

ABSTRACT**1. ROLES OF AUDIT EXPERIENCE AND ETHICAL REASONING IN AUDIT PROFESSIONALISM AND AUDIT EFFECTIVENESS THROUGH A MODERATOR OF STAKEHOLDER PRESSURE: AN EMPIRICAL STUDY OF TAX AUDITORS IN THAILAND**

Phaithun Intakhan, Lampang Rajabhat University, Thailand
Phapruek Ussahawanitchakit, Mahasarakham University, Thailand

ABSTRACT

The objective of this study is to examine the impacts of audit experience and ethical reasoning on audit effectiveness via a mediating effect of audit professionalism and a moderating influence of stakeholder pressure. Also, both audit experience and ethical reasoning are hypothesized to have a direct relationship with audit effectiveness. Here, 208 tax auditors (TA) in Thailand are samples of the study. The results indicate that both audit experience and ethical reasoning have a significant positive association with audit professionalism and they have an important positive relationship with audit effectiveness. Likewise, audit professionalism has a potential positive effect on audit effectiveness. For the moderating influence of the relationships, stakeholder pressure positively moderates the audit experience-audit professionalism relationship. Also, audit professionalism is a mediator of the audit experience-audit effectiveness relationship and the ethical reasoning-audit effectiveness relationship. Accordingly, audit experience and ethical reasoning are key determinants of audit professionalism and audit effectiveness. Giving potential discussion is effectively implemented in the study. Theoretical and professional contributions are explicitly provided. Conclusion and suggestions and directions of the future research are described.

Keywords: Audit Experience, Ethical Reasoning, Audit Professionalism, Audit Effectiveness, Stakeholder Pressure

2. GENDER DIFFERENCES IN FOOD PREFERENCES: THE ROLE OF EMOTIONAL INTENSITY, SELF-REGULATION, AND APPETITIVE CRAVING

David J. Moore, University of Michigan, Ann Arbor, Michigan, USA
Lingling Zhang, Harvard University, Cambridge, Massachusetts, USA

ABSTRACT

This article examined three factors that influence how men and women differ in their response to the allure of food in the marketplace: (a) the emotional intensity of the consumer; (b) self-regulation (the perceived ability to resist an eating temptation); and (c) the intensity of appetitive craving associated with specific foods. In Study 1 women reported higher levels of negative emotional intensity and lower levels of confidence in their ability to resist eating temptations associated with emotional experiences. In Study 2 negative emotions associated with self-control were correlated with high calorie sweet (HCS) foods that women find most difficult to resist, but not with high calorie non-sweet (HCNS) foods that men find most difficult to resist. Study 3 showed that in response to (HCNS) food, men reported higher levels of craving, positive feelings, and attraction to sensory cues. However, as women's imaginations of the tastiness of the food increased, their craving intensity was simultaneously enhanced. In contrast, men's craving intensity decreased as expectations of sensory enjoyment increased. Implications for marketing and public policy strategists are also discussed.

Keywords: Gender in food preferences; Emotional intensity; food craving; sensory stimulation of taste

3. MANAGING MULTIPLE PROJECTS AND DEPARTMENTAL PERFORMANCE USING BUFFER BURN INDEX

Atul Agarwal, University of Illinois at Springfield, Springfield, Illinois, USA
Andy Borchers, Kettering University, Flint, Michigan, USA
Marc Crane, Independent Consultant, Detroit, Michigan, USA

ABSTRACT

Project scheduling in organizations has become increasingly difficult in today's multi-project and multi-tasking environment. Traditional project management approaches like PERT/CPM often do not work well in such environments. In the late 1990s, Eliyahu Goldratt brought about a paradigm shift in project management by proposing Critical Chain methodology which embodies direct application of his Theory of Constraints (TOC) to project management. Several vendors have since incorporated his ideas into software packages to address project management needs in multi-project environments. In spite of using such sophisticated project management scheduling systems companies continue to face the critical challenge of completing projects on-time and within budget. This paper highlights the behavioral and accountability issues associated with Critical Chain's 1-dimensional focus on buffer management for managing projects in a multi-project environment. It proposes a 2-dimensional model and a resulting new metric as a modification to Goldratt's model to address the behavioral issues associated with Critical Chain implementation. It also presents an objective metric based approach for comparative assessment of departmental performance by organizational leadership in a multi-project environment. A simplified case study from a local company is employed to evaluate the practical dimensions of the model and study results.

