The Effects of Gradual IFRS Convergence on Earnings Management in Indonesia

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The main objective of our paper is to analyze the effect of the gradual transition from the national accounting standards to IFRS on earnings management in Indonesia. Adopting principle-based approach, the implementation of IFRS may produce more discretion in accounting or management policies. Using this idea, we believe that gradual IFRS adoption stimulates earnings management. Based on our statistical results, IFRS gradual convergence produces higher earnings management. IFRS stimulate preparers to make more judgment on accounting estimation and methods. Our findings contribute to IFRS and earnings management studies.

JEL Codes: M41 and F60

1. Introduction

Based on IFRS survey 133 countries have made public commitment to support IFRS Standards (IASB, 2016). The mission of IASB is "to develop IFRS Standards that bring transparency, accountability and efficiency to financial markets around the world" (IFRS Foundation and IASB, 2016).

In Indonesia an independent national standard setting body, namely Indonesian Financial Accounting Standard Board (*Dewan Standar Akuntansi Keuangan*/DSAK), has authority to regulate financial accounting standards (*Standar Akuntansi Keuangan*/SAK). DSAK is a body of Indonesian professional accounting organization, i.e. Indonesian Institute of Accountant (*Ikatan Akuntan Indonesia*/IAI). Before 1994, SAK were developed referred to US GAAP and local common accounting practices. Since 1994, DSAK have moved the reference toward the International Accounting Standards (IAS), which then changed the name to International Financial Reporting Standards (IFRS). Since 2008, DSAK-IAI has announcement to public a commitment to support IFRS. The support is in form of converging Indonesia SAK to IFRS gradually.

Phase 1 of convergence is from 2008-2012, SAK as on 1 January 2012 is substantially in line with IFRS as on 1 January 2009. Now Indonesia is in the phase 2 with purpose to maintain one year gap between SAK and IFRS. The newest SAK is SAK as on 1 January 2015, which is substantially in line with IFRS as in January 2014.

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As stated by IASB, the IFRS should have high quality. Thus, it should there is improvement of accounting quality in a country that support to IFRS Standards. However, previous researches provide mixed evidences about the effect of adoption IFRS on accounting quality.

There are two approaches of adopting international accounting standards, namely single ‘big bang’ step, and long term convergence, or gradual approach (IFRS, 2013). Under single step approach, a full set of IFRS is adopted in a single date and before that year companies in that country still use local accounting standards. However, under gradual approach some standards in IFRS are adopted during a period of time. Many studies have been done in country that use single step approach and limited studies have been done under gradual approach. Indonesia financial accounting standard board has determined gradual adoption of IFRS. Thus, it makes Indonesia experience is interesting to be studied. Secondly, some previous studies (Graham and King, 2000; Fan dan Wong, 2002; Leuz et al. 2003; Haw et al. 2004; Boulton et al. 2011) showed that the accounting quality of Indonesia firms are relatively lower compare to other firms in other countries. Therefore, it is interesting to examine whether adopting IFRS will increase the Indonesia accounting quality.

One of accounting quality proxy is earnings management. This approach is developed based on faithful representation, which is one of the fundamental qualitative characteristics. Based on this idea, many studies support that adopting IFRS decreases earnings management (Christensen et al., 2008; Paanamen and Lin, 2009; Hellman, 2011; Chen et al. 2010, Uyar, 2013; Martinez-Ferrero, 2014; Boumediene et al., 2014; Bouchareb et al., 2014). Ahmed et al. (2013) and Capkun et al. (2016) find that IFRS adoption increase earnings management.

As general knowledge, IFRS tends to be principle based than rule based standards. The principle based standards require more professional judgment to apply it compare to the check box or compliance as in rule based accounting standard (Schipper, 2003). Using principle-based approach, the implementation of IFRS produces more discretion in accounting or management policies, such as the choice of accounting method, accounting estimation and management intention. Therefore, we predict that IFRS adoption stimulates more earnings management.

The result shows that IFRS gradual convergence produces higher earnings management. IFRS stimulates preparers to make more judgment on accounting estimations and methods. The extent of earnings management in 2013 and 2014 are higher than in 2010.

