti Teknologi MARA, Shah Alam, Malaysia

Jamaliah Said, Accounting Research Institute, Universiti Teknologi MARA, Shah Alam, Malaysia

Zuraidah Mohd Sanusi, Accounting Research Institute, Universiti Teknologi MARA, Shah Alam, Malaysia

Discussant: Murtanto Tanto, Faculty of Economic and Bussiness, Trisakti University, Indonesia

DATE: OCTOBER 6TH, 2016, THURSDAY

TIME: 13:50-15:20

VENUE: THE SHERWOOD TAIPEI, 3F

SESSION (E1): “INFORMATION CONTENT”

Moderator: Yuji Mori, University of Shizuoka, Japan

INFORMATIVENESS OF EARNINGS: THE WINDOW INFORMATION FOR INVESTOR ON ACCOUNTING PROFIT FORECASTING

Ratna Wijayanti DP, STIE Widya Gama Lumajang, Indonesia

Noviansyah Rizal, STIE Widya Gama Lumajang, Indonesia

Oyong Lisa, STIE Widya Gama Lumajang, Indonesia

Kurniawan, STIE Widya Gama Lumajang, Indonesia

Discussant: Ni Putu Sri Harta Mimba, Udayana University, Indonesia

THE ANALYSIS OF THE ROLE OF CAPITAL STRUCTURE AND SYSTEMATIC RISK IN MEDIATING THE EFFECTS OF GROWTH OPPORTUNITY ON EARNING RESPONSE COEFFICIENTS (EMPIRICAL STUDY ON CONSUMER GOODS MANUFACTURING COMPANIES LISTED ON THE STOCK EXCHANGE INDONESIA)

Muhamad Haedir, University of Merdeka Malang, Indonesia

Grahita Chandrarin, University of Merdeka Malang, Indonesia

Yasmin Farani, University of Merdeka Malang, Indonesia

Discussant: Yuji Mori, University of Shizuoka, Japan

MARKET REACTION TO THE BANNED OF DISTRIBUTION ON ALCOHOLIC BEVERAGE

AFE. Rachmadewi, Department of Accounting, Udayana University, Indonesia

AAGP Widanaputra, Department of Accounting, Udayana University, Indonesia

Ni Putu Sri Harta Mimba, Department of Accounting, Udayana University, Indonesia

Discussant: Grahita Chandrarin, University of Merdeka Malang, Indonesia

MARKET REACTION TO CHIEF EXECUTIVE OFFICER (CEO) TURNOVER ANNOUNCEMENT IN INDONESIA

Deshinta Amalia Sholihah, Accounting Department, Economics and Business Faculty, Airlangga University, Indonesia

Zaenal Fanani, Accounting Department, Economics and Business Faculty, Airlangga University, Indonesia

Discussant: Kurniawan, STIE Widya Gama Lumajang, Indonesia

SESSION (E2): “NONPROFIT ORGANIZATION”

Moderator: Shoichiro Hosomi, Tokyo Metropolitan University, Japan

ACCOUNTABILITY IN NON-PROFIT ORGANISATIONS: PRELIMINARY EVIDENCE FROM MALAYSIA

Roshayani Arshad, Accounting Research Institute, Universiti Teknologi MARA, Malaysia

Mohd Hisham Mahamud, Accounting Research Institute, Universiti Teknologi MARA, Malaysia

Nur Farahin Roslan, Malaysia, Faculty of Accountancy, Universiti Teknologi MARA, Malaysia

Noreena Md Yusoff, Malaysia, Faculty of Accountancy, Universiti Teknologi MARA, Malaysia

Discussant: Shoichiro Hosomi, Tokyo Metropolitan University Japan

EMPIRICAL STUDY ON ASYMMETRIC COST BEHAVIOR OF THE PUBLIC SECTOR ORGANIZATIONS —ANALYSIS OF THE STICKY COSTS OF LOCAL PUBLIC ENTERPRISES

Shohei Nagasawa, Tokyo Metropolitan University, Japan

Shoichiro Hosomi, Tokyo Metropolitan University, Japan

Discussant: Prihat Assih, University Of Merdeka Malang, Indonesia

ORGANIZATION IDENTITY AND COMMITMENT TO CHANGE IN A NON-PROFIT ORGANIZATION: STUDY IN INDONESIA

Dodi Irawanto, Head of Master of Management Program, University of Brawijaya, Indonesia

Discussant: Roshayani Arshad, Universiti Teknologi MARA, Malaysia

THE INFLUENCE OF CORPORATE INCOME AND GROWTH RATE ON DIVIDEND POLICY

Prihat Assih, University Of Merdeka Malang, Indonesia

Parawiyati, University Of Merdeka Malang, Indonesia

Nindy Riesmaviana, University Of Merdeka Malang, Indonesia

Discussant: Shoichiro Hosomi, Tokyo Metropolitan University Japan

SESSION (E3): “ISSUES RELATED TO REGULATION OR DISCLOSURE”

Moderator: Normah Omar, Universiti Teknologi MARA, Malaysia

THE EFFECT OF ENTERPRISE RISK MANAGEMENT (ERM) CONTINGENCY FIT ON RISK DISCLOSURE QUALITY

Ira Geraldina, Indonesia Banking School, Indonesia

Hilda Rossieta, University of Indonesia, Indonesia

Discussant: Diana Zuhroh, University of Merdeka Malang, Indonesia

DIFFERENT TEST PROFITABILITY BETWEEN DEBT AND EQUITY AS FUNDING SOURCES FOR SMALL AND MEDIUM ENTERPRISES (SMEs)

Dewi Ratih, Widya Karya University, Indonesia

Discussant: Chiungfeng Ko, Soochow University, Taiwan

IMPACT OF INTEGRATED INFORMATION SYSTEM IMPLEMENTATION ON THE QUALITY OF INFORMATION OBTAINED FROM MANAGEMENT ACCOUNTING SYSTEM– CASE STUDY

Artur Jabłoński, Department of Accounting, University of Lodz, Poland

Marta Kawczyńska, Department of Accounting, University of Lodz, Poland

Żaneta Pietrzak, Department of Accounting, University of Lodz, Poland

Tomasz Wnuk-Pel, Department of Accounting, University of Lodz, Poland

Discussant: Dewi Ratih, Widya Karya University, Indonesia

THE ASSOCIATION BETWEEN STRATEGIC RISK MANAGEMENT AND TRANSACTION COST

Chiungfeng Ko, Soochow University, Taiwan

Discussant: Ira Geraldina, Indonesia Banking School, Indonesia

DATE: OCTOBER 6TH, 2016, THURSDAY
TIME: 15:35-17:05
VENUE: THE SHERWOOD TAIPEI

SESSION (F1): “CORPORATE SOCIAL RESPONSIBILITY II”

Moderator: Huo-Shu Peng, National Taipei University, Taiwan

THE IMPACT OF EXISTENCE OF ROYAL FAMILY DIRECTORS ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE: SERVANT LEADERSHIP PERSPECTIVE

Abdulsamad Alazzani, Qatar University, Qatar

Yaseen Aljanadi, Qatar University, Qatar

Discussant: Huo-Shu Peng, National Taipei University, Taiwan

CHANGES IN CORPORATE SOCIAL RESPONSIBILITY PERFORMANCE AND STOCK RETURNS

Shu Yeh, National Taiwan University, Taiwan

Hsuan Wang, College of Management Yuan Ze University, Taiwan

Chun-You Ko, Soochow University, Taiwan

Discussant: Chia-Yu Chiang, National Changhua University of Education, Taiwan

CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE: THE ROLE OF MANAGERIAL ABILITY

Li-Peng Hsiao, Chinese Culture University, Taiwan

Chia-Yu Chiang, National Changhua University of Education, Taiwan

Discussant: Abdulsamad Alazzani, Qatar University, Qatar

ORGANISATIONAL SUSTAINABILITY OF SOCIAL ENTERPRISE

Nur Hayati Ab Samad, Universiti Teknologi MARA, Malaysia

Roshayani Arshad, Universiti Teknologi MARA, Malaysia

Norliza Omar, Universiti Teknologi MARA, Malaysia

Siti Haliza Asat, Universiti Teknologi MARA, Malaysia

Discussant: Hsuan Wang, College of Management Yuan Ze University, Taiwan

SESSION (F2): “MANAGEMENT CONTROL SYSTEM II”

Moderator: Grahita Chandrarin, University of Merdeka Malang, Indonesia

THE ROLE OF MANAGEMENT CONTROL SYSTEMS IN BRINGING ABOUT CHANGE IN A NEW ZEALAND UNIVERSITY TOWARDS EXPLICIT PERFORMANCE INDICATORS

Stephanie L Chong, Otago Polytechnic, New Zealand

Roger J. Willett, University of Tasmania, Australia

Discussant: Diana Zuhroh, University of Merdeka Malang, Indonesia

THE EFFECT OF BUSINESS STRATEGY ON CORPORATE TAX AVOIDANCE, EMPIRICAL EVIDENCE IN INDONESIA

Dianwicakasih Ariefiara, State University of Surabaya, Indonesia

Sidharta Utama, University of Indonesia, Indonesia

Discussant: Grahita Chandrarin, University of Merdeka Malang, Indonesia

CONTINGENT FIT-MISFIT, BUSINESS UNIT PERFORMANCE, AND THE PROOF OF THE CONGRUENCY HYPOTHESIS

Diana Zuhroh, University of Merdeka Malang, Indonesia

Discussant: Stephanie L Chong, Otago Polytechnic, New Zealand

THE INFLUENCE OF CHARACTERISTICS OF IFRS ON INTERNAL CONTROL REPORTING OBJECTIVE

Wen-Hsien Tsai, Department of Business Administration, National Central University, Taiwan

Ya-Zhi Lin, Department of Business Administration, National Central University, Taiwan

Discussant: Te-Kuan Lee, Chung Yuan Christian University, Taiwan

SESSION (F3): “RISK MANAGEMENT AND AIS”

Moderator: Kuei-Hui Cheng, National Taipei University, Taiwan

ACCOUNTING FOR LONG-LIVED ASSETS AND SYSTEMATIC RISK

Weitzu Chen, National Taipei University, Taiwan

Li-Peng Hsiao, Chinese Culture University, Taiwan

Chia-Wei Tai, National Taipei University, Taiwan

Discussant: Huei-Ling Chen, National Taiwan Normal University, Taiwan

THE RELATIONSHIPS AMONG IS PERFORMANCE, INTERNAL CONTROL ELEMENTS, IFRS INFORMATION QUALITY, AND IFRS FINANCIAL REPORTING

Wen-Hsien Tsai, National Central University, Taiwan

Po-Yuan Chu, National Central University, Taiwan

Discussant: Kuei-Hui Cheng, National Taipei University, Taiwan

THE RELATIONSHIP AMONG IS PERFORMANCE, CAPABILITY AND PROCEDURE FOR PREPARING IFRS CONSOLIDATED FINANCIAL STATEMENTS

Wen-Hsien Tsai, National Central University, Taiwan

Shi-Yin Jhong, National Central University, Taiwan

Discussant: Ghassan H. Mardini, College of Business and Economics, Qatar

IFRS SUITABILITY TO EMERGING MARKETS: EMPIRICAL EVIDENCE FROM QATAR

Roula S. Wadi, College of Business and Economics, Qatar University, Qatar

Ghassan H. Mardini, College of Business and Economics, Qatar University, Qatar

Discussant: Wen-Hsien Tsai, National Central University, Taiwan

Panel Session A



Topic: Wangdao Accounting

Mr. Stan Shih (施振榮) serves on the boards of the ABW family of companies (Acer, BenQ, and Wistron) as well as Taiwan Semiconductor Manufacturing Co. He is the former chairman of the Asia Business Council, a former member of the International Advisory Panel for Malaysia's Multimedia Super Corridor, a governor of the Asian Institute of Management, and honorary chairman of the Taiwan Excellent Brand Association.

BusinessWeek named Mr. Shih one of the 25 Top Managers of the Year. Time featured him in its article "60 Years of Asian Heroes" for turning Taiwan into a PC-manufacturing powerhouse. In September of 2007, Mr. Shih, as Taiwan's Special Envoy, attended the Asia-Pacific Economic Cooperation (APEC) Summit in Sydney, Australia.

After almost 45 years' experience in business practices, Mr. Shih found that the key factor of a sustainable business does not lie in its fancy products or competitive business models, but instead lies in the business leaders' styles and business cultures. Mr. Shih calls these successful, sustainable practices "*Wangdao*".

Wangdao is a way of organizational leadership which is the necessary world view for a new era leader. Pursuing mutual success, *Wangdao* businesses are ambitious but do not seek to control everything. While they avoid confrontation and are not domineering, they are able to hold on to their advantage and achieve great success. In contrast, businesses using what might be called "the overbearing way" consider only their own interests. They stick to the "zero-sum" and "winner-take-all" model of competition, and the law of the jungle ("eat or be eaten"). These businesses might be very big, but they are not sustainable. *Wangdao* achieves its three core beliefs of Sustainability, Value Creation and Interest Balance through cultural spirit, policy thinking, and implementation of ability. *Wangdao* Business Leaders are committed to balancing career achievements with humanistic care, and will pursue all-round excellence for individuals as well as society. Following this ideal, individuals, companies, and organizations utilizing *Wangdao* will be more able to achieve sustainable development and long-lasting prosperity.

Traditionally, the ultimate goal of an enterprise is to maximize shareholders' welfares. Only if enterprises fulfil this goal will they then start to think about the stakeholders' welfares, and finally the issues of corporate governance, corporate social responsibility (CSR), or environmental sustainability. However, *Wangdao* puts

emphasis on sustainability first, then stakeholders' welfares, and then the maximization of shareholders' welfares.

With the implementation of International Financial Reporting Standards (IFRS), Mr. Shih uses Wangdao, IFRS, and the six-dimension model of cultural values together in order to develop a systematic and competitive method for enterprises with international applications. This is a three-year project, and the proposed outputs include guidelines for enterprises, academic research papers and books.