Key Words: Critical Chain, Multiple project management, Buffer burn index

4. INFORMATION TECHNOLOGY EXPERTISE AND AUDIT SERVICE QUALITY OF CPAs IN THAILAND

Aukkaradej Chaveerug, Mahasarakham University, Thailand
Sommai Khunthong, Mahasarakham University, Thailand

ABSTRACT

The objective of this study is to future advance understanding of the relationships between Information Technology Expertise on Audit Service Quality via the mediating influences of the Continuous Audit Improvement, Technological Adaptation Efficiency and New Audit Knowledge Innovation. Data collection is done by sending the questionnaires to certified public accountants (CPAs) in Thailand; measurements of constructs both the validity and reliability use the Ordinary Least Squares (OLS) regression analysis to test the hypotheses relationship and estimate factors affecting the Audit Service Quality. The results show the Information Technology Expertise has positive relationships with Audit Service Quality and is a positively significant on Continuous Audit Improvement, Technological Adaptation Efficiency and New Audit Knowledge Innovation. Theoretical, managerial and research implications are also discussed.

Keywords: Information Technology Expertise, Audit Service Quality, Continuous Audit Improvement, Technological Adaptation Efficiency and New Audit Knowledge Innovation

5. BOARD OF DIRECTOR COMPOSITION AND FINANCIAL PERFORMANCE IN A SARBANES-OXLEY WORLD

Raymond K. Van-Ness, University at Albany, State University of New York, USA
Paul Miesing, University at Albany, State University of New York, USA
Jaeyoung Kang, Iona College, Hagan School of Business, New York, USA

ABSTRACT

The purpose of this study is to contribute to the literature by examining the influence of corporate boards on firm financial performance in the new era of Sarbanes-Oxley (SOX). Integrating the key characteristics of the SOX

regulations, we compare board compositions to firm performance by expanding the traditional one or two measures to five. We found that duality, occupational expertise, board size, and board tenure were significant influences on firm financial performance. Suggestions for further study were made.

Keywords: Corporate Governance, Boards of Directors, SOX, Financial Performance

6. DO LAYOFFS AFFECT THE PROBABILITY OF BANKRUPTCY?

Frank S. Smith, Henderson State University, Arkadelphia, Arkansas, USA

ABSTRACT

A key concept tying together much of the bankruptcy literature is a firm's access to financial slack and their ability to create slack operationally, thereby helping them to survive financial distress. Using a multinomial hazard model, we find slack is significantly related to the likelihood of bankruptcy. Layoffs improve financial slack, with the polar effects of either lessening the probability of bankruptcy of stronger firms, or hastening the demise of weaker ones. A firm's ability to avoid bankruptcy is strongly impacted by their health prior to the announcement. Macro-economic factors play a small role in determining the probability of bankruptcy.

Keywords: Bankruptcy, Layoff, Financial Distress, Financial Slack

7. INNOVATION STRATEGY AND CAPITAL STRUCTURE OF BRAZILIAN COMPANIES

Mario Kuniy, Universidade Mackenzie, Sao Paulo, Sao Paulo, Brazil

Leonardo Fernando Cruz Basso, Universidade Mackenzie, Sao Paulo, Sao Paulo, Brazil

Herbert Kimura, Universidade Mackenzie, Sao Paulo, Sao Paulo, Brazil

ABSTRACT

Advances in science and technology brought new challenges to companies. Thus, innovation became fundamental to keeping competitiveness, due to the growing demand for improvement in products and services. Innovation requires funding and allocation of significant amount of resources in order to face the many investments needs. In this context, this study has as objective the analysis of the influence of innovation on capital structure and financial slack of Brazilian companies. Considering that liquidity and financing are recurrent themes in financial management, this research attempts to approximate the disciplines of strategy and finance by analyzing how innovation strategies of a firm influence its financial variables. The methodology follows O'Brien's (2003) work and some of the research results suggest that (i) innovation strategy does not have a statistically significant impact on leverage, (ii) the lack of alignment between strategy and the capital structure adopted by a company may cause negative impacts on firm performance, (iii) companies that adopt innovation strategies funded by owners' capital are more likely to present higher financial slack.

Keywords: Innovation, Capital Structure, Financial Slack, Liquidity, Brazilian Firms

8. EFFECTS OF REGULATION AND INTERNAL MONITORING ON EARNINGS QUALITY: EVIDENCE FROM THE 2002 SARBANES-OXLEY ACT

Yan Li, National University of Singapore, Singapore

Jennifer L. Kao, University of Alberta, Edmonton, Alberta, Canada

Sati P. Bandyopadhyay, University of Waterloo, Waterloo, Ontario, Canada

ABSTRACT

In response to a string of highly publicized corporate scandals, the US Congress passed the Sarbanes-Oxley Act (SOX) on July 30, 2002, with the intention to restore investors' confidence in financial and public

reporting. This study addresses the question of whether any improvement in earnings quality (proxied by unsigned discretionary accruals) following SOX depends on the strength of the reporting entity's internal monitoring (proxied by financial expertise or independence of an audit committee) surrounding SOX. We find that the reporting gap between Big4 clients with strong internal monitoring and non-Big4 clients with weak internal monitoring widens shortly after the introduction of SOX. Further analyses indicate that non-Big4 clients with strong internal monitoring can widen the reporting gap over non-Big4 clients with weak internal monitoring from the pre- to the post-SOX period. However, there is no change to the reporting gap between firms with strong versus weak monitoring when they retain a Big4 auditor. These findings highlight potential cross-sectional variations in the value of comprehensive regulations over internal monitoring, such as SOX.