We expect that our findings contribute to IFRS and earnings management studies. The adoption of IFRS in developing countries may produce different results when compared to the adoption in developed countries. Using the context of Indonesian companies, our study complements other researches in IFRS adoption around the world. This study also provides contribution mainly to the Indonesian standard setters and other countries standard setters that choose gradual approach in order to adopt IFRS.

This article proceeds as follows. Section 2 describes literature review and develops the hypotheses. Section 3 describes methodology. Section 4 shows the findings and discussion. In Section 5, we conclude the research.

2. Literature Review

Adoption IFRS

Convergence or gradual adoption of IFRS should have a final target to adopt a full set of IFRS. Before that stage archived, the financial statement of companies in those countries cannot claimed that are applied IFRS, which is consistent to IAS 1.

Gradual adoption or convergence approach toward IFRS is arguably provide more opportunity to be a successful adoption IFRS. This approach provides more times for the country to build its professional capacity. Adopting a few local standards to IFRS each year can allow local preparers, auditors, users, academician, and other related professions, such as actuaries, valuation specialists, tax consultants, to learn a few topics at a time, rather than learning a full set of IFRS in one time. This also allows enough time to change local legal framework in order to in line to IFRS (IFRS Foundation, 2013). However, this approach is more costly, more complicated, and sometimes it may not show truly benefits of the change.

The convergence program requires much time, efforts and cost to maintain the program in the long run. The comparability of financial statement one year to next year is lower due to continue changing process of standards. During the period, companies in those countries cannot claim the IFRS financial statement, so it may still discount the benefits of adoption IFRS (IFRS Foundation, 2013). The benefits and weakness of gradual adoption approach become the weakness and benefits of single step approach.

Earnings Management

Information on financial reporting has high quality if the number represents faithful the reality, as one of the two fundamental qualitative characteristics of financial reporting (IASB, 2010). While, the numbers in the financial statements are influenced by management policy, such as the choice of accounting method, accounting estimation and management intention. For accrual basis accounting, management discretion may have dominant role in some items of financial statement. Thus, if IFRS contribute to improvement accounting quality, it should reduce opportunitic earnings management. Although arguably earnings management has a good side also, beside the bad side of opportunistic earnings management. The good side is provide “some rooms” for management to face tightly contract that is costly for all parties to change the contract in uncertainty condition (Scott, 2015).

Some previous studies about the effect of IFRS adoption on earnings management show mixed results. Christensen et al. (2008) report that voluntary adoption reduce earnings management, but mandatory adoption show no significant effect. Paanamen and Lin (2009) report that voluntary adoption reduce earnings management, on the contrary, mandatory adoption increase earnings management. Hellman (2011) report that voluntary adoption reduce earnings management. Other study show different result for different region. Lopes et al. (2010) for some UE member countries adoption IFRS increase earnings management, but some Europen, non UE countries decrease in earnings management practice. Chen et al. (2010) , Uyar (2013), Martinez-Ferrero (2014), Boumediene et al. (2014), Bouchareb et al. (2014) find that the adoption decrease earnings management. However, Ahmed et al. (2013) and Capkun et al. (2016) find that the adoption increase earnings management.

IFRS as principle based accounting standards, provide more exercise on professional judgment. This professional judgment is due to a lof of standards of IFRS provide covert option, subjective estimation and interpretation (Capkun et al., 2016 and Nobes, 2006), also broader use of fair value. Based on this argument, our hypothesis is presented as follow.
Hypothesis: Gradual IFRS adoption stimulates earnings management.

3. Methodology

We predict that time stimulates earnings management practices. Using data from 2010 to 2014, we use TIME to represent the magnitude of gradual IFRS adoption. The gradual adoption of IFRS stimulates earnings management. To test the hypothesis, we provide empirical model in equation (1).

$$\mathbf{EM_{i,t} = \alpha + \beta 1\ TIME_{i,t} + \beta 2\ SIZE_{i,t} + LOSS_{i,t} + dummy\ industry + \varepsilon_{i,t}} \quad \mathbf{(1)}$$

SIZE is determined using log total assets. LOSS is dummy variable. We use 1 for loss company, and zero otherwise. To measure earnings management, this study uses absolute discretionary accrual. We use both of Jones (1991) and Dechow et al. (1995). Total accrual is based on equation (2).