Panel Session C

Topic: Challenge of Non-Financial Information



- *Date : 6 October 2016 (Thursday)*
- *Venue : The Sherwood Taipei, Ballroom I (3F)*
- *Time : 09:00~10:30*

Could financial information reflect whole value of an organization? Clearly, in today's world, the answer is clearly no. From PwC 19th CEO survey, 81% of CEOs believe industry leaders will report both financial and non-financial matters in 5 years. The urgent need for nonfinancial information is very real, and external pressure from shareholders, customers, regulators and the media has organizations focusing on ways to collect and disclose nonfinancial data. It also reflects in more and more international survey, such as DJSI and CDP. In addition, more and more companies issue or are considering issuing integrated report.

In Taiwan, Taiwan Stock Exchange and Taipei Exchange announced “Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports” in 2014. Therefore, the number of issued corporate social responsibility reports has been increased dramatically. Compared with 2014, the reporting rate in 2015 has increased 72%. Although the reporting rate has increased dramatically, the quality of non-financial information has not improved significantly. It may cause reputational or financial risk. To mitigate risk and demonstrate value, it is time for organizations to contemplate whether the necessary information is available and of good quality.

Speaker Information

Eliza Li

- Partner of Sustainability in PwC Taiwan
- CPA– USA , PRC and ROC
- GRI organization – Committee of Reviewing, GRI 4.0 (Traditional Chinese)
- Have been providing many listed companies the CSR consulting, CSR training and assurance services.

Lauren Chao

- Senior manager of Sustainability in PwC Taiwan
- CPA– USA and ROC
- Specialize in the financial services and food sector and has had extensive experience of working with clients in consulting CSR reports, developing policies, establishing non-financial information process, and training.

Panel Session D
Topic: G20 Hangzhou Summit: The Opportunities and Impact for Corporate Sustainability



- **Date** : 6 October 2016 (Thursday)
- **Venue** : The Sherwood Taipei, Ballroom I (3F)
- **Time** : 10:45~12:15

The 11th G20 Summit was held in Hangzhou, China, September 4-5, 2016. The G20 Leaders’ Communique Hangzhou Summit emphasizes to foster an innovative, invigorated, interconnected and inclusive world economy. Some highlights from the communique are “Strengthening Policy Coordination”, “Breaking a New Path for Growth”, “More Effective and Efficient Global Economic and Financial Governance”, “Robust International Trade and Investment”, “Inclusive and Interconnected Development”, and “Further Significant Global Challenges Affecting the World Economy”.

Ernst & Young aims to drive honest conversation and generate multi-stakeholder dialogue around critical issues of the G20 Hangzhou summit within the world of commerce, industry and academia, focusing on the key opportunities and impact of corporate sustainability for finance and business, in pursuance of strategic planning for sustainable development.

- Organizer: Ernst & Young
- Presenter: Roger Tseng, Partner, Climate Change and Sustainability Services, Ernst & Young

Time	Topic
10:45-10:55	Opening
10:55-11:20	G20 Leaders’ Communique Hangzhou Summit and the trends in corporate sustainability
11:20-12:00	The opportunities and impact of corporate sustainability: Finance and Business Activity
12:00-12:15	Discussion

Panel Session E
Topic: The Impact of Carbon Accounting on
Corporate Reporting Post COP21



安侯建業

- *Date : 6 October 2016 (Thursday)*
- *Venue : The Sherwood Taipei, Ballroom I (3F)*
- *Time : 13:50~15:20*

Introduction

In a historic move, 195 countries signed the Paris Agreement at the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) at the end of 2015 and committed to limiting the rise of global temperature within 2°C above pre-industrial levels. In order to achieve the Agreement's emissions reduction targets, fossil fuel economy must transition to low-carbon economy while carbon pricing has become an inexorable trend due to the inevitable cut down or elimination of subsidies for fossil fuel.

Over the past years, in response to the impact of climate change and the shortage of natural resources, a number of organizations, such as CDP, have already launched initiatives aiming to improve environmental risk management through enhancing the measurement and disclosure of environmental impacts and internalizing environmental costs. After the Paris Agreement, investors will look more closely at companies' climate-related risks and opportunities and expect clear, consistent and transparent information on carbon emissions and reduction. Companies should actively respond to stakeholders' requests and seek to disclose their mechanism for managing climate impacts, as well as how carbon risks and opportunities are addressed so as to build long-term shareholder value. Going forward every industry will be bearing the pressure and increased operating costs from the low-carbon transition. Therefore, the way companies integrate their carbon accounting, which relates directly to revenue and corporate value, into the consolidated financial statements will become hugely important.

KPMG Taiwan and KPMG Sustainability Consulting Co., Ltd. will approach the above issues by introducing carbon inventory and disclosure, and the presentation of carbon value in business reporting while attendees will have the opportunity to hear from business representatives' corporate experience on relating subjects. Moreover, Dr. Huang Chi-Jui of National Taipei University will join a panel with KPMG experts and business representatives to discuss the impact of carbon accounting on corporate

reporting from different perspectives, as well as the developments and challenges of carbon information disclosure.

Time	Topic	Speaker
13:30-14:00	Registration and Networking	
14:00-14:05	Opening Remarks	- Niven Huang, General Manager, KPMG Sustainability Consulting Co., Ltd.
14:05-14:20	From GHG Inventory to Carbon Disclosure to Being a Leader in Carbon Management	- Toy Wang, Manager, KPMG Sustainability Consulting Co., Ltd.
14:20-14:35	Carbon Value & Carbon Accounting in Business Reporting	- Ivy Yeh, Manager, KPMG Sustainability Consulting Co., Ltd.
14:35-14:55	Integrated Report and Natural Capital : Carbon Performance Disclosure	- Yaling Lang, Spokesperson & Sr. Director of Public Relations, Far Eastone Telecommunications Co., Ltd.
14:55-15:30	Panel Discussion and Q&A: The impact of carbon accounting on corporate reporting and the developments and challenges of carbon information disclosure	<p>Moderator:</p> <ul style="list-style-type: none"> - Sam Lin, Associate Director, KPMG Sustainability Consulting Co., Ltd. <p>Panelists :</p> <ul style="list-style-type: none"> - Chi-Jui Huang, Associate Professor and Department Head, Department of Finance and Cooperative Management, National Taipei University - Yaling Lang, Spokesperson & Sr. Director of Public Relations, Far Eastone Telecommunications Co., Ltd. - Price Ho, Project Manager, Corporate Sustainability Office, Acer Inc. - Niven Huang, General Manager, KPMG Sustainability Consulting Co., Ltd. - Steven Shih, Co-Head of CSR Assurance Service, KPMG Taiwan

Panel Session F
**Topic: Business Analytics and Process Improvement
with Big Data**



- *Date : 6 October 2016 (Thursday)*
- *Venue : The Sherwood Taipei, Ballroom I (3F)*
- *Time : 15:35~17:05*

Big Data Drives Big Changes

Big Data refers to internal and external data that is multi-structured, generated from diverse sources in near real-time and in large volumes making it beyond the ability of traditional technology to capture, manage and process within a tolerable amount of elapsed time. The explosive data information keeps reminding us that the future will be greatly changed by big data.

Organizations of all sizes are seeking to master, monetize, and measure their use of data. Business analytics specialists look inside this data to help create and refine strategies for delivering data-driven insights that yield informed and differentiating business decisions.

Analytics Is the Weapon of Choice

“What is your information-based strategy? You have more information at hand about your business environment than ever before, but are you using it to ‘out-think’ your rivals?”

Good business decisions often depend on insights that emerge from good data analysis. Business analytics is the practice of using data to drive business strategy and performance. It includes a range of approaches and solutions, from looking backward to evaluate what happened in the past to looking forward to do scenario planning and controlling modelling.

Business analytics can provide significant gains in how organizations manage business and respond to change. Converting data into actionable insights. Generating foresight. And creating incentives for people to make effective decisions no matter where they work in the organization.

2016 Steering Committee Members as of January 1, 2016

We welcome new volunteers on the APMAA steering committee. The responsibility of the committee is to facilitate the growth and development of APMAA. Please contact Dr. Susumu Ueno, APMAA Board Chair, if you are interested in serving in the position.

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DC1.

**CENTRAL BI RATE, FINANCIAL PERFORMANCE AND SAVING:
AN EMPIRICAL STUDY OF CORPORATE IN INDONESIA**

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ABSTRACT

This study aimed to analyze the effect of BI rate to ROA, analyze the effect of BI rate and ROA to savings, as well as to analyze the influence of the BI rate to savings through ROA. Samples are owned banks as much as 4 banks for 11 years (series) i.e. 2004 to 2014, with the combined model of data obtained as many as 132. The analysis technique used path analysis. Based on the results of the analysis indicate that the BI rate significantly influence ROA. BI rate and ROA significant effect on saving. ROA is able to mediate the effect of BI rate on savings.

Keywords: BI Rate, ROA, Saving

DC1.
**THE EFFECTS OF PRODUCT MARKET COMPETITION, FIRM SIZE, AND
LEVERAGE ON EARNINGS MANAGEMENT THROUGH RELATED
PARTY TRANSACTIONS**

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The purpose of our study is to analyze the possibility of effects from product market competition, firm size, and leverage on real earnings management, either directly or through related party transactions. This study started off from the following problems: most firms in Indonesia are characterized as family-owned or business groups, the fairly high occurrence of related party transactions in Indonesia, poor law enforcement or investor protection in Indonesia, low transparency level which makes it difficult for external parties and authorities in charge to evaluate whether a transaction within a group is to increase its economic value or to manipulate its earnings, and the occurrence of accounting-related frauds which were used by the management to manipulate earnings and achieve profit targets.

The population in this study comprises all public firms listed on Indonesia Stock Exchange in 2010-2015. The sample selection methods used are purposive sampling. Documentation method is used to acquire data from the firms' financial statements over the 2010-2015 period, collected from the stock markets' Reference Center at Indonesia Stock Exchange. The data is analyzed using Partial Least Square (PLS) technique. Real earnings management is proxied by abnormal operating cash flow and abnormal discretionary cash flow; related party transaction is proxied by the RPT of the sales of goods/service and the RPT of the purchase of goods/service.

DC1.

**THE INFLUENCE OF A FIRM'S BUSINESS STRATEGY ON ITS EARNINGS
MANAGEMENT FOLLOWING CHIEF EXECUTIVE OFFICER CHANGES**

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ABSTRACT

This paper examines the association between firms' strategic position and CEO's earnings management decision in the initial period of their incumbency. We use public companies which are available on COMPUSTAT database from 1992 to 2014 for this analysis. We argue that prospectors follow innovation strategy that causes them likely to book all discretionary expenses timely, inducing conservatism in their reported earnings (Houqe et al. 2014). Consequently, CEOs encounter greater pressure from earnings volatility to demonstrate their managerial abilities by engaging in activities to deliberate earnings. In contrast, defenders commit to smooth earnings because defender firms are likely to be seen by investors as inherently more stable and less risky investments to hold, which in turn CEOs' opportunistic earnings management is concentrated. Thus, we expect that firm's business strategy will affect CEO's earnings management decision differently in the initial period of their incumbency.

Keywords: Business Strategy; CEO Career Concerns; Earnings Management

DC1.
**ACCOUNTING ENVIRONMENT TO IMPROVE ENVIRONMENTAL
PERFORMANCE IN SUSTAINABLE DEVELOPMENT AT
MANUFACTURING COMPANIES IN EAST JAVA – INDONESIA**

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ABSTRACT

This research aims to analyze the influence of environmental accounting on the environmental performance, analyzing environmental accounting to sustainable development, and analyze the influence of environmental performance to sustainable development. The sample in this study as many as 125 manufacturing companies in East Java. The analysis technique used is the analysis of structural equation modeling (SEM). The analysis showed that the environmental performance can be improved if managed properly accounting environment. Improved environmental performance is due to the willingness of companies to comply with government policies and regulations and consumer demands to get a product-oriented environment. Environmental accounting effect on sustainable development. The environmental performance effect on sustainable development. Environmental accounting as a disclosure strategy of environmental responsibility, is an instrument that provides information that reveals the form of corporate responsibility in the form of grains of environmental conservation activities and other social activities. Disclosure of environmental liabilities could affect the public perception of the company's image and affect the performance of the company. Therefore, companies are required to improve their performance by doing or continue to implement compliance and the level of corporate responsibility in preserving the environment and using the tools that are environmentally friendly so that it can reduce pollution, noise and waste generated during activities of the company.

Keywords: Environmental Accounting, Environmental Performance, Sustainable Development

DC2.
**THE ROLE OF CORPORATE GOVERNANCE IN MODERATING THE
RELATION BETWEEN CEO INCENTIVES AND INTERNAL CONTROL
QUALITY**

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ABSTRACT

Prior research on whether the monetary incentives associated with equity ownership induce managers to maintain strong internal controls or weaken internal controls presents mixed results, and our objective is to evaluate whether the role of governance oversight by boards moderates the relation between CEO equity incentives and internal control quality, measured as material weaknesses (ICMW) disclosure. Using data from the firms filing SOX Section 404 reports during fiscal years 2012-2014, this study examines whether the relation between CEO equity incentives and internal control quality is different between two groups based on the levels of corporate governance quality, and whether the moderated effect of governance oversight on the relationship between CEO equity incentives and ICMW disclosure varies by two categories of internal weakness including company-level and account-specific material weakness. I suppose that equity incentives will be more effective in strengthening internal controls for powerful corporate governance than for poor corporate governance, and this relative advantage will be more pronounced in the presence of company-level ICMW, relative to account-specific ICMW.

Keywords: Corporate Governance; CEO Incentives; Internal Control Quality.

DC2.
**DETERMINANTS AND EVALUATION OF OPERATIONAL BUDGETING
SUCCESS IN POLISH COMPANIES**

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ABSTRACT

Research problem in PhD dissertation is defined in the form of a questions: which factors determine the successful application of operational budgeting in enterprises(?), how success of operational budgeting can be measured and assessed(?), and what benefits are associated with the use of operational budgeting? In response to them main thesis was formulated as follows: the quality of operational budgeting system and the information generated by it affects use of the system and the level of employee satisfaction, which determine benefits for individuals and company.

