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Programme and
Collected Abstracts

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LISBON 30th ANNUAL CONGRESS
EUROPEAN ACCOUNTING ASSOCIATION

FRG.06.R Deferral of currency variation losses as an earnings management tool
Edilson Paulo; Ariovaldo dos Santos
Session: FRG 04R, Day: Friday, Time: 14:00 - 15:30, Room: 1.11

FRG.07.R First time adoption, fair value, conservatism: Evidences from French listed companies
Samira Demaria; Dominique Dufour
Session: FRG 03R, Day: Friday, Time: 09:00 - 10:30, Room: 1.11

FRG.08.R An empirical study of the quality of disclosure for Spanish stock market
Eva Suárez Alvarez
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FRG.09.R Emerging practices in impairment test after first time adoption of IAS/IFRS by Italian listed companies
Francesco Bavagnoli; Maurizio Comoli; Lorenzo Gelmini; Chiara Grechi
Session: FRG 03R, Day: Friday, Time: 09:00 - 10:30, Room: 1.11

FRG.10.R A European comparison: The application of IFRS 2 in France and Great Britain
Patrizia Riva
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FRG.11.R Determinants and voluntary disclosure studies: Does the measurement of the dependent variable matter?
Marc de Bourmont
Session: FRG 02R, Day: Thursday, Time: 16:00 - 17:30, Room: 1.11

FRG.12.R Does the market see non-controlling interests as equity or liabilities? Evidence from listed Australian firms
Ana Isabel Santos; Isabel Lourenço
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FRG.13.R The value relevance of accounting methods for the fiscal effect of revaluation surplus – Final conclusions
M Teresa Godinho; Isabel Lourenço
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FRG.14.R Materiality, good news and the extent of complementary narrative commentary on financial statements
Venancio Tauringana; Musa Mangena
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FRG.15.R The implementation of IFRS to Polish practise - Pre-defined problem of financial statements' comparability
Ewa Walinska; Ewa Sniezek; Michał Wiatr
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FRG.16.R Accounting choice under IFRS. Which companies benefit from switching from historical cost to fair value?
Gonzalo Rodr□guez; John Slof; Magda Solà; Margarita Torrent
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FRG.17.R Capitalize or expense? Recent evidence on the accounting for intangible assets under IAS 38 by STOXX 200 firms
Joerg-Markus Hitz
Session: FRG 01R, Day: Thursday, Time: 11:00 - 12:30, Room: 1.11

FRG.18.R Financial reporting in Kazakhstan
Monirul Hossain; Asheq Rahman
Session: FRG 01R, Day: Thursday, Time: 11:00 - 12:30, Room: 1.11

FRG.19.R Images of goodwill
Sander van Triest
Session: FRG 01R, Day: Thursday, Time: 11:00 - 12:30, Room: 1.11

FRG.20.R Making private information public -- The application of IAS 36 paragraph 134
Fredrik Hartwig
Session: FRG 01R, Day: Thursday, Time: 11:00 - 12:30, Room: 1.11

GOV.01.R The role of trust in top accounting journals
Arco van de Ven; Bernard Verstegen
Session: GOV 01R, Day: Wednesday, Time: 16:00 - 17:30, Room: 2.05

GOV.02.R The board of directors as an internal control mechanism: structure, compensation, and effectiveness
Ral Barroso; Antonio Dívila; Daniel Oyon
Session: GOV 01R, Day: Wednesday, Time: 16:00 - 17:30, Room: 2.05

GOV.03.R Are short sellers stakeholders?
Robert Wearing; Carmen Li
Session: GOV 01R, Day: Wednesday, Time: 16:00 - 17:30, Room: 2.05

GOV.04.R "Chainsaw Al" and Sunbeam's control environment: The sour tone at the top. A case study
Rick Hayes
Session: GOV 01R, Day: Wednesday, Time: 16:00 - 17:30, Room: 2.05

Code: **FRG.09.R**
Abstract ID: **0437**

Day: **Friday**
Time: **09:00 - 10:30**
Room: **1.11**

Emerging practices in impairment test after first time adoption of IAS/IFRS by Italian listed companies

Author(s): **Francesco Bavagnoli, Maurizio Comoli, Lorenzo Gelmini, Chiara Grechi**
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The paper focuses on the emerging practices in performing the impairment test after the first time adoption of IFRS/IAS by Italian listed companies. The paper first examines some theoretical issues, regarding the impairment test, that seem particularly relevant such as, inter alia:
- the impact of taxes and leverage on the calculation of discounting rates and expected cash flows, as steps necessary to measure the value in use of an asset or a Cash Generating Unit (CGU);
- the inclusion or exclusion of working capital items and financial liabilities in the carrying amount of CGUs;
- the valuation techniques used to evaluate the fair value of CGUs, and in particular the emerging of different approaches polarised towards market models or discounting of future cash/earnings flows models.
The theoretical analysis is conducted on the basis of the framework provided by the relevant accounting standard, IAS 36, also taking into account the principles stated by the relevant literature.
The second part of the paper analyses specific financial statements of Italian listed companies in order to test - to the extent allowed by the disclosure degree in the financial statements considered by the research group - the relevance of the above mentioned issues and possibly to understand how those issues have been addressed in practice.