$$\frac{\mathbf{TACC_{i,t}}}{\mathbf{TA_{i,t-1}}} = \frac{\mathbf{NI_{i,t}t}}{\mathbf{TA_{i,t-1}}} - \frac{\mathbf{OCF_{i,t}}}{\mathbf{TA_{i,t-1}}} \quad \mathbf{(2)}$$

TACC is total accrual and NI is net income. OCF is operating cash flow and TA is total assets. After equation (2), we determine the numbers of α_0, α_1 and α_2 based on the regression result in equation (3).

$$\frac{\mathbf{TACC_{i,t}}}{\mathbf{TA_{i,t-1}}} = \alpha_0 \frac{1}{\mathbf{TA_{i,t-1}}} + \alpha_1 \frac{Sales_{i,t} - Sales_{i,t-1}}{\mathbf{TA_{i,t-1}}} + \alpha_2 \frac{\mathbf{PPE_{i,t}}}{\mathbf{TA_{i,t-1}}} + \varepsilon_{it} \quad \mathbf{(3)}$$

$Sales_{i,1}$-$Sales_{i,t-1}$ is sales growth. PPE is gross value of property, plant and equipment. After determining α_0, α_1,dan α_2, we calculate non discretionary accruals by using equation (4).

$$\frac{\mathbf{NDAC_{i,t}}}{\mathbf{TA_{i,t-1}}} = \alpha_0 \frac{1}{\mathbf{TA_{i,t-1}}} + \alpha_1 \frac{Sales_{i,t} - Sales_{i,t-1}}{\mathbf{TA_{i,t-1}}} + \alpha_2 \frac{\mathbf{PPE_{i,t}}}{\mathbf{TA_{i,t-1}}} \quad \mathbf{(4)}$$

NDAC is non-discretionary accruals. Discretionary total accruals of each company are calculated by using equation (5).

$$\frac{\mathbf{DTACC_{i,t}}}{\mathbf{TA_{i,t-1}}} = \frac{\mathbf{TACC_{i,t}}}{\mathbf{TA_{i,t-1}}} - . \frac{\mathbf{NDAC_{i,t}}}{\mathbf{TA_{i,t-1}}} \quad \mathbf{(5)}$$

In order to test robustness of the study results, our study also uses Modified Jones Model (Dechow et al., 1995). The difference is only on equation (4). After equation (3), we use equation (6) to measure non-discretionary accruals using Modified Jones.

$$\frac{\mathbf{NDAC_{i,t}}}{\mathbf{TA_{i,t-1}}} = \alpha_0 \frac{1}{\mathbf{TA_{i,t-1}}} + \alpha_1 \frac{(\Delta REv_{i,t} - \Delta REC_{i,t})}{\mathbf{TA_{i,t-1}}} + \alpha_2 \frac{\mathbf{PPE_{i,t}}}{\mathbf{TA_{i,t-1}}} + \varepsilon_{it} \quad \mathbf{(6)}$$

The symbol of ΔREC represents the difference of account receivable of year t and year t-1. After equation (6), we use equation (5) to measure discretionary accruals of each firm in our sample. To measure earnings management, we use absolute discretionary accruals.

4. Findings and Discussion

Sample

Data are collected from Indonesia Stock Exchange. Our sample consist of publicly Indonesian companies from period 2010 until 2014. Table 1 show the data and sample used in this study. Population is all of public companies in Indonesia. That is 1,972. After eliminating firms that do not have complete data, we process 1,279.

Tabel 1
Population and Sample by year

	2010	**2011**	**2012**	**2013**	**2014**	**Total firm-years**
Population	356	388	395	409	424	1,972
Sample	269	274	267	228	241	1,279
Sample for Jones Model	249	250	249	129	136	1,013
Sample for Modified Jones Model	256	257	254	144	143	1,054

The sample distribution show the number of observations across the sample years. For each model used, there is a decrease in the number of firm-years observation because of the normality test matters in regression process. We also eliminate the population after checking the availability of data.

Results

Table 2 shows descriptive statistics for our sample based on each model used. For each model, the proportion of profit firms is higher than loss firms.