Keywords: Operational Budgeting, Success Evaluation

DC2.
**THE IMPACT OF QUALITY OF COMPENSATION COMMITTEES ON THE
RELATION BETWEEN MANAGER'S ABILITY AND COMPENSATION**

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ABSTRACT

The objective of the study is to investigate the effect of compensation committee quality on the association between manager ability and compensation. For this study, I elected the publicly traded companies in the Taiwan Economic Journal's (TEJ) database for the fiscal years 2009 to 2015. I will use salary and cash bonus as a proxy for top manager compensation and measure compensation committee quality using the aggregate quality score extracted from the principal component analysis of four metrics that include compensation committee size, the number of annual compensation committee meetings, members' attendance rate, and the percentage of independent directors. First, I will test whether the degree of alignment between manager ability and compensation will be more pronounced as the compensation committee governance quality increases. Although the Financial Supervisory Commission (FSC) required public companies in Taiwan to establish compensation committees before the end of 2011, earlier establishment was encouraged. The impact of compensation committees mandate on the relationship between manager ability and compensation may depend on when a company established it. Therefore, I will further test whether the impact of compensation committees on the relationship between manager ability and compensation is different in companies that established it earlier and companies that established it later.

Keywords: Compensation Committee, Manager Ability, Compensation

A1.

**DO CEO PAY-PERFORMANCE SENSITIVITIES AFFECT FIRM
INNOVATION?**

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ABSTRACT

This paper is to examine whether CEO pay-performance sensitivities affect firm innovation. When previous literatures examine whether CEO pay-performance sensitivities affect firm innovation strategies, they consider in-house patenting activities only. However, more and more patent acquiring activities are playing the role for firm innovation. Basically, in-house patenting activities and patent acquiring come up with different operation risk, financing needs, and economic consequences. Different CEO pay-performance sensitivities will affect the preference for innovation strategies. When CEO pay-performance sensitivity to option is high, CEOs are willing to take risk and invest risky projects. In contrast, when CEO pay-performance sensitivity to stock is high, CEOs are willing to invest less risky projects. Our findings indicate that if firms have high CEO pay-performance sensitivity to stock, they will hesitate to invest in-house patenting activities. Our findings also indicate that investing in-house patenting activities positively affect market value of firm. Firms with high CEO pay-performance sensitivity to option and high portion of in-house patenting activities have highest market value among those firms in the other categories.

Keywords: Innovation, CEO Pay-Performance Sensitivity, R&D, Patent

A1.
MANAGERIAL ABILITY AND OVERINVESTMENT

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ABSTRACT

We examine the impact of managerial ability on overinvestment. We find that a firm hires a manager with superior ability significantly mitigates overinvestment problem because of excess free cash flow. Furthermore, overinvestment is not necessary to bring negative effect to firm value, and it should depend on managerial ability. A manager with higher ability may over invest some objectives which are still profitable.

Keywords : Overinvestment; Free Cash Flow; and Managerial Ability.

A1.

EFFECT OF MANAGEMENT MATURITY LEVELS ON GLOBAL NETWORK MANAGEMENT IN VALUE CHAIN RELATIONS

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ABSTRACT

Recently, numerous manufacturers in Japan have relocated their facilities or departments outside the country to find the most globally suitable location. Moreover, globalization has brought decentralization and flexibility to the buyer-seller relationship and, especially, supplier relationships have changed from continuous top spot ones. In this study, we explore the current state of inter-organizational networks. As an objective, we identify inter-organizational networks in global and local network types. We subsequently explore existing management control problems from the perspective of management maturity levels. To this extent, we collect data from 60 Japanese companies listed on the Tokyo Stock Exchange Market First Section. Moreover, we interview several Japanese companies for a better understanding of the current situation. The results show company global business expansion method, and we find that companies which disclose financial or non-financial reports actively recognize disclosed information values from related companies. Finally, we develop two hypotheses on the role of management maturity levels in global networks. First, a company with high and low local networks requires a high maturity level of organizational structure and information sharing management. Second, a company with high global networks and high local networks requires a high maturity level of human resource and information sharing management.

Keywords: Global Network, Value Chain, Management Maturity, Japan

A2.

THE VALUE EFFECT OF BANK INTERNAL CONTROL WEAKNESS DISCLOSURE: EVIDENCE FROM TAIWAN

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ABSTRACT

This study examines the value effect of reporting internal control weaknesses (ICWs) based on banks in Taiwan during 2001 and 2014. We argue that the ICW disclosures reveal the amount of efforts taken by the firm in assessing its internal control effectiveness, and may be positively valued by the market. We find supportive results which indicate that after controlling for endogeneity problem, the positive association between ICW disclosures and the market value of equity is strong. The results are robust to the use of propensity score matching method, and the inclusion of other proxies for the internal audit quality. We are the first to show that investors appreciate banks' efforts in identifying and disclosing ICWs. Our finding makes contributions by supporting the regulator's disclosure requirement, and encouraging the managers to diligently and faithfully report ICWs.

Keywords: Internal Control Weaknesses; Ohlson Model; Banks

A2.

CEO-BOARD NETWORK AND INTERNAL CONTROL QUALITY

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ABSTRACT

This paper examines whether social connections between the CEOs and board members affect internal control quality. We argue that CEO-board social connections can have an effect on the quality of internal controls through undermining board independence or through improving the board's internal control knowledge that increase effectiveness of board's oversight. We find that CEO-board social connections are positively associated with ineffective internal controls. In particular, we find that firms whose boards have "friendship" connections to the CEO are more likely to report ineffective internal control. Board members with pre-existing social connections to the CEO are negatively associated with subsequent remediation in internal controls. Finally, CEO-board social connections are more positively related to company-level material weaknesses. Overall, our findings suggest that CEO-board social connections undermine the intensity of board monitoring in internal controls.

Keywords: Internal Control; Board of Directors; Independence; Social Connections.

A2.

IS THE COMPOSITION OF THE BOARD OF DIRECTORS ASSOCIATED WITH ACCOUNTING FRAUD? EVIDENCE FROM JAPAN

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ABSTRACT

This study investigates the types of firms that disclosed fraudulent accounting (fraud firms). Next, this study examines whether the fraud firms have common innate characteristics by comparing fraud and non-fraud firms. Finally, I clarify the differences in the composition of the board of directors between fraud and non-fraud firm and show the evidence from Japan regarding the association between accounting frauds and the structure of the board of directors. I focus on a sample of 280 firms that disclosed that the inappropriate accounting had impact on prior financial statements or that the inappropriate accounting would have an impact on the future through Tokyo Shoko Research(TSR)Investigation Report from 2007 to2015. I use a comparison between the fraud and non-fraud firms that are similar to the fraud firms in industry and size for the empirical study.

The finding is the following: First, I document the number of accounting frauds increased since 2012 and the accounting frauds occurred at the First Section of the Tokyo Stock Exchange. Accounting fraud is prevalent in the industry of whole sale, retail, construction and communication. Also, accounting frauds occurred at the level of top management and subsidiary. And the incentive to commit accounting fraud is to sustain a firm's financial performance, not to pursue an individual private gain. This suggests that this is a feature of accounting frauds in Japan. Since the type of fraudulent financial reporting is related to sales and losses, this is the pressure that causes accounting frauds. Second, the results of t-test show that there is a difference in a firm's performance and business complexity, and the percentage of outside directors. This suggests that the poorer performance a firm possesses, and the larger the size of a firm, the more likely accounting fraud occurs. Third, there is a significant positive association between accounting fraud and the percentage of outside directors; however, there is a significant negative association between fraud and the independence of the outside directors. This suggests that while the fraud firms have a positive attitude to improve the composition of board of directors, they do not acquire the higher independence possessed by the outside directors.

Keywords: Fraudulent Accounting; Innate Characteristics; The Board of Directors; Outside Directors; Independence.

A3.

THE EFFECT OF PERFORMANCE MEASUREMENT SYSTEM, MOTIVATION AND PROACTIVE BEHAVIOUR ON EMPLOYEES' CREATIVITY

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ABSTRACT

This study builds on previous literatures on performance measurement system (PMS) and creativity to address the challenge of senior management to design an effective PMS that will enhance and promote employees' creativity. PMS consists of both nonfinancial measures and financial measures. Our study focuses on the reliance of financial and nonfinancial measures as criteria for employees' performance evaluation to enhance employees' creativity. We examine one important intervening variable, namely types of motivation; and one moderating variable, namely proactive behaviour. Specifically, this study examines the mediating role of employees' types of motivation on the relationship between PMS and employees' creativity.

Additionally, this study tests the moderating role of proactive behaviour between: (1) PMS and employees' creativity; and (2) types of motivation and employees' creativity. We rely on an online survey approach to collect data to test our hypotheses. Our results indicate that the use of nonfinancial measures for employees' performance evaluation are positive and significantly related to intrinsic motivation, which in turn, positively affecting employees' creativity. Our results further reveal that there is positive and significant interaction between intrinsic motivation and employees' creativity. The use of nonfinancial measures also has a positive and significant direct effect on employees' creativity. Our results indicate that the use of financial measures for employees' performance evaluation are negative and significantly related to autonomous extrinsic motivation and intrinsic motivation. These findings suggest that financial measures reduce employees' motivation. Despite our results reveal that financial measures are related to controlled extrinsic motivation, but controlled extrinsic motivation in turn has no significant impact on employees' creativity. Taken together, the use of financial measures does not promote employees' creativity.

Keywords: Performance Measurement System, Motivation, Proactive Behaviour, Employees' Creativity.

A3.

RESEARCH & DEVELOPMENT EFFICIENCY AT HIGH PERFORMANCE COMPANIES: IMPLICATIONS FOR PERFORMANCE MEASUREMENT

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ABSTRACT

Purpose: Understanding the impact of R&D when comparing companies is affected by different accounting treatment of R&D in financial reporting under US GAAP, IFRS and other approaches. In this study we focus on the challenges for management teams in measuring R&D efficiency within organizations and understanding how performance measures and management control systems within a company help or hinder successful R&D and innovation.

Methodology: In this paper, we discuss potential internal performance measures for measuring R&D efficiency using capitalized R&D and other approaches. We also discuss financial analysis of R&D including the pros and cons of capitalizing R&D: for external reporting as described in a Harvard Business School case study, for internal reporting and for benchmarking R&D efficiency metrics (Yu, 2011).

This study is focused on identifying companies that have created the most sustainable growth and economic returns from R&D investments. For overall company performance, we examined three performance variables: Cash Flow Return on Investment (CFROI), Asset Growth, and Relative Total Shareholder Returns. For the high R&D efficiency companies, we analyzed three underlying operating performance characteristic: Sales Growth, Operating Margins, and Asset Turnover.

Finding: Preliminary analysis found the high investment in R&D has not been a

predictor of short-term outperformance (Samarth, Graziano and Pliutsinski, 2013). R&D shows a positive impact on longer term company performance for certain companies and industries. As a R&D Efficiency at High Performance Companies strategic lens, we used the Return Driven Strategy framework to study the strategic activities and performance of these companies (Frigo and Litman, 2007).

Value of the paper: Our conclusions focus on developing guidelines for developing better internal performance measures for R&D efficiency.

Keywords: Strategy, Research & Development, Innovation, Corporate Performance, Performance Measurement Systems, Management Control Systems

A3.

ENVIRONMENTAL REPORTING IN SWEDISH MUNICIPALITIES

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ABSTRACT

This study examines environmental performance measurement and reporting in Swedish municipalities. The environmental reporting in municipalities has become increasingly important as the human impact on the environment has increased and public organizations are expected to take responsibility for reducing their environmental impact. The implementation of New Public Management (NPM) ideas in municipalities has led to an increase in the use of different performance measurements. This study confirms that municipalities with a high NPM-maturity show an increased use of environmental performance indicators. Different measures are used for the environmental indicators which affect the comparability of municipalities environmental reporting. The key factor that explains municipalities use of environmental performance indicators is the level of performance measurements in the organization in general.

Keywords: Voluntary Performance Measurement and Reporting, New Public Management

B1.
**CREDIT RATING OF CONTROLLING SHAREHOLDER AND CORPORATE
BOND PRICING: EVIDENCE FROM CHINA**

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ABSTRACT

This paper examines the effect of the credit rating of the controlling shareholder on corporate bond pricing. Using a sample of corporate bonds that are publicly traded on the stock exchange in China over the 2008-2014 period, we find that the credit spread of a bond is reduced when the credit rating of the controlling shareholder is higher than the firm's. We also find that the effect of the credit rating of the controlling shareholder on bond pricing is greater for the firm with a higher default risk, greater importance to its controlling shareholder, worse bond liquidity and worse governance environment. Our results suggest that the magnitude of default risk of the controlling shareholder will affect their propping incentive and affect the relation between the controlling shareholder and the firm.

Highlights:

- This paper examines the effect of the credit rating of the controlling shareholder on corporate bond pricing
- We find that the credit spread of a bond is reduced when the credit rating of the controlling shareholder is higher than the firm's.

- We also find that the effect of the credit rating of the controlling shareholder on bond pricing is greater for the firm with a higher default risk, greater importance to its controlling shareholder, worse bond liquidity and worse governance environment.
- Our results suggest that the magnitude of default risk of the controlling shareholder will affect their propping incentive.

Keywords: Credit Rating, Controlling Shareholder, Corporate Bond, Bond Pricing

B1.

UNDERSTANDING BOARD CHARACTERISTICS OF NON-PROFIT ORGANISATIONS IN MALAYSIA

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ABSTRACT

Non-profit organisations (NPOs) exist to fulfil the needs of societies that cannot be reached by the government and profit centres. Their ultimate goal is to create social values by solving social problems. In order to fulfil this social mission, it is vital for the NPOs to be effective. Effective NPOs are associated with effective board of directors because they are the backbone of the success of the organisation. Of late, there are growing media reports on mismanagement and diversion of NPOs funds. Despite having board of directors as trustees in NPOs, mismanagement is still on the rise. Previous findings suggest that NPOs' board characteristics can be divided into two groups - (1) board characteristics that enhance NPOs' effectiveness and (2) board characteristics that reduce NPOs' effectiveness. Hence, this study aims to examine selected board characteristics of NPOs in Malaysia. The selected board characteristics are board size, board engagement, board efficiency, board commitment, board with political connection and board professionalism. Using content analysis of NPOs registered under the Companies Commission of Malaysia (CCM), this study finds that, in general, the number of members on the board is seven. Board efficiency and engagement indicate that less than 50% of the members are committed in generating funds for the NPOs. However, results on board commitment indicate that board members are committed in managing their organisations efficiently. In relation to politically affiliated board members and professional affiliation, the results are 44% and 14% respectively. In summary, the findings provide insights on the characteristics of NPOs' board members in Malaysia. It also provides a basis for future research in examining the influence of board characteristics on effectiveness as well as other areas of concern in NPOs.

