

NYU  STERN

*The Vincent C. Ross Institute of Accounting Research
Stern School of Business
New York University*

Presents

**2002 Journal of Accounting, Auditing & Finance
KPMG Foundation Conference**

on

*The Economics of Financial Statements:
Conservatism and Earnings Quality*



*Thursday, January 17 & Friday, January 18, 2002
Stern School of Business
New York University*

Sponsored By 

JOURNAL OF ACCOUNTING, AUDITING & FINANCE 2002 JAAF/KPMG FOUNDATION CONFERENCE

CALL FOR PAPERS

The Vincent C Ross Institute of Accounting Research at the Stern School of Business, New York University is pleased to announce the 2002 JAAF/KPMG Foundation Conference "**The Economics of Financial Statements: Conservatism and Earnings Quality**", will be held January 17-18, 2002 in New York City. Please note the change in date and location.

The conference chair is Stephen Ryan of NYU. Co-chairs are Steve Penman of Columbia University and Sudipta Basu of Emory University.

The topic includes, but is not limited to, the following research areas:

- *the effect of conservatism on theoretical and empirical valuation relationships e.g.:*
 - coefficient biases, asymmetric lags, earnings persistence, R^2*
 - interactions with firm or industry attributes (e.g., growth, lifecycle)*
- *conservatism's role in enhancing and/or diminishing earnings quality, e.g.:*
 - conservatism versus fair value accounting*
 - capitalizing versus expensing the cost of internally developed intangibles*
 - write-offs of acquired in-process R&D*
 - purchased goodwill: systematic amortization or impairment?*
 - restructuring charges: one-time items?*
 - analysts' earnings forecast accuracy*
- *the empirical identification of conservatism*
 - distinguishing conservatism, earnings management and economics*
 - explaining the increasing frequency of accounting losses*
- *managers and auditors' incentives to be conservative, e.g., compensation and debt contracts, legal liability, and reputation*
- *conservatism's role in accounting theory*

JOURNAL OF ACCOUNTING, AUDITING & FINANCE

Editor-in-Chief

*Bala K. R. Balachandran
Stern School of Business
New York University*

Conference Chair

*Stephen Ryan
Stern School of Business
New York University*

Conference Co-Chairs

*Stephen Penman
Graduate School of Business
Columbia University*

*Sudipta Basu
Goizueta Business School
Emory University*

Conference Location

*Stern School of Business
New York University
Tisch Hall
40 West 4th Street
New York, NY 10012*

CONFERENCE SCHEDULE

THURSDAY, JANUARY 17, 2002

- 10:00am – 10:30am **REGISTRATION & BREAKFAST**
The Surdna Conference Center
Tisch Hall 3rd floor
- 10:30am – 10:45am **WELCOME & OPENING REMARKS**
Prof. Bala K. R. Balachandran, JAAF Editor
Prof. Stephen Ryan, Conference Chair
- 10:45am – 12:15pm “*The Reliability of Fair Value vs. Historical Cost Information: Evidence from Closed-End Mutual Funds*”
by Thomas Carroll, University of Iowa, Thomas Linsmeier and Kathy Petroni, Michigan State University

Presenter: Thomas Linsmeier
Discussant: Sudipta Basu, Emory University
- 12:15pm – 1:15pm **LUNCH**
The Surdna Conference Center
Tisch Hall 3rd floor
- 1:15pm – 2:45pm “*Differential Pricing of Components of Bank Loan Fair Values*” by William Beaver and Mohan Venkatachalam, Stanford University

Presenter: Mohan Venkatachalam
Discussant: James Wahlen, Indiana University
- 2:45pm – 3:00pm **BREAK**
The Surdna Conference Center
Tisch Hall 3rd floor
- 3:00pm – 4:30pm “*Managerial Discretion and Accounting for Research and Development Costs*” by Dennis Chambers, University of Illinois, Ross Jennings, University of Texas at Austin, Robert B. Thompson II, American University

Presenter: Ross Jennings
Discussant: Steve Monahan, University of Chicago
- 4:30pm- 4:45pm **BREAK**
The Surdna Conference Center

CONFERENCE SCHEDULE

4:45pm – 6:15pm

“Reactions to Dividend Changes Conditional on Earnings Quality” by Michael Mikhail, Duke University, Beverly Walther, Northwestern University and Richard Willis, Duke University

Presenter: Richard Willis

Discussant: Doron Nissim, Columbia University

6:15pm – 7:30pm

RECEPTION

*Cantor Boardroom – Adjacent Building,
44 West 4th Street, 11th floor (11-75)*

FRIDAY, JANUARY 18, 2002

8:30am – 9:00am

BREAKFAST

*The Surdna Conference Center
Tisch Hall 3rd floor*

9:00am – 10:30am

“The Usefulness of Biotechnology Firms’ Drug Development Status in the Evaluation of Research and Development Costs” by Kirsten Ely, Georgia Institute of Technology, Paul Simko and L.G. Thomas, Emory University

Presenter: Kirsten Ely

Discussant: Philip Joos, University of Rochester

10:30am – 10:45am

BREAK

*The Surdna Conference Center
Tisch Hall 3rd floor*

10:45am – 12:15pm

“Historical Accounting and the Endogenous Credibility of Current Disclosures” by Russell Lundholm, University of Michigan

Presenter: Russell Lundholm

Discussant: James Ohlson, New York University

12:15pm - 1:30 pm

LUNCH & BEST PAPER PRESENTATION

*The Surdna Conference Center,
Tisch Hall 3rd floor*



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**Requirements for participation in program:
Adequate business and/or academic experience**

Recommended CPE Credits: 9