

FINAL REPORT

Project number: 309072
Project title: Analytical Research in Financial Accounting Workshop 2020
Project manager: Bleibtreu, Christopher
Activity / Programme: FINANSMARK
Project owner: STIFTELSEN HANDELSHØYSKOLEN BI

1. **Progress report:** Update progress report up to project completion date. Completed
2. **Final accounts:** Give a summary of the financial status of the project Completed
3. **Outcomes and impacts:** I understand that the information entered into the field for Outcomes and impacts will be made publicly accessible* Completed
4. **Results report:** Attach results report Completed
5. **Other results:** List information about other results (publication in the media, organised events, newly established companies) Completed
6. **Special reports:** Any requests for special reports must be fulfilled. Have special reports been submitted? Not applicable
7. **Data management plan:** Has the final data management plan been uploaded? Not applicable

Final accounts

Actual costs (in NOK 1000)

Account	2019	2020	Total
Payroll and indirect expenses	25	80	105
Procurement of R&D services			0
Equipment			0
Other operating expenses		30	30
Sum	25	110	135

Actual cost code (in NOK 1000)

Account	2019	2020	Total
Trade and industry			0
Research institutes			0
Universities and university colleges	25	110	135
Other sectors			0
Abroad			0
Sum	25	110	135

Actual funding (in NOK 1000 kr)

Account	2019	2020	Total
The Research Council	31		31
Own financing	25	80	105
Public funding			0
Private funding			0
International funding			0
Deviations	31	-30	1
Sum	25	110	135

Comments

Prosjektet fikk lavere driftskostnader enn forventet på grunn av at færre deltakere fikk anledning til å delta.

Driftskostnadene ble redusert fra kr 94.850 (budsjett) til kr 29.585.

Prosjektets total kostnader ble redusert fra kr 200.000 til kr 134.165.

1. Give a summary of the financial status of the project

Completed

Outcomes and impacts

Anticipated outcomes and impacts - from the grant application form

The main effects of the ARFA workshop can be summarized as follows: - Providing a platform for analytical financial accounting researchers to exchange ideas and thoughts which are important for a comprehensive understanding of the functioning of financial markets. - Training and supporting PhD students and early career Postdocs who are interested in analytical financial accounting. - Workshopping research papers to get them ready for submissions in top accounting journals. Additionally, hosting the ARFA workshop 2020 at BI Norwegian Business School in Oslo has the potential following effect: - Attracting promising young researchers who are interested in topics related to financial markets to Norway.

Achieved and potential outcomes and impacts - based on the project results*

The goals of the ARFA workshop are: Providing a platform for analytical accounting researchers to exchange ideas which are important for a comprehensive understanding of the functioning of financial markets; training PhD students interested in analytical financial accounting; and workshopping research papers to get them ready for submissions. Even though the number of participants decreased from 35 registered participants to 16 due to the upcoming Corona constraints, the workshop fully achieved its goals. The small group allowed for intense and fruitful discussions; the PhD students got very detailed and helpful feedback; and those presenters with well-developed projects got valuable comments on how to increase the impact of their research. Hosting the ARFA workshop at BI showed the participants from abroad that Norway has a well-developed research infrastructure. If the word spreads, this might attract young analytical researchers interested in topics related to financial markets.

5. I understand that the information entered into the field for Outcomes and impacts will be made publicly accessible* Completed

Results report

Message to the Research Council of Norway

Original file : Results report FMF_ARFA 2020.pdf

File reference: Resultat_rapport11796624.pdf

2. Attach results report Completed

Other results

Please provide information about other results (Events, Publication in the media, Companies.

3. List information about other results (publication in the media, organised events, newly established companies) Completed

Special reports

Alternative 1:

Alternative 2:

Original file :

File reference:

4. Any requests for special reports must be fulfilled. Have special reports been submitted? Not applicable

Final data management plan

Original file :

File reference:

6. Has the final data management plan been uploaded?

Not applicable

PROGRESS REPORT

Project number: 309072
Project title: Analytical Research in Financial Accounting Workshop 2020
Project manager: Bleibtreu, Christopher
Activity / Programme: FINANSMARK
Project owner: STIFTELSEN HANDELSHØYSKOLEN BI
Project period: 01.12.2019 - 31.03.2020
Report period: 01.12.2019 - 31.03.2020

1. **Popular science presentation:** I understand that the text of the popular science presentation will be made publicly available* Completed
2. **Performance indicators:** All results data that have emerged from the project are to be reported. Has this been done? Yes
3. **Publication information:** Has information on publications been provided? No
3. **Fellowship grants:** Information regarding all fellowship grants must be complete and correct. Have you updated the man-months and other information for each fellowship-holder? No
5. **International:** The extent of international cooperation is to be indicated. Has any international cooperation taken place during the report period? No
6. **Special reports:** If any requests for special reports have been put forth by the case officer at the Research Council, these must be fulfilled. Have special reports been submitted? No

Popular science presentation

Popular science presentation (Norwegian)