Keywords: Non-Profit Organisations, Board Characteristics, Board of Directors, Non-Profit Organisational Effectiveness

B1.

THE DIRECTLY AND INDIRECTLY IMPACTS OF GOOD CORPORATE GOVERNANCE ON BANKING STABILITY: AN EMPIRICAL STUDY IN INDONESIA

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ABSTRACT

The purposes of this study are to describe the dimension of good corporate governance, bank risk, market discipline, banking stability variables; and to analyze the effect of good corporate governance (GCG) on banking stability, both directly and indirectly (bank risk and market discipline as intervening variables). Studies on banking stability become important in Indonesia, due to monetary crisis phenomena in Indonesia in 1998, that concerning with public trust on banking system stability especially regarding risk management. Many aspects are affecting banking stability and some of them are good corporate governance mechanism, good risk management and high market discipline. This study uses secondary data which are derived from annual report of 27 listed bank companies at Indonesia Stock Exchange during five years (2010-2014). Data are analyzed by Structural Equation Modeling, to describe contribution of each variable and to examine causality relationship of good corporate governance as exogenous variables on banking stability as endogenous variable, though bank risk and market discipline as intervening variables. The results showed that, first, good corporate governance are determined by managerial ownership and independent board of director; market discipline are determined by

deposit growth and rate margin ratio; bank risk are determined by NPL and LLR; banking stability are determined by Z-score, CAR and net interest margin. Second, good corporate governance affect on banking stability both directly and indirectly through banking risk. Third, good corporate governance directly affect on banking stability, but not directly affect on banking stability (good corporate governance did not affect on market discipline).

Keywords: Market Discipline, Good Corporate Governance, Bank Risk, Banking Stability

B2.

THE RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE VALUE FROM THE ISO26000 PERSPECTIVE

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ABSTRACT

Corporate social responsibility (CSR) has drawn increased attention in the past decade owing to environmental problems, company scandals, and company globalization, etc. However, there is no overall agreement or consensus definition of CSR. As a result, there remains an uncertainty about what CSR exactly is. CSR is developing rapidly and it is hard to compare it. Consequently, many organizations are in need of international guidance for implementing CSR. International Organization for Standardization (ISO) 26000 is one of the most reliable guidelines which is referred by many Japanese companies because it is adopted as an official standard, following its adaptation into the Japanese Industrial Standards (JIS) by The Ministry of Economy, Trade and Industry. ISO 26000 includes seven core subject, each of which presents action plan for organization. From ISO26000 perspective, the present study examines the evolution of CSR activities and the relationship between CSR and financial performance or corporate value. Using the random forests model to rank CSR activities, this study found that CSR changed from environmental and compliance activities to philanthropic endeavors. Then, using multiple linear regression analysis, this study found that in the short-term, there is no relationship between CSR and financial performance when measured by return on assets (ROA). Because there is a limitation to measure how CSR effects periodic financial

performance. In the long-term, the findings show that there is a relationship between CSR activities and corporate value when measured by ohlson model. The variables that indicate the relationship are the department for managing diversity of human resources, discretionary labor system, re-employment system, the human rights due diligence policy, and the impacts of business activities on biodiversity have a positive correlation with corporate value.

Keywords: CSR, Corporate Value, ISO26000, Long-Term Perspectives, Random Forests

B2.

**ARE CSR FIRMS THAT ARE DOING GOOD ALSO DOING WELL? - A
REEXAMINATION FROM THE PERSPECTIVE OF THE
ADVERTISING-ANALOGOUS EFFECT**

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ABSTRACT

The main purpose of this paper is to reexamine the equivocal relation between corporate social responsibility (CSR) activities and corporate financial performance (CFP). We propose that not all companies are capable of doing well by doing good. Through an analytic model, we identify three key elements for determining a company's CSR advertising-analogous effect on CFP: incremental margin (growth rate of gross profit), sales-CSR elasticity, and sales demand in the market (market share). Based on a sample of publicly held U.S. companies from 1991 to 2012, we empirically confirm that companies with overwhelming CSR advertising-analogous preponderance that undertake more CSR activities have better CFP, while those with absolute CSR advertising-analogous inferiority that undertake more CSR activities have inferior CFP. We also document that companies with CSR advertising-analogous inferiority that are undertaking more CSR activities exhibit more severe agency problems than those with CSR advertising-analogous preponderance that are undertaking more CSR activities. Finally, in a test of whether normal advertising expenditures and CSR devotion could jointly enhance current CFP, the positive joint effect is pronounced only for companies with CSR advertising-analogous preponderance.

Keywords: Corporate Social Responsibility (CSR), Corporate Financial Performance (CFP), Advertising

B2.

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON FINANCIAL RISK

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ABSTRACT

Since the UN Global Compact was first proposed in 1999, entrepreneurs and institutions around the world have placed a steadily increasing emphasis on corporate social responsibility (CSR). Due to these increased levels of CSR reporting and activities, researchers have begun to question the assumption, frequently stated in the past literature, that the aim of a firm's operations is always to maximize shareholder value, regardless of other potential motivating factors.

In the present study, by empirically assessing the effect of CSR performance on financial risk, we infer that a firm with superior CSR performance experiences lower market risk and liquidity risk. As a robustness test, we also find that superior CSR performance reduces the cost of capital. On the other hand, the performance of corporate governance activities increases the cost of capital. A possible reason for this observed contradiction is that a corporate governance system may influence the decisions of the given corporation's managers. For those managers who might engage in CSR activities stemmed from their self-interest, a good corporate governance system would serve as a disciplinary mechanism. Such an effect would then lead to the observed negative relationship between CSR and corporate governance (Kim *et al.*2012).

Keywords: Corporate Social Responsibility, Market Risk, Liquidity Risk, Cost of Capital

B3.

IMPACT OF INFORMATION LINKAGE SYSTEM ON FIRM'S ORGANIZATION STRUCTURE, TRANSFER PRICE, AND PROFIT

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ABSTRACT

In this paper, we investigate the impact of information linkage systems on economic outcome, transfer price, and organization structure of a firm which consists of headquarters (HQ) and a downstream division (DD). Recent studies on management accounting show that it is important for a firm to choose the optimal level of transfer price and organization structure to maximize its total profit. In this paper, we construct an analytical model to analyze the optimal decisions of a firm which faces price competition in a product market. Our mathematical analysis demonstrates that the firm's profit declines when it adopts an information linkage system that mitigates the information asymmetry between the HQ and DD in a price competition environment. This is a unique result because prior research indicates that information linkage between intra-organization divisions improves the firm's profit. Our result is attributed to the loss of the incentive for tacit collusion between competitors; the firm has no incentive to choose the decentralization of decision rights by adopting an information linkage system. Hence, our research has an important implication for management accounting practice: firms should be careful while adopting an information linkage system, bearing in mind that it may not improve their profits under specific economic conditions.

Keywords: Strategic Transfer Pricing, Organization Structure, Information Asymmetry, Information Linkage System, Tax

B3.

MOTIVES IN THE DECISION OF TRANSFER PRICING

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ABSTRACT

This study aims to investigate the motives in the decision of transfer pricing. Motives were tested in this study is tax avoidance, tunneling incentive, bonus scheme, debt covenant, and exchange rate. The dependent variable in this study was the decision of transfer pricing. The samples of this study are 30 manufacturing companies listed on the Indonesia Stock Exchange in the period 2012-2014 or the number of observations is 90 firm-years. Logistic regression is used to analyze the sample using a significance level at 5%. The result of this study showed that tunneling incentive had a positive effect, but tax avoidance and debt covenant had a negative effect, and bonus scheme and exchange rate had no effect on the decision of transfer pricing. This study provides evidences that there are motives behind the decision of transfer pricing could be an opportunity and a challenge for multinational companies operating in Indonesia.

Keywords: Decision of Transfer Pricing, Motives, Tax Avoidance, Tunneling Incentive, Bonus Scheme

B3.

MANAGER'S FORECASTING STRATEGY AND PROJECT COMPLEXITY

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ABSTRACT

This study investigates the earnings forecast strategy adopted by managers when the complexity of the firm's project resolves over time. In our model, managers issue earnings forecasts at the beginning of the fiscal year, and after a portion of the project is realized during the period, the managers can revise their earnings forecast by taking into consideration their impact on the stock price and the cost of forecast errors. We treat the complexity of the firms project as the extent to which its value will be realized in the short term, which is similar to the setting in Goldman and Strobl (2011). In this setting, we find, among other observations, that the manager who issues an optimistic initial forecast revises it downwards. This result is consistent with some empirical studies. For example, using the sample of Japanese firms for the period 1997 to 2007, Kato, Skinner, and Kunimura (2009) show that managers' initial earnings forecasts are systematically upward-biased.

Such optimism in managerial forecasts is mostly consistent with managerial opportunism, which means that managers portray their performance as overly favorable. In addition, the researchers show that managers generally revise their forecasts downward during the fiscal year so that most forecast errors are initially positive, i.e., realized earnings are larger than the forecast earnings.

Keywords: Earnings Forecast, Project Complexity, Capital Market, Rational Manager

C1.

DEMISE OR RECONFIGURATION OF TRADITIONAL HRM PRACTICES IN JAPANESE MANUFACTURERS IN GLOBALIZING ECONOMY?

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ABSTRACT

So called Japanese-style employment practice is a management system which had been formed in the development of Japanese economy in the four decades after the end of the Second World War. This HR management system was a kind of promise between the management and the workers in which it provided generous working conditions and they work hard for the company without any condition. The system worked efficiently and effectively in those four decades when the economy in the country continued to grow. However, after the middle of the 1990s when the country's asset inflated economy collapsed and globalization and IT innovation began to develop simultaneously, those traditional HR management systems lost its relevance to the new management environment. In the aftermath, Japanese firms have been struggling to innovate their traditional HR management practices to restore their competitiveness. The issue to discuss in this article is whether or not the Japanese-style employment practices demised. The answer for this question is that those traditional practices still lingers in the Japanese firms regardless of their intention to change the system.

Keywords: Japanese-style employment practice, Globalizing economy,
Male-oriented Society

C1.

THE STAGE OF MANAGEMENT ACCOUNTING EVOLUTION IN THAILAND – PRELIMINARY RESULTS

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ABSTRACT

IFAC's Statement 1 introduces the evolution and changes in management accounting, process, and conceptual framework. The IFAC's Statement on the evolution of the focus of management accounting (IFAC, 1998) has earned many interests from scholars and practitioners. It is of our interest to investigate how the progress of management accounting practices in our country is, how management accounting practices evolutions have been, and how useful of such management accounting for managements and professional associations in a working condition. The stage of management accounting evolution in Thailand may not be in the same stages when compare to other countries, why? Moreover, what are the influences of such practices? The content analysis is used in this study. We conclude our paper based on 15 research papers being done under this topic or similar. The evidence reveals to us that the management accounting practices in Thailand for the last 15 years is still more on stages 1 – 2 where the traditional method by which MAP is used just to some extent, mostly to collect cost production information and for planning and control. Several businesses may adopt advanced management accounting practices but only innovative and large corporations where high competitiveness emerges.

Keywords: Management Accounting Practices, IFAC, Evolution, Thailand

C1.

JAPANESE MANAGEMENT ACCOUNTING: AN OVERVIEW OF CURRENT METHODS AND PRACTICES

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ABSTRACT

This paper provides scholars and practicing accountants a comprehensive and objective picture of current Japanese management accounting methods and practices. The picture is comprised of discussions of three fields related to specific aspects of organizations (corporate-level management methods and practices, front-line management accounting methods and practices and management accounting methods and practices at small and medium-sized enterprises), as well as the pervasive changes to all organizations due to information and communication technology (ICT) and disclosure rule changes.

Firstly, we discuss the development and status of corporate-level management methods and practices used by large Japanese companies. Corporate-level management accounting methods and practices discussed include planning and budgeting, hoshin kanri, the balanced scorecard, performance management, and compensation management. Second, we move to topics of front-line management accounting methods and practices often observed in Japan. The topics include the relationship between management accounting and Cost Accounting Standards, JIT production and business continuity management (BCM) and quality control. Third, since a majority of companies in Japan are small and medium-sized enterprises (SMEs), we discuss current use of management accounting methods and practices at SMEs.

In the past decades, management accounting practices in Japan have changed markedly by adapting to innovations in information and communication technology (ICT). More recently, revised disclosure rules also caused significant changes to Japanese management accounting practices. Thus, throughout this paper, we examine the impacts of ICT and new disclosure rules to Japanese management accounting practices.

The knowledge and analysis in this study provide an insightful basis for the improvement and development of managerial accounting methods and practices.

Keywords: Management Accounting; Current Methods and Practices; Japan; Information and Communication Technology (ICT); Disclosure Rules

C1.
**ADJUSTMENT OF TRADITIONAL ENTRY STRATEGIES FOR BOP
MARKETS**

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ABSTRACT

Background: Previous researches on MNEs' expanding businesses to overseas markets mostly focused on strategies to enter the developed countries' markets and rich people's markets in developing countries. However, these markets now seem to have saturated and the promising market for future growth is the markets of people in the bottom of economic pyramid in the developing countries. Unfortunately, we have to say that there are few researches accumulated in the area of strategic theories for BOP markets.

Aim: The aim of this research is to carry out the discussion on the commercial business for the market of poor people in developing countries.

Approach: We are approaching to this research question not by inventing the new strategies for BOP markets from the scratch but adjusting and changing traditional strategies to the ones fitted for the market based on the features of BOP markets and findings of BOP social businesses. We consequently propose the hypothetical propositions for strategies fitted to BOP markets which are followed by examinations of some cases.

Results & Findings: Discussions based on the above approach finds out that the multi-domestic and export-based strategies are the most promising strategies for the

entry into BOP markets. The hypothetical proposition on the export-based strategy suggests that not only such big companies as MNEs but also SMEs can have good opportunities for the success in the BOP markets with supports of technology of the electronic commerce and the marketing and sales efforts of local partners in BOP markets.

Keywords: BOP Markets, Traditional Entry Strategies, Multi-Domestic Strategy, Export-Based Strategy

C2.