Key Words: Internal Monitoring; Regulations; Earnings Quality; Sarbanes-Oxley Act

9. TRENDS AND VOLATILITY: MEASURING THE HOUSING MARKET USING THE GARCH MODEL

Kwang Woo (Ken) Park, Minnesota State University, Mankato, USA
William Brennan, Minnesota State University, Mankato, USA

ABSTRACT

The current housing market in the United States has never been more unstable. Due to falling home prices and a wave of defaults on subprime mortgages, the financial crisis that began in August 2007 propagates deep fears over financial markets and the overall markets in the current U.S. economy. In particular, the recent credit crisis and financial turmoil leads to severe lack of trust and confidence for the market. As with all market goods, however, their prices must eventually return to normal. This paper examines volatility in the housing market across the United States by using the GARCH Model that allows for both autoregressive and moving average components in the heteroskedastic variance. In addition, the paper attempt to examine whether the variations of volatilities in the U.S. housing markets and stock markets can add any further information about future directions of the U.S. housing markets beyond the general market sentiments. The empirical findings show that the actual housing prices have been converging to the trend line since the end of 2009.

Keywords: GARCH Model, Case-Shiller index, time-series, volatility, housing

10. RELIGION AND FINANCIAL LITERACY

Michael E. Hanna, University of Houston—Clear Lake, Houston, TX, USA
Robert R. Hill, University of Houston—Clear Lake, Houston, TX, USA
Grady Perdue, University of Houston—Clear Lake, Houston, TX, USA

ABSTRACT

This study examines the relationship between religion and financial literacy. Religion has been found to have a significant impact on the economic well-being of individuals and families. One's level of income and wealth has been found to be significant in determining a person's financial literacy. These links lead us to examine whether there is a potential relationship between religion and financial literacy. A large group of university students are surveyed and the results of that survey are analyzed. It is found that for this group of college students, religion is not a significant variable in determining financial literacy.

Keywords: Religion, personal finance, financial literacy

11. HOW ACCURATE IS YOUR SCHEDULE PERFORMANCE INDEX

Malgorzata Plaza, Ryerson University, Toronto, Ontario, Canada

ABSTRACT

The “linear” duration forecasting methods for project management are based on the assumption that the performance of a project team is a constant function over time. Those methods do not account for systematic changes in performance due to learning effects. The Schedule Performance Index (SPI) is a key measure used in Project Management to forecast project duration. In this paper we discuss the forecasting issues caused by a “linear” SPI and offer an expanded index, which includes the “non-linear” changes of performance. A theoretical discussion is supported with a comparative study of three “linear” and two “non-linear” methods applied to a real project.

Keywords: *Project Management, Schedule Performance Index, Learning Curve*

12. BANKING REGULATIONS ON TRADABLE RIGHTS TO EMIT AND THEIR EFFECTS ON COSTS AND EMISSIONS: A SIMULATED ANALYSIS

Brian L. Scott, Washington College, Chestertown, Maryland, USA

ABSTRACT

This paper highlights the tradeoffs of using one policy over another within the realm of cap-and-trade emissions reductions. Specifically this study employs regulations governing banking of tradable rights to emit in environmental emissions markets and their effects on the cost of emissions reductions and the level of individual and aggregate emissions. A simulated market is created, and a variety of policy refinements are employed which can be used to limit the damage of emissions spikes under an emissions control program. Intertemporal emissions spikes, spatial emissions spikes, and the aggregate emission abatement costs are reported for each policy. A ratio of amount of emissions increase for each extra dollar saved in emissions reduction is created. The ratios highlight the tradeoff of reduced emissions spikes for extra aggregate abatement cost for each different policy rule. This paper demonstrates how policymakers can use simulations to achieve the greatest level of protection from the damage of emissions spikes at lowest cost. The final ratios indicate that if the goal of the policy is to control intertemporal emissions spikes in any one period, permit trading should not be hindered, reflecting the poor performance of the Banking Only, Both, and Limited treatments.

Keywords: *Emissions Spikes, Cap-and-trade, Emissions Rights, Permit Banking, Permit Market*

13. FROM AUTOCRACY TO DEMOCRACY: DEMOCRACY AS COMMITMENT

Zhiyong Yao, Fudon University, Shanghai, China

ABSTRACT

This article attempts to answer the question when and how democracies can emerge out of autocracies spontaneously and peacefully. By focusing on democracy as a commitment for the secure individual's property rights and long run investments, this article shows that it might be the interest for the long-lived rational dictator to allow the economy to develop and to transit to democracy for his own sake because he can enjoy more from the bigger pie.

Keywords: *Democracy, autocracy, commitment, transition*