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Popular science presentation (English)

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Popular science presentation - Updated (Norwegian)

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Popular science presentation - Updated (English)

The ARFA workshop is an annual event hosted each year at another European university by one of the members of the ARFA group. The members are leading analytical researchers in the field of financial accounting and auditing from Central Europe which have published in top accounting journals (e.g., The Accounting Review; Management Science; Accounting, Organizations and Society; Contemporary Accounting Research; Review of Accounting Studies; ...). On March

12-13, 2020, the ARFA workshop took place at BI Norwegian Business School in Oslo. Among the participants were approximately 50% tenured faculty members and 50% PhD students. The topics presented and discussed at the ARFA workshops are highly important for a comprehensive understanding of the functioning of financial markets (the central objective of financial accounting is to provide the actors on financial markets with decision-useful information; the role of auditing is to assure the reliability of this information). At this year's workshop, there were two presentations on the effects of auditor strictness and regulatory reforms on the audit market structure; one presentation on the influence of auditor overconfidence on financial reporting quality; one presentation on how managers' accountability affects investment decisions; one presentation on the interdependence between CEO compensation and firm performance; and one presentation on how vertical (supply chain) integration affects disclosure decisions. In addition to these detailed presentation, five doctoral students briefly presented their research projects.

6. I understand that the text of the popular science presentation will be made publicly available* Completed

Message to the Research Council of Norway

I want to thank the decision makers of the RCN for funding the ARFA workshop 2020. Even though not all registered participants could come because of the upcoming Corona crisis, the workshop itself was a great success. The members of the ARFA group were very impressed how well everything worked even in this challenging situation. This might be helpful in our attempts to attract skilled (analytical) financial accounting researchers to Norway.

All the group members highly appreciate the RCN funding for the participating PhD students. As mentioned in the application, a novelty of the ARFA workshop 2020 was that attending PhD students, which were not assigned to a long presentation slot, would have the opportunity to give a short 10 to 15 minutes presentation. Because of the lower number of participants, we were able to extend the presentation time per PhD student to 45 minutes. In addition, the members of the group decided to keep this format with introductory PhD presentations also for future ARFA meetings. Without the funding of the NRC, this would not have been the case.

Performance indicators

2. All results data that have emerged from the project are to be reported. Has this been done? Yes

Publication information

Please provide information about scientific publications, other publications and lectures/presentations, either by retrieving this information from CRISTin or by selecting "Type" to register this information manually.

5. Has information on publications been provided? No

Fellowship grants

Fellowship grants funded under the project

1. Information regarding all fellowship grants must be complete and correct. Have you updated the man-months and other information for each fellowship-holder? No

International cooperation

International cooperation funded under the project (in NOK 1000)

Amount in NOK 1000

Country	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
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3. The extent of international cooperation is to be indicated. Has any international cooperation taken place during the report period? No

Special reports

Alternative 1:

Alternative 2:

Original file :

File reference:

4. If any requests for special reports have been put forth by the case officer at the Research Council, these must be fulfilled. Have special reports been submitted? Not applicable

Results report

Analytical Research in Financial Accounting Workshop 2020

at BI Norwegian Business School Oslo

Description of the ARFA workshop

The Analytical Research in Financial Accounting (ARFA) workshop is an annual event hosted each year at another European university by one of the members of the ARFA group. The members are leading analytical researchers in the field of financial accounting and auditing from Central Europe which have published in top accounting journals (e.g., *The Accounting Review*; *Management Science*; *Accounting, Organizations and Society*; *Contemporary Accounting Research*, *Review of Accounting Studies*; ...).

The topics presented and discussed at the ARFA workshops are highly important for a comprehensive understanding of the functioning of financial markets. The central objective of financial accounting is to provide the actors on financial markets with decision-useful information; the role of auditing is to assure the reliability of this information. Because it is difficult for empirical researchers to differentiate between correlations and causal effects, developing profound theory is extremely important to get an understanding of the partially contradictory findings in empirical financial accounting research. Without a theory, there is no way to interpret empirical observations credibly.

Examples of topics presented and discussed at previous ARFA workshops are accounting anomalies and financial market efficiency; the relation of accounting standards, information risk, and the cost of capital; the role of financial reporting in corporate political strategy and its effect on corporate valuation; the effect of voluntary vs. mandatory disclosure on investors' decisions; and the effects of certain audit market regulations on audit quality.

On March 12-13, 2020, the ARFA workshop took place at BI Norwegian Business School in Oslo. Among the 16 participants were eight tenured faculty members and eight PhD students and untenured post-doctoral researchers. At the ARFA workshop 2020, there were two presentations on the effects of auditor strictness and regulatory reforms on the audit market structure; one presentation on the influence of auditor overconfidence on financial reporting quality; one presentation on how managers' accountability affects investment decisions; one presentation on the interdependence between CEO compensation and firm performance; and one presentation on how vertical (supply chain) integration affects disclosure decisions. In addition to these very detailed presentation, five PhD students had the possibility to present their research projects.