OPERATIONAL BUDGETING PRACTICES. POLISH AND LITHUANIAN COMPANIES EXPERIENCE

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ABSTRACT

The research focuses on detailed examination of operational budgeting practice in Poland and Lithuania. The findings indicate that operational budgeting continue to be applied widely. What is more the research shows that budgeting largely supports strategy implementation and also planning, communication, coordination, activities evaluation, managers motivation, evaluation and remuneration, resources allocation and expenditures authorization functions. The overall satisfaction from operational budgeting of top management, middle level of management and finance-accounting/controlling function is moderate.

When comparing Polish and Lithuanian practice of operational budgeting, the authors were struck more by degree of convergence rather than divergence. Notwithstanding this view, the study identified some cross-country differences, however, in for example: frequency of separating of controllable and uncontrollable costs, popularity of zero based budgeting; level of difficulty to achieve budgets, detailness of budgeting and control systems, use of flexible budgeting or the influence of specialists in management accounting/controlling on the final version of the budget.

Keywords: Operational Budgeting, Survey, Poland, Lithuania

C2.
**MEDIATING EFFECT OF PSYCHOLOGICAL CAPITAL AND JOB
SATISFACTION ON BUDGET PARTICIPATION-MANAGERIAL
PERFORMANCE RELATIONSHIP:
A CASE STUDY OF A PUBLIC SECTOR ORGANIZATION IN INDONESIA**

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ABSTRACT

This study aims to test the mediating effect of psychological capital and job satisfaction on budget participation-managerial performance relationship in a public sector research setting. This is a case study using quantitative and qualitative approaches at the Department of Fisheries and Marine Resources of the East Java Province, Indonesia. The main motivation is to empirically prove the contingency theory which rarely conducted in a more comprehensive research model, especially in public sector organization. The population is subdivision heads (managers) in 52 different offices across the province who have direct responsibility on budget preparation and execution. As many as 52 questionnaires were sent and 51 questionnaires were received and processed. The data was analyzed using the partial least square. The quantitative approach of this study confirms that: (1) budget

participation has direct impact on managerial performance; (2) psychological capital partially mediates the relationship between budget participation and managerial performance; (3) job satisfaction partially mediates the relationship between budget participation and managerial performance. Beside the confirming results in quantitative approach, the qualitative approach through in-depth interviews reveals that: (1) managers' participation is mostly pseudo-participation; (2) there is a tendency of budgetary slacks, and (3) "as-long-as-my-superior-happy" mentality still exist.

Keywords: Budget Participation, Managerial Performance, Psychological Capital, Job Satisfaction, Public Sector

C2.

THE INFLUENCE OF INDIVIDUAL CHARACTERISTICS TOWARD PERFORMANCE MEASUREMENTS

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ABSTRACT

This research aims to see the influence of the characteristics of the individual that consists of a self efficacy, conscientiousness, openness to experience and the suitability of task with the competency of education toward performance measurements. This research conducted on 3 banks in the City of Makassar using quantitative approach with the technique of purposive sampling for collecting sample. Analysis tool used in this research is PLS (partial least square). The result shows that managers who have conscientiousness and openness to experience have a positive impact on the performance measurements. While, managers that possess self efficacy and compliance tasks with the competence of higher education shows negative effect of performance measurements. Thus managers who have patience, dedication, integrity and intellectual maturity, become a factor in improving performance.

Keywords: Self Efficacy, Conscientiousness, Openness to Experience and Suitability of Tasks with the Competence of Education and Performance Measurements.

C2.

THE RELATIONSHIP BETWEEN SOCIETAL INSTITUTIONS AND MANAGEMENT ACCOUNTING TECHNIQUES ADOPTION: IS IT REALLY DIRECT?

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ABSTRACT

There has been sustained interest in explaining why firms adopt different management accounting techniques (MATs). The MATs represent the tools used by the Management Control Systems (MCS) to achieve organizational objectives. Beyond the 2000, Institutional theory has been used to explain management accounting and control systems. New Institutional Sociology (NIS) theory is based on the idea that social practices, such as accounting techniques and control systems are not natural phenomena, but are socially constructed and changing by social and organizational actors. It seeks to assume 'given institutions', and to focus more on societal institutions in the field, such as, government, professional bodies and other similar organizations. NIS, however, did not explain why organizations in the same society use different MATs although they are subject to the same societal institutions. We think that having different MCS characteristics in various organizations will lead to using different MATs in each. Accordingly, this study investigates the relationships between societal institutions and the deployment/use of MATs. In contrast to the extant research that presumes a direct influence of societal institutions on the use of MATs, we investigate whether the MCS characteristics mediates this presumed relationship between the two sets of variables, a link overlooked in previous studies. Structural equation modelling analyses the data collected from cross-sectional surveys of 216 UAE firms. The findings show that the MCS characteristics mediate the societal institutions-MATs adoption relationship; hence, it represents a key omitted link in understanding this relationship. Our findings indicate that some societal institutions influence the MCS

characteristics, and, subsequently, that organizations prioritize the use of performance measurement and control MATS. The implications of the findings for both theory and practice are discussed.

Keywords: Societal Institutions; Management Control System Characteristics; Management Accounting Techniques; United Arab Emirates

C3.

THE RELATIONSHIP OF INTELLECTUAL CAPITAL TO PERFORMANCE OF PRIVATE UNIVERSITY PERFORMANCE IN JAKARTA

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ABSTRACT

Purposed: The objective of this paper was to identify the relationship between Intellectual Capital to performance of private university in Jakarta.

Method: Data collected from lecturers and students in 6 private universities in Jakarta region along. This study examined Three dimensions of Intellectual Capital and five indicators of performance of university. The hypotheses is tested using multiple regressions analysis.

Findings: This study indicate that IC relational dimension have positive relationship to Research performance. Human Capital and Structural Capital have negative relationship to Research Performance. Second, Human Capital and Relational Capital have Positive relationship o Educational performance, but Structural capital has negative relationship to Educational Performance. Third, There is negative relationship of Human, Structural and Relational Capital to Publicational Performance. Forth, Human capital and structural capital have positive relationship to knowledge transfer performance, bu relational capital has negative relationship to knowledge transfer performance. Fifth, Heman capital, Structural capital and relational capital have negative relationship to services performance.

Practical implications: Services performance is the worst and need to be improved. This findings also help University leaders to take action what should be done to improve the quality of the services

Keywords: Intellectual Capital, Higher Education, and Performance of University.

C3.

EMPIRICAL STUDY ABOUT ADVERTISING EXPENSES' EFFECTS ON BRAND VALUE

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ABSTRACT

Intangible assets are recognized to be important for companies to enhance their performance. In 2011, Japanese Government announced that intangible assets should be accumulated in order to enhance international competitiveness of Japanese companies. Brand is one of the intangible assets. Brand value is value evaluated by money terms.

The purpose of this study is to investigate the effects of advertising expenses on brand value. First, Japanese companies' corporate brand values (CBV), estimated by the CB Valuator from year 2006 to 2011, were examined. Secondly, the top 200 companies whose CBV ranked highest during this period were selected. Thirdly, the first hypothesis was set; the Japanese companies' advertising expenses give their CBV positively. Based on the previous studies, a four-year lagged relation between advertising expenditures and CBV was assumed. The result of structural equation modeling (SEM) indicates that the effects of the advertising amount on the corporate brand value is positive and statistically significant.

The second hypothesis was set; the effectiveness of advertising expenses on CBV is larger for the companies with an increase in their CBV than it is for companies with a decrease in their CBV. Because previous studies show that the effectiveness of advertising are different according to each advertising. This hypothesis is not supported.

Keywords: Intangible, Brand, Brand Value, Advertising Expenses

C3.

THE EFFECT OF FINANCIAL AND NON FINANCIAL PERFORMANCE TOWARD CSR DISCLOSURE OF THE COMPANY

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ABSTRACT

This research is an empirical study to determine the effect of financial and non financial performance toward corporate social responsibility (Corporate Social Responsibility) disclosure of the company. The financial performance variables that will be examined in this research are the ownership of management (MAN), leverage (DER), profitability ROE), and non financial performance variable is the type of industry (IND). The sample in this research is a manufacturing company that listed in Indonesia Stock Exchange (BEI) in 2014. The sampel was selected using purposive sampling and obtained 132 of companies sample. The analysis of data using multiple regression analysis with three classic assumptions tests using SPSS 21.0 for windows. The result shows that variable of profitability (ROE) and type of industry (IND) have positive effect toward the CSR disclosure of the company, while the ownership management variable (MAN) and level of leverage (DER) does not have an effect toward CSR disclosure of the company. From that result, the company with high type

of industry or large scale and the profitability level is high, tend to do more social information disclosure as a form of corporate responsibility to the society and maintain their existence.

Keywords: Ownership of Management, Leverage, Profitability, Type of Industry, CSR.

C3.

ASSOCIATION BETWEEN BOARD COMPOSITION AND INTELLECTUAL CAPITAL DISCLOSURE: EMPIRICAL EVIDENCE FROM THAILAND

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ABSTRACT

This research aims to investigate the extent and level of intellectual capital disclosure of listed firms in the Stock Exchange of Thailand (SET) during 2012-2014; and to determine the relationship between board composition and the level of intellectual capital disclosure. Interestingly, this study is the first to examine the association between board composition and the level of intellectual capital disclosure within the Thai context. In the study, content analysis was utilized to quantify the number of words pertinent to the intellectual capital in the 2012-2014 annual reports. The findings revealed an increase in the extent and level of intellectual capital disclosure during the three-year study period, with an overall average of 825.10 words. The study results also showed a significantly positive relationship between the proportion of non-managerial board members (i.e. one proxy representing the board composition), industry type and the level of intellectual capital disclosure.

Keywords: Board Composition, Intellectual Capital Disclosure, Thailand

D1.

**ANALYSIS ON THE IMPACT OF FINANCING DECISION TO MDGs
ACHIEVEMENT, CAPITAL EXPENDITURES AND ECONOMIC GROWTH
AS MODERATING VARIABELS (CASE STUDY IN INDONESIA)**

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ABSTRACT

Many experts of development have realized that economic development also have some negative impacts in the form of environmental degradation, inequality of development resulting in poverty and hunger, changes in social structure and so on. Based on this, through the United Nations, the countries in the world declared Millenium Development Goals (MDGs) in the year of 2000. The MDGs, among others, is aimed at fighting poverty and hunger, improving education control of infectious diseases, reducing maternal mortality and kids, enhancing women empowerment, increasing employment opportunities, reducing damage environment and intensifying international cooperation for development. In the 15-year target of MDGs achieving, there are many obstacles i.e. limited sources of funding, lack of technical capacity, poor quality of human resources, infrastructures, etc. This research aims to analyze the impact of financing decision of province governments in Indonesia to their MDGs achievements, capital expenditures and economic growth as moderating variabels. This research finds that financing decision have a significant influence to MDGs acievements and this correlation moderated by capital expenditures and economic growth.

Keywords: Mdgs Achievement, Financing Decision, Capital Expenditures, Economic Growth.

D1.
TIME-DRIVEN ACTIVITY-BASED COSTING (TDABC)
IN CUSTOMER PROFITABILITY ANALYSIS: A CASE OF A HOTEL IN
JOGJAKARTA, INDONESIA

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ABSTRACT

Travelling intensity has been higher in the past few years making hospitality industry must be ready to provide the best service at optimum prices to customers who purchase and enjoy the services. Hotel as one of the accommodation service providers should be able to allocate resources accurately according to the actual needed capacity and thorough tariff policy for not losing the competition and obtain profit according to how much is projected. TDABC system is the most updated costing system which can assist the allocation of these resources. TDABC system is considered twice important to be applied in the service industry as service is intangible so costing system must show the exact and accurate number of resources used to provide the service. Through TDABC system, Customer Profitability Analysis is conducted with the aim of knowing the level of profitability every customer type possesses and classifying them as profitable or non-profitable customers. A case study had been conducted in a five-star hotel located in the Special Region of Jogjakarta resulting a profit recognized under TDABC system that traditional method used as the hotel's costing system failed to do so and more proper data on costs and profitability of customers.

Keywords: Time-Driven Activity-Based Costing, Customer Profitability Analysis, Hotel

D1.
**THE DIFFERENCE OF COST BEHAVIORS BETWEEN DOMESTIC
SEGMENTS AND FOREIGN COUNTRY SEGMENTS: EVIDENCE FROM
JAPAN**

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ABSTRACT

This paper examines the difference of cost behaviors between domestic segments and foreign country segments, to use geographic segment information on Japanese firms. Prior research shows the difference of cost behaviors among some industries on Japanese or other country firms. Therefore, I examine how cost sickness is different from inside or outside segments with external environment. Furthermore, I also test how these differences is influenced from previous year. Results indicate cost stickiness of consolidated financial statement and domestic segments is being gradually small, when using a longer period than one year. Otherwise, results show cost stickiness of foreign country segments is still in two years and three years. Cost stickiness of foreign country segments in 4 years, however, is disappears, as well as domestic segments and consolidated financial statement.

Keywords: Geographic Segment, Cost Behaviors, Adjustment Times of Costs, Deference of Cost Behaviors, Manager Decisions

D1.

THE SIGNIFICANCE OF PREPARATION PROCESS IN BSC INTRODUCTION: A JAPANESE SME's CASE

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ABSTRACT

Management accounting researchers have studied Balanced Scorecard (BSC) since Kaplan and Norton(1992) published their first work about BSC. Though the research method in BSC studies are of various types and a number of studies focus on the practice of the company adopting BSC, many past studies employ case study as research method.

BSC is a management tool based on are latively new idea. Though Kaplan and Norton(1996) propose BSC as a new performance evaluation system, researchers and practitioners are uncertain whether BSC is an useful management tool and how BSC is applied into practice. Therefore, researchers attempted to accumulate cases to explore applicability of BSC. As a result of this accumulation, various kinds of BSC applications have been proposed. For example, communication tool, strategy planning, strategy evaluation, and so on are considered as BSC functions.

We have studied Japanese small and medium enterprises(SMEs) for several years. In particular, we have concentrated on the SMEs having a plan to adopt BSC. The information employed in our research is relatively reliable because it is obtained through consulting firm from its clients. Under normal circumstances, it is almost impossible to obtain such internal data. Examining these data, we have observed some cases where consultants cannot introduce BSC successfully although they apply BSC into theirclients according to the explanation in BSC books or articles.

