

Accounting Research Workshop (ARW) - WS2016/2017

- Speaker:** Alfred Wagenhofer
- University:** Professor at the Institute of Accounting and Control, University of Graz
- Research:** Management Accounting, Financial Accounting, Management Control, Value-based Management, International Accounting, Agency Theory
- Date:** 18. October 2016
- Topic:** "Increasing Internal Controls Incentives and Welfare Through Conservative Accounting"
- Abstract:** "This paper examines whether accounting conservatism affects management's incentives to improve the effectiveness of internal controls and whether this is desirable from a welfare perspective. We employ an agency model in which an owner incentivizes the manager to take a productive action through optimal compensation that also creates incentives for earnings management and possibly for an improvement of internal controls. These efforts influence the contractual usefulness of accounting information and interact in subtle ways. We find that conservatism increases management's incentives to enhance internal control, and this effect is crucial for conservatism to raise welfare in the presence of earnings management. We also find that conservatism has an ambiguous effect on earnings quality. "



Wir freuen uns sehr, dass wir Professor Wagenhofer im Rahmen unseres Accounting Research Workshops für eine Präsentation seines neuen Forschungsprojekts begrüßen durften. Wir wünschen Ihnen weiterhin alles Gute für dieses und weitere Forschungsprojekte.