Table 3 provides evidence on H1, i.e. years are significant to earnings management. The dependent regression is absolute discretionary accrual that are measured by Jones Model. The independent variable is dummy year with 2014 as control year. The coefficients of dummy year are significant negative for 2010, 2011, and 2012, but significant positive for 2013. It also shows that loss companies tend to manage its earnings.

Table 4 also provides evidence on H1 using Modified Jones Model to measure discretionary accrual. The coefficients of dummy year are also significant negative for 2010, 2011, and 2012, but insignificant positive for 2013.

The two model of regression under Jones and Modified Jones model show that years influence to earning management. In order to analyze deeper, univariate t-test are done to find the difference of earnings management between years that gradually implement IFRS. To complement the discussion, we expand our analysis using independent sample t-test by comparing year before and after 2012. That year is a critical year of accounting standard in Indonesia. Indonesian financial accounting standards substantially adopt IFRS in 2012.

Table 2
Descriptive Statistics

Panel A: Descriptive Statistics for Jones Model					
	N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
DACCJones	1,013	-0.3168	0.4421	0.0120	0.1010
SIZE	1,013	21.4090	35.6197	28.0484	1.8045
LOSS	1,013	0.00	1.00	0.1185	0.3233
Panel B: Descriptive Statistics for Modified Jones Model					
	N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
DACCJones	1,054	-0.4560	4.7429	0.0228	0.2055
NDACMJ	1,054	-120.9235	21.3904	-0.1166	3.7840
DACCMJ	1,054	-0.45604	0.4426	0.0121	0.1157
SIZE	1,054	21.4090	35.6197	28.0389	1.8019
LOSS	1,054	0.00	1.00	0.1252	0.3311

Table 3
Regression of Accrual Quality and Time by Jones Model

Model	**Absolute Discretionary Accrual**	
	Coefficient	**t-value**
Constant	0.119	3.397***
T2010	-0.028	-3.983***
T2011	-0.029	-4.192***
T2012	-0.037	-5.243***
T2013	0.014	1.743**
Size	-0.001	-0.676
Loss	0.011	1.761**
Industry	Tested	
F-value	6.479***	
Adjusted R Square	0.066	
N	1,013	

Dependent variable is *absolute discretionary accrual* using Jones Model (1991). T2010, T2011, T2012, T2013 are dummy year, 1 indicates the data from the year and 0 otherwise. Size is natural logarithm of total asset at year t, Loss is a dummy variable, 1 indicates for loss firm and 0 otherwise. Each regression also considers industry type, except for finance and banking industry. ***, **, and * indicate significant at less than the 1%, 5%, 10% level (one-tail test), respectively.

We also analyze earnings management activities based on years using independent sample t-test. Having 2010 data as a reference, we compare earnings management in that year to earnings management in the future years. We present the evidence in Table 5.

Table 4
Regression of Accrual Quality and Time by Modified Jones Model

Model	Absolute Discretionary Accrual	
	Coefficient	t-value
Constant	0.102	1.056
T2010	-0.071	-3.686***
T2011	-0.071	-3.690***
T2012	-0.081	-4.085***
T2013	0.012	0.535
Size	0.001	0.385
Loss	0.014	0.777
Industry	Tested	
F test	3.875***	
Adjusted R Square	0.035	
N	1,054	

Dependent variable is *absolute discretionary accrual* using Modified Jones Model (Dechow et al., 1995). T2010, T2011, T2012, T2013 are dummy year, 1 indicates the data from the year and 0 otherwise. Size is natural logarithm of total asset at year t, Loss is a dummy variable, 1 indicates for loss firm and 0 otherwise. Each regression also considers industry type, except for finance and banking industry. ***, **, and * indicate significance at less than the 1%, 5%, 10% level (one-tail test), respectively.