We have found one reason for this. Namely, large company cases are treated in BSC publications but we focus mainly on SMEs. There are various kinds of constraints on management resource in SMEs, especially, human resource problem is noticeable.

Aoki and Hasebe(2012) notice this point and propose the learning process before introduction of BSC is effective to avoid failure in SMEs. This attempts to advance the idea in Aoki and Hasebe(2012). Hence, the purpose of this article is to show the sophisticated and applicable way to introduce smoothly BSC into SMEs.

Keywords: Balanced Scorecard, Small and Medium Enterprises(SMEs)

D2.

**THE EFFECTS OF AUDITOR'S QUALITY AND GOOD CORPORATE
GOVERNANCE ON EARNINGS MANAGEMENT
(EVIDENCE IN INDONESIA STOCK EXCHANGE)**

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ABSTRACT

This research was aimed to determine the effects of the auditor's quality and good corporate governance on earnings management of listed banking companies in Indonesia Stock Exchange. Total samples were 95 objects. The analytical technique used is multiple linear regressions. The results are threefolds. First, the auditor's quality affects negatively the earnings management; it indicates the quality of the audit by the Big Four accounting firms can minimize the earnings management. Second, good corporate governance has no effect on earnings management.

Keywords: Earnings Management, Auditor's Quality, Good Corporate Governanc.

D2.

**THE EFFECT OF SARBANES-OXLEY ON THE RELATIONSHIP BETWEEN
CORPORATE GOVERNANCE AND ACCOUNTING CONSERVATISM**

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ABSTRACT

Prior research suggests the passage of Sarbanes-Oxley (SOX) may have induced a regime change in corporate governance. We explore this idea and examine how the relationships between different corporate governance features and a firm's tendency to report conservatively might have changed. While our evidence implies that SOX changed what governance features significantly influence the tendency of a firm to report conservatively, it also implies that there are differences between the effects of the internal and external markets for corporate control on this reporting behavior, both before and after SOX was implemented.

Keywords: Accounting Conservatism; Corporate Governance; Sarbanes-Oxley; Charter Provisions; Board Characteristics; CEO Compensation

D2.

**THE EFFECT OF EMOTIONAL INTELLIGENCE ON THE
RELATIONSHIP BETWEEN ROLE STRESSORS AND BURNOUT
AUDITOR**

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ABSTRACT

Burnout is a representation of a specific psychological stress syndrome which is negative response that arises as a result of work pressure or stressor. Role stressors consist of role conflict, role ambiguity, and role overload is an antecedent of the burnout. Previous research on the effect of role conflict, role ambiguity, and role overload on burnout showed inconsistent results, so this study aim is to test the emotional intelligence as a moderate variable. The study was conducted in 2015 on the auditor at the Public Accounting Firm (PAF) at Province of Bali. Samples were taken by the method of saturated samples. The data collection was conducted using questionnaires, with 85 auditors as respondents. The analysis technique used is Moderated Regression Analysis (MRA). The test results showed that emotional intelligence weaken the influence of role conflict, role ambiguity, and role overload on burnout experienced auditor at PAF the Province of Bali.

Keywords: Burnout, Role Stressors, Emotional Intelligence.

D2.

HIERARCHY PROCESS ANALYSIS ON INDIVIDUAL FACTORS OF ETHICAL DECISION MAKING

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ABSTRACT

Researches about ethical decision making (EDM) is now more explaining the influence of individuals and organizational factors to the different stages of ethical decision making (ethical awareness, ethical judgments, ethical intentions and ethical behavior). Whereas to apply the factors or one of the factors which are most useful in the development of individual's ethical decision making still need to consider influencing's significance and consistency of these factors upon the ethical decision making. Thus there is a gap to do researches in order to identify the significance and consistency. The objective of this study is to propose a simple identification of significance and consistency of the research results for the development of accountant's ethical decision making. This study uses a very simple method in evaluating the conclusions of EDM research and Analytic Hierarchy Process (AHP) in identifying the significance and consistency, likes make comparisons to each conclusions of ethical decision-making research relatend to accounting. The results of this study identified the highest number in six major categories of significance and consistency likes ethical philosophy, gender, and moral intensity as first best three individual factors. Second best three are education, ethical climate (nationality) and cognitive moral depelopments (CMD). Ethical philosophy, gender and intensity strongly influence EDM. Strong's application of ethical education will increase ethical climate and CMD in influencing EDM. Contribution of this study are the developments of individuals ethical decision-making in Indonesia

Keywords: Ethical Philosophy, Gender, Moral Intensity, Education, Nationality, CMD, And Ethical Decision Making.

D3.

**EFFECT OF HUMAN RESOURCES, VILLAGE FINANCIAL
INFORMATION AND ORGANIZATION COMMITMENT TO VILLAGE
HEAD PERFORMANCE WITH VILLAGE FINANCIAL MANAGEMENT AS
INTERVENING VARIABLE**

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ABSTRACT

This study purposes to prove the existence of human resources effect, village financial information, organization commitment to the village head by village financial management as intervening variable. This is quantitative study by using SEM-PLS which the data collected was processed by using wrappls, while the population of this study are all the village heads from East Java which are 7723 with 104 sample. The result of this study showed that human resources, village financial information, and organization commitment have an effect to the management of village financial and also the village head performance. While the village financial management doesn't have an effect to the village head performance, and also the human resources, village financial information and organization commitment don't have an effect to the the head village performance through the village financial management.

Keywords: Human Resources, Village Financial Information, Organization Commitment, Village Finance Management and the Village Head Performance.

D3.
**TECHNICAL EFFICIENCY ANALYSIS OF MAJOR INTERNATIONAL
AIRPORTS IN CHINA:
EVIDENCE FROM A STOCHASTIC OUTPUT DISTANCE FUNCTION
APPROACH**

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ABSTRACT

The objective of this paper is to measure the technical efficiency of 15 major international airports in China from 2007 to 2012. A stochastic frontier analysis output distance function is used in the study. This is the first Chinese airport study (to our knowledge) that uses non-aeronautical output in the measurement of airport efficiency. The results show that the major international airports in China, on average, must increase their efficiency by 34per cent to reach the production frontier. In addition, aircraft size, non-listed airport and market size are found to have statistically significant effects on the airport efficiency level.

Keywords: Airport Efficiency; Parametric Distance Function; China.

D3.

DETERMINANT NON PERFORMING FINANCING AND PROFITABILITY COOPERATIVE SHARIA AT INDONESIA

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ABSTRACT

This study aimed to analyze the influence of internal factors of the NPF and profitability, analyze the influence of external factors on the NPF and profitability, NPF analyze the effect on profitability, as well as analyze the influence of internal and external factors on profitability through the NPF. The number of samples in this study were 186 Cooperative sharia for 10 years from 2006 -2015. The analysis technique used structural equation modeling. The results showed that internal factors are formed from FDR, CAR and ROA affect the NPF. External factors that form of inflation and GDP impact of the NPF. Internal factors which are formed of FDR, CAR and ROA effect on profitability. External factors that form of inflation and GDP effect on profitability. NPF effect on profitability. NPF mediates the influence of internal factors and external factors to profitability.

Keywords: FDR, CAR, BOPO, Inflation, GDP, NPF, ROA, ROE

D3.

ANALYSIS OF THE INFLUENCE OF THE PRICE AND SALES VOLUME OF THE FINANCIAL PERFORMANCE ON PT SERMANI STEEL MAKASSAR

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ABSTRACT

This research aims to analyze the influence of the price and sales volume of financial performance. The variables used in this research is the sales price, sales volume and financial performance. The research method used is the method of multiple regression analysis double linier. The Data used is the secondary data which is in the form of sales price information and sales volume and the annual financial report of the company in the year 2007-2014. Test results F shows that the influence of the independent variables (prices and sales volume) commonly is significant impact on the financial performance. Test results are partially (Test-t), the variable prices and sales volume of each significant effect against the financial performance. Based on the results of the analysis which shows the price and sales volume of a positive effect on the financial performance of the parties aim must specify the selling price that can compete in the market so that can also increase sales volume.

Keywords: Sales Prices, Sales Volume and Financial Performance.

D4.
**THEORETICAL CORPORATE FINANCE TECHNIQUES USED BY
MOROCCAN LISTED FIRMS**

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ABSTRACT

The goal of this paper is to study the application of corporate finance theories among twenty-nine companies listed in Casablanca Stock Exchange. The survey used to collect the information is based on Graham and Harvey's (2001) questionnaire carried out to CFOs in the United States. Brounen, De Jong and Koedijk (2004) in Europe, Chazi, Terra and Zanella (2010) in Middle East region and Seven-Olov and Hartwig (2012) in Sweden also used the same survey. The study is composed of three sections investigating the capital budgeting practices, cost of capital and finally the capital structure. Overall, the most interesting remark is that most corporate finance methods used by Moroccan financial officers is similar to the methods used by managers in the Middle East region, to some extent American CFOs, but different from the European managers. The Net Present Value is the most used method in project evaluation followed by the Internal Rate of Return and payback period approach. The cost of capital in Morocco is estimated using the Capital Asset Pricing Model and companies prefer to use company-wide discount rate and overseas discount rate for their projects in foreign market. Finally, interest rate deductibility advantage, the financial flexibility and getting the lowest interest rate are the most important factors in determining the capital structure for the Moroccan companies.

Keywords: Corporate Finance, Survey, Casablanca Stock Exchange

D4.
INDEXING IN MOROCCO

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ABSTRACT

With Morocco ambitioning to become the financial hub of Africa, Index funds will soon make their appearance. The purpose of this research is to suggest a fee structure for index funds in Morocco. Diversification has always been the best tool to decrease portfolio risk. But how many stocks investors need to achieve diversification? We investigate the diversification level in Morocco and compare the benefits and costs of increased diversification. We use repeated sampling with replacement of monthly stock returns from January 2007 to December 2012 to simulate the performance of 1000 different portfolio sizes. Then, we apply Statman's model to investigate the performance of index funds. Finally, we evaluate the size of a diversified portfolio. Our research finds that in order for index funds to be economically viable they should charge an annual fee of no more than 0.73%.

Keywords: Diversification, Index Funds, Diversified Portfolio, Morocco, South Africa

D4.

ANALYSIS OF FINANCIAL STATEMENTS FRAUD THROUGH FRAUD DIAMOND FACTORS

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ABSTRACT

This study aimed to analyze the causality of fraud diamond factors are pressure, opportunity, rationalization, and capabilities affect to financial statements fraud is proxied by earnings management. At each factor measured by multiple dimensions and indicators. Pressure factors measured by the dimensions of financial stability, external pressure, personal financial needs and financial targets. Opportunity factors measured by the dimensions of nature of industry, ineffective of internal control components and organizational structure. Rationalization factors measured by the dimension of auditor change and audit report. Capability factors measured by perpetrator's CEO and CFO. This study uses secondary data derived from the annual financial statements published in www.idx.co.id or idxfactbook the period 2009 – 2012 on banking industries. The sample was banking companies listed in Indonesia Stock Exchange in 2012. The research sample selection using purposive sampling method with some criterias. Total sample is 28 banking firm with observation period is 4 (four) years. The research data were analyzed using multiple regression.

The type of earning management in this research is opportunistic behavior. Opportunistic behavior is behavior manager to maximize his utility in the face of compensation contracts, debt contracts and political costs. The results showed that the dimension of financial stability and personal financial needs on the pressure factor, dimension of relationship between management and auditor on the rationality factors have positive effect on the financial statements fraud. Other dimensions are external pressure, financial targets, nature of industry, the ineffectiveness of the internal control components, organization structure, perpetrator CEO and perpetrator CFO do not have effect to the financial statements fraud.

Managerial implications of this study can be used as a reference source for the management to manage of the entity by knowing the factors that give rise to fraud in order to take precautions fraud. The theoretical implications of this study support the agency theory, the hypothesis of positive accounting theory, and the theory of fraud that individuals will act on his/her interests as opportunist behavior.

Keywords: Opportunistic, Fraud, Financial Statement, Fraud Diamond.

D4.

MANAGING LOBBYIST INVOLEMENT IN PUBLIC PROCUREMENT THROUGH E-PROCUREMENT SYSTEM AS CORRUPTION PREVENTIVE MECHANISM

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ABSTRACT

Corruption represents a major leakage of public fund in many countries in the world. It has been highlighted that the involvement of unnecessary lobbying in the procurement contributes to the corruption. As a result, the Malaysian government has introduced the E-Procurement System to improve its services and to promote transparency in the procurement processes. This study aims to assess how effective is the e-procurement system (Sistem Perolehan Elektronik -SPE) able to reduce the lobbyist involvement in the public procurement processes. This qualitative study interviewed five procurement officers and three MARDI suppliers who had been using the system since it was implemented in the year 2011. Document review was also performed to access information regarding the processes in the system in support of the feedback from the respondents. The interview results showed that the SPE system was effectively implemented in MARDI and reduced the involvement of lobbyist in the procurement processes. Both groups of informants agreed that the SPE system was an effective mechanism to curb procurement fraud because the processes in every stage were automated and transparent. Each process was conducted by a different person and it promoted integrity and transparency in the system. The E-Procurement System was found to be effective in preventing direct communication between the procurement officers and suppliers therefore reducing the risk of lobbying. The SPE System was also bound by specific law and regulations governing both parties, to which they must comply. The present study concludes that the system can reduce the unethical behaviour by lobbyist and that it should be implemented.

Keywords: E-Procurement, Lobbyist, Public Procurement, Corruption

E1.

**INFORMATIVENESS OF EARNINGS: THE WINDOW INFORMATION
FOR INVESTOR ON ACCOUNTING PROFIT FORECASTING**

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ABSTRACT

This study aimed to obtain empirical evidence, examine and explain the factors (leverage, persistence, growth, size and beta) that affect informativeness of earnings and its application in the financial statements at Manufacturing Companies listed in the Indonesia Stock Exchange 2011-2014. Research on the relationship between stock returns with income to determine the extent of their relationship are many who use earnings figures as the dependent variable regressed with stock returns as the independent variables are calculated by different methods. This method measures the magnitude of abnormal stock returns in response to the expected components of a company's reported earnings by using Earning Response Coefficient (ERC). Plan for data analysis in this study will be conducted using Path Analysis with aplikasi Analisis of Moment Structure (AMOS). Conclusions of this study is significant influence of Leverage, Persistence profit and growth to Informativeness of earnings, either directly or through intervening variables Size and Beta.