ARFA workshop objectives

The main objective of the ARFA workshop series is to provide PhD students and post-doctoral researchers who specialize in analytical research in financial accounting with the opportunity to present their research projects in a very constructive and supportive environment. Further, as analytical research in financial accounting is scarce, the ARFA workshops additionally give PhD students and post-doctoral researchers interested in this stream of research an important opportunity for networking and for training their skills.

Even though the number of participants decreased from 35 registered participants to 16 due to the upcoming Corona constraints, the ARFA workshop 2020 fully achieved its goals. The small group allowed for intense and fruitful discussions on all presentations and the PhD students and post-doctoral researchers got very detailed and helpful feedback. Those presenters with well-developed projects got valuable comments on how to further increase the impact of their research.

There is a shortage of qualified financial accounting researchers (especially of analytical financial accounting researchers) in the Nordic countries. Having hosted the ARFA workshop 2020 at BI Norwegian Business School in Oslo might help to attract potential young researchers to Norway in the future what could boost academic output. Hosting the ARFA workshop 2020 at BI Norwegian Business School showed the participants from abroad that Norway has a well-developed research infrastructure. If the word spreads, this might attract young analytical researchers interested in topics related to financial markets to Norway.

Even though analytical financial accounting research might seem a little abstract, the topics that were presented and discussed at the ARFA workshop 2020 are highly relevant for the public. Given the far-reaching effects of financial crises on everybody's lives and the effects of rash and potentially ill-considered regulation on listed corporations and audit firms, an enhanced understanding of (decision-useful accounting) information and its effects on financial markets is of utmost importance. This stream of research can help regulators and political decision makers to prevent (or at least to decrease the probability of) future turmoil on financial markets.

Implementation of the ARFA workshop 2020

In previous years, the ARFA workshops took place on two half days with 30-40 participants of which 35-50% were tenured faculty members and 50-65% were PhD students and untenured post-doctoral researchers. The ARFA workshops were usually structured in a way that one or two senior faculty members presented a current research project while the other presentation slots were reserved for PhD students and post-doctoral researchers. One of the unique characteristics of the ARFA workshops are the 1:15 hours presentation time assigned to each presenter. Therefore, there is always enough time for the attending senior faculty to give profound and quite detailed feedback on each presentation. Intense discussions are the core of the ARFA workshops.

As a novelty of the ARFA workshop 2020, the workshop was extended to two days. There were 35 registered participants, but because of the upcoming Corona situation, only 16 could participate in the end. Among those 16 participants were eight tenured faculty members and eight PhD students and untenured post-doctoral researchers. All attending PhD students which were not assigned to one of the long presentation slots had the opportunity to give a 30 minutes introductory presentation of their research projects (initially 15 minutes were planned, but because of the reduced number of participants, this timeframe could be extended). These presentations also served as a fundament for discussions outside the presentation slots. Without the generous funding the ARFA workshop 2020 received from the Finance Market Fund, this novelty could not have been realized. All ARFA group members highly appreciate the funding for the participating PhD students' board and accommodation. Further, the new format where all PhD students get the opportunity to present was very well received. The senior members of the ARFA group decided therefore to keep it that way for future ARFA workshops.

The final program looked as follows (times were adjusted though):

TIME	TITLE
-	Thursday, March 12, 2020
09.00 AM-09.15 AM	Welcome (Room A2-020)
09.15 AM-10.45 AM	Introductory PhD/Postdoc presentations (15 min each)
10.45 AM-11.00 AM	Coffee break
11.00 AM-12.30 PM	Presentation I Christopher Bleibtreu; BI Norwegian Business School: Do Audit Clients Prefer Watchdogs or Lapdogs? The Effect of Strictness on Audit Offices' Market Shares
12.30 PM-01.30 PM	Lunch The Living Kitchen - persomalrestaurant; Floor 7
01.30 PM-02.45 PM	Presentation II Ulf Schiller; University of Basel: Audit market concentration and regulatory reforms
02.45 PM-04.00 PM	Presentation III Henry Walde; Otto von Guericke University Magdeburg: Auditor overconfidence
04.00 PM-04.15 PM	Coffee break
04.15 PM-07.00 PM	Presentation IV Informal discussions
07.00 PM-	Dinner

-	Friday, March 13 2020
09.00 AM-10.15 AM	Presentation V Max-Frederik Neubert; Otto von Guericke University Magdeburg: Experimental evidence on project choice and accountability
10.15 AM-10.30 AM	Coffee break
10.30 AM-11.45 AM	Presentation VI Bianca Beyer; Humboldt University of Berlin: The smartest guys in the [board]room: Directors' intelligence, CEO compensation, and firm performance
11.45 AM-01.00 PM	Presentation VII Georg Schneider; University of Graz: Regulation in financial reporting: The case of the management approach in the presence of suppliers
01.00 PM-01.30 PM	Closing remarks
01.30 PM-02.30 PM	Lunch
02.30 PM-04.00 PM	Informal discussions (open end)