Table 5
Compare Means of Absolute Discretionary Accrual

Means	2010 vs 2011 (t-value)	2010 vs 2012 (t-value)	2010 vs 2013 (t-value)	2010 vs 2014 (t-value)
Absolute Discretionary Accural (Jones)	0.0711 vs 0.0702 (0.169)	0.0711 vs 0.0616 (1.888)**	0.0711 vs 0.1129 (-4.751)***	0.0711 vs 0.0987 (-3.850)***
Absolute Discretionary Accrual (Modified Jones)	0.0711 vs 0.0706 (0.090)	0.0711 vs 0.0616 (1.889)**	0.0711 vs 0.1179 (-5.203)***	0.0711 vs 0.1552 (-1.498)*

***, **, and * indicate significant at 1%, 5%, 10% level, respectively.

We show that earnings management since 2012 produces significant different to 2010 in two models of earnings management. Absolute discretionary accrual in Jones are significantly different between 2010 and 2013. While absolute discretionary accrual in Modified Jones Model are also shows signficantly different between 2010 and 2013.

Using year as proxy of gradual IFRS adoption, this study presents evidence about the tendency of increasing earnings management activities. Compare to earnings management before 2012, earnings management activities of companies since 2012 produce higher absolute discretionary accrual. Under IFRS, the use of judgment and accounting estimation produce more flexibility in preparing financial statement. This phenomenon produces higher earnings management.

Our findings confirm the study of Lopes et al. (2010), Ahmed et al. (2013) and Capkun et al. (2016). They find that IFRS adoption increase earnings management. IFRS adoption stimulates earnings management because of much judgment.

This article complements earnings management and IFRS literatures in several ways. First, using data from developing countries, this study evaluates the impact of IFRS adoption to earnings management. We produce evidence that IFRS adoption stimulates earnings management using Indonesian data. Implementing high quality accounting standard in countries that have low law-enforcement should be supported concurently by the improvement in other institusional sectors.

The second contribution, this research provides insight into the role of IFRS to the use of accrual discretionary. IFRS produce principle-based standards. The use of judgments is wider than rule-based standards. This condition creates the tendency to manage earnings from providers.

5. Conclusion

This article discusses about the gradual convergence of IFRS and its impact to earnings management. The results show that gradual convergence, as represented by year, stimulate earnings management.

The results are consistent using two discretionary accrual measurements, those are Jones Model and Modified Jones Model. Both of those models produce similar conclusion. Although we provide robust findings, the future researches have to expand our methodology by using other measurement of earnings management. The use of other earnings management models improves the external validity of this study.

In analyzing gradual convergence, future researches also need more time series data to describe the magnitude of earnings management year-by-year. Using that idea, the gradual component of IFRS in Indonesian Accounting Standard can be evaluated.

To improve IFRS research in Indonesia, analyzing value relevance is an interesting topic. Using that idea, future studies may evaluate the relevancy of IFRS in Indonesia. IFRS may stimulate earnings management, but it also should produce higher relevancy.

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Please note that even if you have paid to attend the conference but you do not present the paper at the conference, then you will not receive a PER for your paper. Similarly, if you collect your registration envelope pack but do not present your paper, the department in your university will be notified.

For those of you who have paid for publication of your paper in our journals, you will receive Editorial Review Report (ERR) within 5-6 months after the conference, in addition to the PER.

- ## Publication of Your Paper (Please read carefully)

All accepted papers recommended by the reviewer (see your acceptance letter point number 2 to know the name of the journal) for a particular journal will be published provided that you have paid submission fee and complied to the review report, editorial comments, feedback at the conference and journal's guidelines. You are required to send us your revised full paper (after compliance to the PER and ERR and editorial observations, comments, if any, you received at the conference) within 2 months after we send you the ERR.

If your invitation and acceptance letter does not mention any journal name, it means that your paper was not accepted for any of our journals, However, if you improve your paper according to the feedback you receive at the conference and/or via review report, we can reconsider the paper for journal publication at that stage. Please note that it is not guaranteed that your paper will be selected for a journal even after the revisions.

If you have already paid publication fee, you **must indicate in red ink** the new or additional materials you have added or inserted in compliance to written feedback and/or comments at the time of revision. **We will endeavour, though not guaranteed, to publish your paper within six-nine months after the conference** if you comply fully to all requirements and requests. No reminder notice will be sent. **If you do not send your revised paper by the deadline** or if you **failed to comply in full to the review reports** within the due time set by us and do not comply to our any request for reorganising the paper as per journals' guidelines or fail to make the paper camera-ready or do not respond to our emails within 6 months after the conference, **your paper will not be published and no money or fee will be refunded.**

If your paper has already been accepted for our journal and you have not paid any publication fees but are interested to publish can make cash payment at the registration desk. The cost of Print and online publication is USD $300 or for online publication only is USD $200. If you would like to pay at a later time, then please contact Nuha Jahan via njahanwbi@gmail.com to arrange this.