Keywords: Informativeness of Earnings, Leverage, Persistence, Growth

E1.

**THE ANALYSIS OF THE ROLE OF CAPITAL STRUCTURE AND
SYSTEMATIC RISK IN MEDIATING THE EFFECTS OF GROWTH
OPPORTUNITY ON EARNING RESPONSE COEFFICIENTS (EMPIRICAL
STUDY ON CONSUMER GOODS MANUFACTURING COMPANIES
LISTED ON THE STOCK EXCHANGE INDONESIA)**

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ABSTRACT

The main purpose of this study is to investigate the effect of growth opportunity on Earnings Response Coefficients (ERC) and to investigate the role of capital structure and systematic risk in mediating of growth opportunity on ERC. This study uses sample of consumer goods manufacturing companies listed in Indonesian Stock Exchange. Data was analyzed by path analysis. The results of this study are as follows: (1) the effect of growing opportunities on capital structure, systematic risk and ERC were statistically significant; (2) the effect of capital structure on ERC was statistically significant, meanwhile systematic risk did not affect ERC; (3) capital structure can mediate the effects of growth opportunities on earnings response coefficient, meanwhile systematic risk cannot mediate the effect of growing opportunity on earnings response coefficients.

Keywords: Capital Structure, Systematic Risk, Earnings Response Coefficients (ERC), and Indonesia Stock Exchange.

E1.
**MARKET REACTION TO THE BANNED OF DISTRIBUTION
ON ALCOHOLIC BEVERAGE**

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ABSTRACT

Many things affect the rise and fall of stock prices. They are influenced by internal factors and external factors of the company. This study discusses the effect of regulation issued on stock market in Indonesia as the one of external factor of companies. This study aims to determine differences in market reaction before and after the regulation issued. The issued of regulations is for control the distribution of alcoholic beverage so that the research is conducted on all alcoholic beverage companies listed on the Indonesian Stock Exchange. The sampling technique in this research is saturated sampling. It refers to two alcoholic beverage companies in Indonesia. Period of observations carried out five days rule issued and five days rule applied. The five days are two days before, the event, and two days after event. The hypothesis were tested with descriptive test, Mann-Whitney test, and Wilcoxon sign rank test. The results of data analysis and hypothesis testing showed that there is no difference in stock returns between before the regulation and when the regulation is released, before the regulation and after the regulation release also before the regulation and when the regulation is applied, before the regulation and after the regulation of Republic Indonesian trade ministry is applied.

Keywords: Alcoholic Beverage Company, Regulation, Market Reaction

E1.

**MARKET REACTION TO CHIEF EXECUTIVE OFFICER (CEO)
TURNOVER ANNOUNCEMENT IN INDONESIA**

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ABSTRACT

This research aims to examine market reaction to CEO turnover announcements using abnormal return approach. Sample of this research consists of 50 announcements during 2009-2013 from manufacture companies listed in Indonesian Stock Exchange. The author uses one sample t-test to examine the hypotheses. The result for market reaction for both overall CEO and non-routine CEO turnover announcement with new CEO from outside of companies is not significant. On the other hand, routine CEO turnover announcement with new CEO from inside of company is found to have positive abnormal return at pre-announcement day, which implies that investors get the signal first and then react over it as good news. In addition to there is abnormal return negative at the day after the announcement. Positive market reaction is also showed on routine CEO turnover announcement with new incoming CEO from outside of the companies at post-announcement day. While negative abnormal return achieved at non-routine CEO turnover announcement with new CEO from inside of company implies that investors don't have good impressions of this information. This negative abnormal return is not held long because investor gets positive abnormal return at the days after that.

Keywords: Chief Executive Officer, Turnover, Abnormal Return, Market Reaction

E2.

ACCOUNTABILITY IN NON-PROFIT ORGANISATIONS: PRELIMINARY EVIDENCE FROM MALAYSIA

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ABSTRACT

Non-profit organisations (NPOs) have grown substantially since the early 1990s and now play a significant role towards the advancement of society. However, the adverse publicity surrounding a number of high profile scandals of fund misappropriation and organisational inefficiency in this sector has heightened the need for NPOs accountability. Accountability is crucial as it can enhance the legitimacy of the NPOs and their long term survivability. The need for NPOs to demonstrate their accountability is more important than ever particularly in the current diminishing unrestricted funding coupled with increasing demand for their services. Hence, this study aims to examine the types and extent of accountability practices disclosed by NPOs in Malaysia. Using content analysis of annual reports and *Borang Maklumat Kewangan* (Financial Information Form) of 210 NPOs registered with the Companies Commission of Malaysia, this study finds that on average the extent of accountability is 63%. The extent of accountability is based on four accountability governance themes: structure, oversight responsibilities, talent and culture and infrastructure. The average values for these components are 64%, 72%, 52% and 68% respectively. The moderate level of accountability indicates that NPOs in Malaysia are making an effort in the right direction even without specific governance framework. Concurrently, the results also highlight areas of accountability that could be developed further to achieve best practice. The findings also provide a basis for future research work aim to develop understandings of accountability specifically in the context of the NPOs. Accountability is an integral part of good governance practices that can encourage trust within, and of, an organisation in building a sustainable non-profit sector.

Keywords: Accountability, Governance, Transparency, Non-Profit Organisations

E2.
**EMPIRICAL STUDY ON ASYMMETRIC COST BEHAVIOR OF THE
PUBLIC SECTOR ORGANIZATIONS**
**—ANALYSIS OF THE STICKY COSTS OF LOCAL PUBLIC
ENTERPRISES—**

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ABSTRACT

In relation to the cost behavior, since around 2000, empirical studies that focus on the relationship between capacity and costs, including changes in the activity itself has been made. Especially Anderson et al. (2003) clarified that the sticky costs that a rate of decline of the cost was smaller than a rate of decline of the sales amount were seen in the situation that sales amount decreased, during the inspecting relationship of the net sales, selling general and administrative costs empirically.

However, in the study of these series of cost behavior, public sector organizations have not been regarded as the subject of research. Therefore this study paid its attention to local public enterprises in public sector organizations and analyzed them using panel data analysis about the sticky costs.

As the result of analysis, anti-sticky costs were confirmed against the research hypothesis in local public enterprises. After examining the cause, we found that the water service business which accounted for approximately 60% of sample data was anti-sticky, and it might affect the result of analysis. So we conducted additional analysis using except water service business sample data, then the sticky costs were confirmed. We suggested that the result of the analysis was influenced by the difference in the predictability caused by the height of the degree of market monopoly and the difference in the charges and the price decision procedures.

We clarified that the degree of the sticky costs varied according to type of the industry in local public enterprises, and the anti-sticky costs were confirmed in some of them. We suggested that, the difference is not only in the business environment but also in the cost structure and in the law regulation.

In addition, contrary to the research hypothesis, the costs have turned out less sticky in local public enterprises than in commercial companies. We suggested that the result of analysis was moderated since both of the sticky costs and the anti-sticky costs were confirmed.

Furthermore, after inspecting a long-term cost change, we found out that the sticky costs extend over a long term and continues ,although that goes to the cancellation in the short term. In public sector organizations, short-term cost control and result-oriented pressure strongly affect the managers of local public enterprises under the influence of single fiscal-year principle of budget and budget examination system in the short term. So we suggested that it is the reason why cost adjustment is difficult that publicity is given more priority than economy.

Keywords: Cost Behavior, Public Sector Organizations, Local Public Enterprises, Sticky Costs, Anti-Sticky, Panel Data Analysis

E2.

ORGANIZATIONAL IDENTITY AND COMMITMENT TO CHANGE IN A NON-PROFIT ORGANIZATION: STUDY IN INDONESIA

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ABSTRACT

Organization identity can be seen as a formal mechanism which leads to organization performance. Formally, many organizations are appointed by bureaucracy structure as a result of the organization system in the case of many countries with high power distance. Many of them inevitably face “causalities” as an informal chance mechanism occurring in organization. A non-profit organization, commonly known as a type of organization which concentrates on organization change processes as a result of minimizing a formalization, tends to be successful in accommodating organization politics rather than public organization. Within the body, it performs better as it can facilitate all individual need, in particular to whom who does not have power in gaining organization politics. This ethnography study explored five nonprofit organizations in East Java, ranging from health to education sector and it concluded that they are in the hardest way in coming out to the forces of change as a result of difficulty for gathering consumers with their old-fashioned marketing method. The change processes are needed! This paper will examine the change process performed by a head of foundation and initiated by senior members of organization against “junior” staffs.

Keywords: Organization, Identity, Change, Politics, Non-profit

E2.

THE INFLUENCE OF CORPORATE INCOME AND GROWTH RATE ON DIVIDEND POLICY

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ABSTRACT

This study is performed to examine the difference of dividend policy between growth companies and the companies do not growth, the effect of growth and Return On Asset (ROA) toward Dividend Payout Ratio (DPR) in companies that is listed in Indonesian Stock Exchange over period 2006-2008. The population of this research is 122 manufacture companies that are listed in Indonesian Stock Exchange period 2006-2008.

Sampling technique used is purposive sampling on criterion (1) manufacturing companies which has been listed on the Indonesia Stock Exchange since 2006 and was registered until the end of 2008, (2) Companies that make dividend three years for the period 2006 -2008, (3) Manufacturing companies that have reported financial statement in the year ended December 31, and (4) Companies that do not suffer losses during the 2006-2008. The data is obtained based on Indonesian Capital Market Directory (ICMD 2009) publication. It is gained sample amount of 15 companies from 122 manufacture companies those are listed in Indonesian Stock Exchange. The analysis technique used here is multiple regression.

This research results that Return On Asset gives significantly positive effect on dividend payout ratio. It also finds that growth gives significantly negative effect on dividend payout ratio. We suggest for investors in Indonesian Stock Exchange whose purpose is to gain dividend should be pay attention for information that issued by the company, because with that information, they can make the best decision for their investments..

Keywords: Return On Asset (ROA), Growth and Dividend Payout Ratio (DPR), Firm Growth, Investment Opportunity Set

E3.

THE EFFECT OF ENTERPRISE RISK MANAGEMENT (ERM) CONTINGENCY FIT ON RISK DISCLOSURE QUALITY

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ABSTRACT

The study aims to examine the effect of Enterprise Risk Management (ERM) contingency fit on risk disclosure quality. Using a sample of 397 firm years of companies listed in the Indonesia Stock Exchange during the 2011-2012 periods, empirical evidence of this study confirms the argument which stated that the ERM contingency fit has positive effect on mandatory risk disclosure quality, which covers financial risk items. On the other hand, the ERM contingency fit does not have effect on non-financial risk items presented in the voluntary disclosures. This means that the ERM contingency fit encourages firms to improve their financial risk disclosure quality so that managers' capability in managing enterprise risk can be well signalled. The research supports the argument that ERM contingency fit has positive effect on mandatory risk disclosure quality, but not on voluntary disclosure. This has important implication for the effectiveness of mandatory risk disclosure's regulation. The clear guidance of mandatory risk regulations encourage firms to increase mandatory risk disclosure quality. Accordingly, to have a good quality of financial risk disclosure as mandated by Accounting Standard as well as Indonesian Financial Service Authority (OJK), firms should consider their ERM contingency fit factors, namely: environmental uncertainty, industry competition, complexity, and governance.

Keywords: Enterprise Risk Management, Contingency Fit, Risk Disclosure Quality.

E3.

DIFFERENT TEST PROFITABILITY BETWEEN DEBT AND EQUITY AS FUNDING SOURCES FOR SMALL AND MEDIUM ENTERPRISES (SMEs)

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ABSTRACT

This study was conducted to analyze whether there are differences in the level of profitability as a proxy of the increase in business terms of the ratio of profitability, namely NPM (Net Profit Margin), ROA (Return on Assets) and ROE (Return On Equity) among respondents in the study this is a small and medium entrepreneurs (SME) loan users with respondents who do not use debt or use their own capital. The population is all SMEs products featured in Malang, East Java, Indonesia. Samples were taken at random as many as 100 businessmen consisting of 50 entrepreneurs who use debt or loan to the business activities and 50 entrepreneurs who use their own capital as venture capital. The collection of data obtained through the questionnaire respondents, and data obtained from documents issued by Badan Pusat Statistik (BPS) and Department of Cooperatives and SME Malang, Indonesia. Processing data using product moment correlation test calculation, hypothesis testing between user respondents debt with respondents who did not use the loan in profitability used chi square. Based on the results of chi square analysis, this research can be concluded that there is a difference between SMEs with the debt with and SME users who do not use debt or equity capital in the improvement efforts. From the test data show that 95% of SME loans increased profitability users and SMEs using their own capital only increased by 78%.

Keywords: Small and Medium Enterprises (SMEs), Debt, Own Capital, Profitability

E3.

IMPACT OF INTEGRATED INFORMATION SYSTEM IMPLEMENTATION ON THE QUALITY OF INFORMATION OBTAINED FROM MANAGEMENT ACCOUNTING SYSTEM – CASE STUDY

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ABSTRACT

This article aims to determine the impact of integrated information system implementation on the quality of information generated by the system of management accounting, in particular staff's attitude and expectations towards the new system. This research was carried out by means of a questionnaire, which was conducted in a company implementing ERP system (the analysis is based on 58 questionnaires). The results allow to conclude that employees showed a positive attitude to the implementation process and its main aim was to improve control. Expectations about the new system were high and significantly different from the old system. According to respondents, the new integrated system was to improve the quality of their work, enable faster performance of responsibilities and improve the quality of the decision-making process. In terms of quality of information, respondents had the highest hopes for improvement of the speed of its acquisition, and availability. Expected changes regarding other features of quality (accuracy, reliability and understandability) were also significant. In connection with implementation, respondents expected such problems as high costs and effort of implementation process and subsequent maintenance of the system.

Keywords: Integrated System, ERP, Quality Of Information, Implementation, Evaluation Of Expectations

E3.