Code: **FRG.10.R**
Abstract ID: **0486**

Day: **Friday**
Time: **09:00 - 10:30**
Room: **1.11**

A European comparison: The application of IFRS 2 in France and Great Britain

Author(s): **Patrizia Riva**
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The objective of this chapter is to outline the traits of stock option regulations in force in Italy, in France and in Great Britain in the light of the changes introduced by IFRS 2. The analysis is carried out based on a sample of companies and subdivides in three items: accounting choices adopted, valuation methods adopted and disclosure actually provided. With the objective of throwing more light on the main features of the three Countries, Comments are made on domestic legislation and on stock option related provisions as set forth by the local supervisory authority. Subsequently, the reference sample is identified for the empirical analysis performed. The accounting choices are described in order to clearly outline the consequences arising from transition to IAS/IFRS. In particular, details are provided of the different methods used in entering stock option plans in the P&L account. As regards accounting valuation, the objective is to identify the fair value assessment methods. Valuation methods introduced by adoption of the IAS/IFRS involve a series of considerations on layouts and variables used. The analysis is closed by the study of the disclosure information. The analysis sets off, for all Countries, from disclosure required by internal regulations. Such analysis is carried out in parallel on the statutory scheme and on the scheme required by the local authority. Finally, changes from the reporting point of view as introduced by IFRS 2 are then analysed.

Code: **FRG.11.R**
Abstract ID: **0493**

Day: **Thursday**
Time: **16:00 - 17:30**
Room: **1.11**

Determinants and voluntary disclosure studies: Does the measurement of the dependent variable matter?

Author(s): **Marc De Bourmont**
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Many researches have analyzed the relationships existing between voluntary disclosure levels in annual reports and some firm characteristics. But all existing studies used only one operational definition to measure these levels and were generally conducted in one single period of time. The aim of this paper is to explain voluntary disclosure about research and development (R&D) activities in the French context, over three successive years (2002, 2003 and 2004) and using two different operational definitions for measuring the disclosure levels (a score and an index), in order to answer the following question: will the use of two different operational definitions for measuring the disclosure levels lead to similar results, on a three year period of observation? Analyzing the annual reports of 120 firms belonging to the SBF 250 index, we find that our two measures are both (and for the three years of observation) positively related to R&D intensity, size (or, alternatively, quotation on a British or American market) and belonging to certain high-tech sectors; conversely, they are both negatively associated with a proxy for proprietary costs. More importantly, our multivariate analyses (OLS and PLS regressions) consequently show that the principal results of this study are stable over time and that the use of two very different operational definitions for measuring the disclosure levels engenders no difference concerning these results.

Code: **FRG.12.R**
Abstract ID: **0748**

Day: **Thursday**
Time: **16:00 - 17:30**
Room: **1.11**

Does the market see non-controlling interests as equity or liabilities? Evidence from listed Australian firms

Author(s): **Ana Isabel Santos, Isabel Lourenço**
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This study uses the Ohlson (1995) valuation model to analyse the informative value of non-controlling interests, decomposing book value of equity in three main components (i.e., assets, liabilities and non-controlling interests) in order to test whether the investor prices non-controlling interests and liabilities in a different way. This provides evidence surround the more adequate concept underlying the preparation of consolidated financial statements.
Accounting for non-controlling interests is an issue currently debated internationally. Whereas some countries, such as United States, require presentation of non-controlling interests consistent with the parent company concept (as a liability), other countries, such as Australia, require presentation of non-controlling interests consistent with the entity concept (as equity). Recently, IASB revised IAS 27 requiring the presentation of non-controlling interests in the consolidated balance sheet within equity, separately from the parent shareholders' equity. As the previous version of IAS 27 precluded that presentation within liabilities, it can be said that IASB evolved to the entity concept. Nowadays, the FASB also have an Exposure Draft that proposes the presentation of non-controlling interests according to the entity concept (as equity).
The results of this study contribute to the international debate on this issue.