- ## Who to Contact

For any issues relating to conference matters please contact Dr. Hoque on +614 11 496 791 (Australian mobile number)

- ## Correspondence After Conference

If you have any concerns or questions after the conference, please contact Ms. Nuha Jahan via our email address njahanwbi@gmail.com. Please do not send any email to singaporepaps@gmail.com as this email address will be unmonitored after 25 October 2016.

- ## Future Conferences

If you would like to join our future conferences, please continuously visit our website www.wbiworld.org to find out more information. You can also follow us on facebook by liking our page "World Business Institute" or follow Nuha Jahan on Linked in by sending her a request..

• List of Participating Countries

The 11th Asia-Pacific Business Research Conference is proud to welcome delegates from 14 countries of the world.

Australia
Bangladesh
Canada
China
India
Indonesia
Israel
Italy
Poland
Singapore
Taiwan R. O.C
UAE
USA
Vietnam

• Conference Team

Program Chair: Professor William Lim, York University, Canada
Program Coordinators: Dr Tan Jing Hee and Ms. Pearl Wong, East Asia Institute of Management, Singapore
Conference Coordinator: Prof. Dr. Mohammad Hoque, WBI, Australia
Conference Administrator, Events/ Publication Director: Ms. Nuha Jahan, WBI, Australia
Marketing Director: Mr. Tanzil Hoque, WBI, Australia
Managing & Finance Director: Mrs. Khaleda Akhter, WBI, Australia

Conference Program Outline

Registration Desk Located inside HTTC Reception Area
Presentation Room: HTTC Seminar Room

Monday 24 October 2016

8.30 AM - 12.00 PM	**Conference Registration** **Inside HTTC Reception Area**
9.00 AM - 10.45 AM	**Paper Presentations:** Plenary Session: HTTC Seminar Room
10.45 AM – 11.15 AM	**Morning Tea Break** **HTTC Reception Area**
11.15 AM – 1.00 PM	**Paper Presentations:** Accounting and Finance Track: HTTC Seminar Room
1.00 PM – 2.00 PM	**Lunch** **HTTC Reception Area**
2.00 PM – 3.45 PM	**Paper Presentations:** Management and Marketing Track: HTTC Seminar Room
3.45 PM – 4.00 PM	**Afternoon Tea Break** **HTTC Reception Area**