THE ASSOCIATION BETWEEN STRATEGIC RISK MANAGEMENT AND TRANSACTION COST

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ABSTRACT

This study from the viewpoint of economic analysis to use the financial statements information content as the main object source, to discuss whether the organizational governance and investment decision process are appropriate and efficiency. The study is expected to expand the breadth of aviation industry research, also to extend the fields of organizational behavior and financial strategic risk so that market participants could more fully understand the industry's operation and financial risk. After analysis, this study makes the following conclusions.

- (1) The consequences of cross-holdings, not only resulting in corporate operation and ownership did not clearly separately, also bring the board tend to interior.
- (2) Business does a large number of capital expenditure for aircraft, may only result in keeping the market share, few benefits can be expected.
- (3) By facing competition, if enterprises try to use a cash flow-increased strategy, it may increase the costs by contraries. In contrast, cost control should be a good viable strategy.
- (4) From the perspective of financial risk, strategy risk would be reflected in the probability of future financial crises.

Keywords: Strategic Risk, Transaction Cost, Cross-Holdings, Organizational Behavior

F1.
**THE IMPACT OF EXISTENCE OF ROYAL FAMILY DIRECTORS ON
ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE:
SERVANT LEADERSHIP PERSPECTIVE**

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ABSTRACT

Purpose: The primary aim of this research is to investigate whether the existence of royal family directors impact environmental, social and governmental (ESG) performance from the servant leadership theory perspective.

Design/methodology/approach: We use social, environmental and governance scores from Bloomberg database and collecting royal family data from annual reports. required analyses have done to test the hypothesis.

Findings: The findings demonstrate a strong relationship between the presence of royal family members who serve on boards of directors and ESG performance.

Originality/value: This study seeks to contribute to the research on servant leadership theory by highlighting the impact of royal family board members on ESG performance. This study may contribute to our understanding of royal family leadership as a predictor of ESG performance.

Keywords: Royal Family Directors; Servant Leadership Theory, CSR; GCC Countries

F1.
**CHANGES IN CORPORATE SOCIAL RESPONSIBILITY PERFORMANCE
AND STOCK RETURNS**

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ABSTRACT

This paper examines questions relating to the effects of changes in firms' corporate social responsibility (CSR) performance on their shareholders' value. Following Ball and Brown (1968) information content approach and using CSR performance data from Kinder, Lydenberg, and Domini & CO. (KLD), we estimate annual equity return regressions on contemporaneous changes in aggregate CSR, CSR strengths, CSR concerns (coded in negative) scores for a sample of firms in KLD database from 1991 through 2013. We find change in CSR strengths (concerns) score has a significantly negative (positive) association with stock returns. The results of additional tests suggest investors consider investment in CSR strengths activities as an agency cost. These findings indicate investors perceive that managers create value for their shareholders by engaging in CSR activities that address the violations firms have committed while managers could destroy shareholders' value by simply pursuing best CSR practices.

Keywords: Corporate Social Responsibility, Information Content, Agency Cost.

F1.
**CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL
PERFORMANCE: THE ROLE OF MANAGERIAL ABILITY**

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ABSTRACT

In this study, we examine the empirical association between corporate social responsibility (CSR) and corporate financial performance (CFP) by investigating mediated and moderated effects of managerial ability. Employing an U.S. sample, we find the positive relationship between CSR and CFP is mitigated by managerial ability. In particular, we find that this positive relationship is mediated by managerial ability for firms with superior managerial ability and moderated by managerial ability for firms with inferior managerial ability. Intuitively, an inferior manager can't generate favorable returns on their social responsibility investments and mitigate the positive effects of CSR on firm performance. However, the large gap between executive compensation and the compensation of employees will increase the conflict between managers and employees. Therefore, the conflict of interests mitigates the effects of CSR on firm performance.

Keywords: Corporate Social Responsibility; Corporate Financial Performance;
Managerial Ability

F1.

ORGANISATIONAL SUSTAINABILITY OF SOCIAL ENTERPRISE

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ABSTRACT

In order to successfully accomplish their social and business mission, social entrepreneurial non-profit organisations (NPOs), which are also known as social enterprises, need to identify the relevant factors of sustainability that influence their performance. This is crucial since the management of those factors is important to ensure organisational survivability in the future. Thus, this study aims to examine the extent of sustainability of social enterprise based on the factors identified using self-constructed sustainability index. The four main factors are leadership capacity, adaptive capacity, management and technical capacity and financial viability. Content analysis was used as the research instrument in order to measure the sustainability index from the information disclosed in the annual reports by 210 organisations registered under the Registry of Societies (ROS) in Malaysia for the year 2010. Statistical analyses were carried out to examine the extent of sustainability of the selected social enterprise based on the relevant factors identified under the sustainability index. Findings from the study showed that, among these four factors, the leadership capacity scored the highest mean while the management and technical capacity scored the lowest mean. This indicates that most of the social enterprises are aware that effective leadership is vital for organisational sustainability. However, management and technical aspects tend to be neglected possibly due to lack of adequate resources and facilities to adapt to current changes. Overall, this study

offered several main implications for academicians, researchers, regulators as well as for the social enterprise itself by highlighting that in order to survive in the future, the social enterprise need to appropriately address relevant factors that influence organisational sustainability especially on management and technical aspect in order to survive in the future.

Keywords: Non-Profit Organisations, Social Enterprise, Sustainability, Performance.

F2.

THE ROLE OF MANAGEMENT CONTROL SYSTEMS IN BRINGING ABOUT CHANGE IN A NEW ZEALAND UNIVERSITY TOWARDS EXPLICIT PERFORMANCE INDICATORS

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ABSTRACT

This paper reports the results of a case study of the impact of changes in higher education on the systems of management control in an old-established university. The changes are interpreted in the context of by neo-institutional and New Public Management (NPM) theory. We argue that the combination of the diffusion of NPM theory and resource dependency relating to government funding policies lead to a business oriented view of **inputs** and outputs being introduced into the case-study university. Controls over finance, space and human resource inputs and teaching and research outputs are seen as attempts to impose 'objective' measures for the benefit of a much enlarged bureaucracy.

The presentation will contain the following Sections:

1. Introduction containing overview of paper.
2. Literature review
3. Theory and method.
4. Management control systems: Narrative describing the systems named in the Abstract.
5. Perceptions of academics regarding each system
6. Perceptions of administrators regarding each system
7. Discussion of the role of management control systems

F2.
**THE EFFECT OF BUSINESS STRATEGY ON CORPORATE TAX
AVOIDANCE, EMPIRICAL EVIDENCE IN INDONESIA**

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ABSTRACT

This study investigates the effect of business strategy on corporate tax avoidance in Indonesian context and develops a comprehensive measure of tax avoidance based on existing tax avoidance measurements. Using ordinary least square analysis and sample listed firms on Indonesian Stock Exchange (IDX) from 2009-2012, we find that business strategy has a significant effect on corporate tax avoidance. Our result suggests that firms which pursue prospector-type strategy avoid tax higher than firms which pursue analyzer and defender-type strategy. We also find that composite measure of tax avoidance statistically measures tax avoidance more comprehensive than other single measure. This research contributes on two ways, first, adds literature of management accounting and tax avoidance, which is research in these fields are still rare. Second, it provides empirical evidence of the effect of business strategy on tax avoidance particularly in Indonesian taxation context.

Keywords: Business Strategy, Corporate Tax Avoidance, Composite Measure of Tax Avoidance.

F2.

CONTINGENT FIT-MISFIT, BUSINESS UNIT PERFORMANCE, AND THE PROOF OF THE CONGRUENCY HYPOTHESIS

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ABSTRACT

This study was designed to: (1) obtain the influence of the contingent fit and misfit with business unit performances, and (2) to prove the concept of "The congruency hypothesis" (Burrell and Morgan, 1976). According to Chenhall (2007), fit is reached when the company implements a low cost strategy, practices traditional management accounting system and uses automation information technology system. Conversely, companies implements differentiation strategy tend to practices strategic management accounting system and uses enabler information technology system. The design of this study was survey method using questionnaires, and regression was used to analyze of the data. This study concluded, contingent fit has a positive influence on the learning/growth performance for business units in group Fit Low Cost. Whereas for business units in group Fit Differentiation, this study concluded that: contingent fit influence the performance of Internal Process and Learning/Growth. However, the result obtained with regard to the influence of contingent misfit on the performance of financial, customer, internal processes and learning/ growth was inconsistent. This study also successfully established fit model in the concept of "The Congruency Hypothesis". When the subsystems are in a fit condition, the configuration to be formed is a straight or almost straight line, which means, the level of elements in subsystems is same. For these business units, contingent fit has positive influence on performance. For business units that is in a misfit condition, the line formed in the chart is not straight, and proved that for these business units, contingent misfit has no influence on performances.

Keywords: Fit Low Cost, Fit Differentiation, Misfit Low Cost, Misfit Differentiation, Performance.

F2.

THE INFLUENCE OF CHARACTERISTICS OF IFRS ON INTERNAL CONTROL REPORTING OBJECTIVE

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ABSTRACT

According to Sarbanes-Oxley Act (SOX) of 2002, firms need to enhance reliability and transparent of financial information by internal control reporting objective to avoid financial statement fraud and scandals. Nowadays, in order to raise the ability of international accounting reporting, Taiwan's companies adopt the IFRS. In this study, SmartPLS 3.0 is used to test whether the characteristics of IFRS influences the internal control reporting objectives. In this research, we found that the characteristics of IFRS cannot influence directly the internal control reporting objectives. However, the characteristics of IFRS can increase the achievement of the internal control reporting objectives through the mediator- the IFRS Enhancing Qualitative Characteristics. That is, the special accounting treatment of IFRS can increase the IFRS information quality, and then the IFRS information quality can increase the degree of achievement of Internal Control Reporting Objectives more effective. Moreover, there is full mediation effect of IFRS information quality between the characteristics of IFRS and Internal Control Reporting Objectives.

Keywords: IFRS, Internal Control Reported Objective, PLS, Mediation

F3.

ACCOUNTING FOR LONG-LIVED ASSETS AND SYSTEMATIC RISK

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ABSTRACT

This study examines whether firm managers' choice of valuation methods for long-lived assets between fair value and historical cost affects systematic risk. Using a sample of 99 UK listed firms and 792 firm-year observations during the period of 2003 to 2010, we find evidence that, on average, fair value accounting for long-lived assets induces a lower level of systematic risk relative to historical cost accounting in the pre-IFRS adoption period. However, in the post-IFRS adoption period, firms choosing fair value accounting have a higher level of positive changes in systematic risk than their counterparts using historical cost accounting. Overall, these findings imply that given a set of costly accounting standards, mandatory fair value accounting for non-financial assets needs further considerations.

Keywords: Systematic Risk; Long-Lived Assets; Fair Value; International Financial Reporting Standards (IFRS)

F3.

**THE RELATIONSHIPS AMONG IS PERFORMANCE, INTERNAL
CONTROL ELEMENTS, IFRS INFORMATION QUALITY, AND IFRS
FINANCIAL REPORTING**

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ABSTRACT

Since the issue of IFRS, companies around the world quickly adopted it to meet the trend. However, the adoption of IFRS will inevitably affect companies such as financial policies and financial reporting. In order to decrease the effect of financial policies and financial reporting, we toward the daily transactions system in companies-the information system, and try to find out the relation between information system performance and financial policies and financial reporting. We send questioners to listed firm in Taiwan in 2015 and use Partial Least Squares Structural Equation Modeling for our measuring model. As the result, we find that there exists a mediation effect between information system performance and financial policies and financial reporting. That is, if a corporation wants to lessen the effects of financial reporting and financial policies then they should first adopt the D&M IS Success Model to achieve the objective of improving information system performance. After this, they should adopt COSO's Internal Control Elements to elevate the IFRS information quality, and ultimately, achieve their goal.

Keywords: IFRS, Information System Performance (IS Performance), Financial Policies, Financial Reporting, PLS

F3.

THE RELATIONSHIP AMONG IS PERFORMANCE, CAPABILITY AND PROCEDURE FOR PREPARING IFRS CONSOLIDATED FINANCIAL STATEMENTS

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ABSTRACT

To find the key that company efficiently establishes IFRS Consolidated Financial statements. We discussed effects on relationship among IS Performance, Capability for preparing IFRS Consolidated Financial statements and Procedure for preparing IFRS Consolidated Financial statements. We improved Procedure for preparing IFRS Consolidated Financial Statement through enhances ability of accounting members for completion for preparing IFRS Consolidated Financial Statement; we also observed that Capability for preparing IFRS Consolidated Financial Statement and Procedure for preparing IFRS Consolidated Financial Statement are how to be effected by IS Performance. Baron and Kenny (1986) discussed mediating effects that affect channels of dependent. We robust our hypotheses through found mediating in exist. We find that Procedure for preparing IFRS Consolidated Financial Statement is raised by IS Performance, however, IS Performance has the limit of improving Procedure for preparing IFRS Consolidated Financial Statement. We understand that IS Performance does not directly affect Procedure for preparing IFRS Consolidated Financial Statement. Capability for preparing IFRS Consolidated Financial Statement also needs to be improved by IS Performance. It also showed that constructs play the role of Capability for Consolidated Financial Statement. In this study, we provided a few conclusions to explain benefits of establishing IFRS Consolidated Financial Statement.

Keywords: IFRS, IS Performance, Consolidated Financial Statement

F3.

**IFRS SUITABILITY TO EMERGING MARKETS: EMPIRICAL
EVIDENCE FROM QATAR**

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ABSTRACT

The main objective of the study is to assess the suitability of International Financial Reporting Standards (IFRS) for emerging market such as Qatar; specifically, the current research explores advantages and disadvantages of IFRS implementation in Qatar. Specifically, the study gains some insight into the perceptions of the top management, academics in accounting and external auditors about the suitability of IFRS in Qatar. A questionnaire survey has been used to investigate the phenomena that being addressed. The survey consisted of three sections: the first section sought demographic information about the sample respondents, the second section of the survey consists of 13 questions regarding the advantages of IFRS adoption to Qatar and the third section consists of 8 questions regarding the obstacles and disadvantages of IFRS adoption. The preliminary results provide that IFRS is very beneficial to Qatar in general and its business environment and regulations in particular.

Keywords: IFRS, Suitability, Emerging Markets, Qatar.