Tuesday 25 October 2016

8.45 AM – 11.30 AM	**Conference Registration** **Inside HTTC Reception Area**
9.00 AM – 10.45 AM	**Paper Presentations:** Banking, Economics and Finance Track: HTTC Seminar Room
10.45 AM – 11.15 AM	**Morning Tea Break** **HTTC Reception Area**
11.15 AM – 12.45 PM	**Paper Presentations:** Management and Marketing Track: HTTC Seminar Room
12.45 PM – 2.00 PM	**Lunch** **HTTC Reception Area**

~~~ End of Conference ~~~

Monday 24 Oct 2016	9.00 AM – 10.45 AM	HTTC Seminar Room

Session: Plenary

Session Chair: Prof. William Lim, York University, Canada

Welcome Address by Dr. Tan Jing Hee, Director at East Asia Institute of Management, Singapore

Welcome Address by Conference Chair, Prof. William Lim from York University, Canada

Welcome Address by Conference Coordinator, Prof. Dr. Mohammad Hoque, Chairman of World Business Institute, Australia

105: A Longitudinal Analysis of US Companies' Environmental Disclosure Practices – A Changing Landscape: Abdul Razeed, University of Sydney, Australia.

313: Market Clearing Frequency and Market Quality: Evidence from Taiwan Stock Market: Chia-Cheng Ho and Tze-Yu Yen, National Chung Cheng University, Taiwan, R.O.C.

419: The Influence of Cultural Value on Big Data in Financial Service Sectors Comparative Study on Business Cases from China and Singapore: Jung Kee Hong, AXA Partners CLP Asia, Australia.

513: Business Strategies for Small Firms and New Ventures: Peter Yannopoulos, Brock University, Canada.

Monday 24 Oct 2016	10.45 AM – 11.15 AM	HTTC Reception Area

"Morning Tea Break"

Monday 24 Oct 2016	11.15 AM – 1.00 PM	HTTC Seminar Room

Session: Accounting and Finance

Session Chair: Dr. Abdul Razeed, University of Sydney, Australia

101: An Analysis of Working Capital Management in SAIL and RINL: P. Mohan Reddy and N.K. Pradeep Kumar, Sri Venkateswara University, India.

104: The Effects of Gradual IFRS Convergence on Earnings Management in Indonesia: Yie Ke Feliana, Dedhy Sulistiawan and Felizia Arni Rudiawarni, University of Surabaya, Indonesia.

103: The Effect of The Audit Firm Size, Tenure, and Auditor Industry Specialization on Audit Quality: Padri Achyarsyah and Molina, Universitas Nasional, Indonesia.

311: The Holiday Effects on Option Prices: A Detailed Study: Zheng-Liang Lu and Yuh-Dauh Lyuu, National Taiwan University, Taiwan.

318: The Consequences of Investment Policy Changes in Poland on the Special Economic Zones Example: Radosław Pastusiak and Magdalena Jasiniak, University of Lodz, Poland.

Monday 24 Oct 2016	1.00 PM – 2.00 PM	HTTC Reception Area

"Lunch Break"

Monday 24 Oct 2016	2.00 PM – 3.45 PM	HTTC Seminar Room

Session: Management and Marketing

Session Chair: Dr. Peter Yannopoulos, Brock University, Canada

407: Leader Negative Emotional Expression on Follower Performance: The Moderating Roles of Follower Personalities: Naya Hapsari and T.Hani Handoko, Gadjah Mada University, Indonesia.

415: Talent Attraction and Retention Dilemma: Path to Persuasion for Public Sectors in Dubai: Hanan Al Marzooqi and Arunprasad, University of Dubai, UAE.

417: A Comparison of Asian Innovation Models: Irfan Ahmed, Sam Houston State University, USA and Vivek S. Natarajan, Lamar University, USA.

504: The Antecedents and Consequences of Store Personality: A Study of Specialty Store Chains in Vietnam: Nguyen Le Thai Hoa and Hoang Thi Phuong Thao, Open University of HCMC, Vietnam.

505: A Conceptual Framework of the Customer-based Brand Equity for Tourism Destination: Yu-Ling Su, Taiwan Hospitality & Tourism College, Taiwan.

Monday 24 Oct 2016	3.45 PM – 4.00 PM	HTTC Reception Area

"Afternoon Tea Break"

Tuesday 25 Oct 2016	9.00 AM – 10.45 AM	HTTC Seminar Room

Session: Banking, Economics and Finance

Session Chair: Dr. Ming Qi, China University of Petroleum (Beiing), China

601: The Impact of Deregulation Trends on the Chinese Banks' Interest Margins: Ming Qi, China University of Petroleum, China.

218: Theory and Modelling of Hospital Planning and Scheduling: Chin-Lan Chen, Yuan's General Hospital, Taiwan and Jiun-Yan Shiau, National Kaohsiung First University of Science and Technology, Taiwan.

321: Financial Support as Part of the Stability of the Financial System – Implications for Fiscal and Monetary Policy: Agnieszka Alińska, Mariusz Próchniak and Katarzyna Wasiak, Warsaw School of Economics, Poland.

322: A Choice of Input and Output to Measure the Efficiency of Public Sector Financial Institutions: Quan Hong Nguyen, Cambridge International College- Melbourne campus, Australia.

317: Gender Diversity and Corporate Governance: An International Perspective: Neha Matlani, University of Delhi, India.

Monday 24 Oct 2016	10.45 AM – 11.15 AM	HTTC Reception Area

"Morning Tea Break"

Monday 24 Oct 2016	11.15 AM – 12.45 PM	HTTC Seminar Room

Session: Management and Marketing

Session Chair: Dr. Arunprasad Purushothaman, University of Dubai, UAE

406: Entrepreneurship Research: Motivation and Technological Innovation: Chen Sheng, East Asia Institute of Management, Singapore and Poon Yu Zhen Felicia, University of Dundee, Scotland.

414: Control and Enforcement in order to Increase Supplier Inventory in a JIT Contract: Matan Shnaiderman and Liron Ben-Baruch, Bar-Ilan University, Israel.

403: Ethical Behaviour of Firms and Competitiveness in Central-Eastern Europe and Commonwealth of Independent States: Marco Taliento, University of Foggia, Italy. **[PROXY]**

508: Interrelations between Online Service Quality Dimensions, Customer Satisfaction and Customer Loyalty in Internet Banking Service: A Study on Retail Banking Sector of Bangladesh: Suman Prosad Saha, Independent University, Bangladesh.

Monday 24 Oct 2016	12.45 PM – 2.00 PM	HTTC Reception Area

"Lunch Break"

~~~ End of Conference ~~~

List of Participants

Paper No.	Author Name	University	Country
105	Dr. Abdul Razeed	University of Sydney	Australia
322	Dr. Quan Nguyen	Cambridge International School	Australia
508	Mr. Suman Saha	Independent University	Bangladesh
513	Dr. Peter Yannopoulos	Brock University	Canada
Chair of conference	Prof. William Lim	York University	Canada
601	Dr. Ming Qi	China University of Petroleum (Beiing)	China
101	Prof. Pelluru Mohan Reddy	Sri Venkateswara University	India
317	Dr. Neha Matlani	University of Delhi	India
104	Dr. Dedhy Sulistiawan	University of Surabaya	Indonesia
104	Dr. Yie Ke Feliana	University of Surabaya	Indonesia
104	Mrs. Felizia Arni Rudiawarni	University of Surabaya	Indonesia
103	Mr. Padri Achyarsyah	Universitas Nasional	Indonesia
407	Miss. Naya Hapsari	Gadjah Mada University	Indonesia
414	Dr. Matan Shnaiderman	Bar Ilan University	Israel
403	Prof. Marco Taliento	University of Foggia	Italy
321	Mrs. Katarzyna Wasiak	Warsaw School of Economics	Poland
321	Mrs. Agnieszka Alińska	Warsaw School of Economics	Poland
318	Mr. Radoslaw Pastusiak	University of Lodz	Poland
406	Dr. Chen Sheng	East Asia Institute of Management	Singapore
406	Miss. Felicia Poon	East Asia Institute of Management	Singapore
419	Dr. Jung Kee Hong	Axa Partners CLP Asia	Singapore
guest	Ms. Pearl Wong	East Asia Institute of Management	Singapore
guest	Dr. Tan Jing Hee	East Asia Institute of Management	Singapore
218	Dr. Jiun-Yan Shiau	National Kaohsiung First University of Science and Technology	Taiwan R. O.C
313	Prof. Chia-Cheng Ho	National Chung Cheng University	Taiwan R.O.C
311	Prof. Yuh-Dauh Lyuu	National Taiwan University	Taiwan R.O.C
505	Miss. Yu-Ling Su	Taiwan Hospitality and Tourism College	Taiwan R.O.C
415	Ms. Hanan Al Marzooqi	University of Dubai	UAE
415	Dr. Arunprasad Purushothaman	University of Dubai	UAE
417	Dr. Irfan Ahmed	Sam Houston State University	USA
504	Mr. Thai Hoa Nguyen Le	Open University of Ho Chi Minh City	Vietnam
504	Mr. Tuan Le Van	Open University of Ho Chi Minh City	Vietnam

27 September 2016

Dr. Yie Ke Feliana
Department of Accounting
University of Surabaya
Indonesia

Re*: Letter of Acceptance and Invitation*

Dear Dr. Yie Ke Feliana,

Congratulations! We are pleased to inform you that your paper titled "The Effects of Gradual IFRS Convergence on Earnings Management in Indonesia" has been accepted, after double blind peer review, for oral presentation at the above international conference. Please note the following:

1. Your paper number is 104 and please quote this number for all future correspondence. Please check the accuracy of the paper tile, address and spelling of the authors' name and the name of the university and send us corrected full paper or abstract with correct information by **3 October 2016 in MS WORD file format ONLY (NO PDFs please)**. We do not allow any change anywhere after this deadline and nothing can be changed in the draft conference program except presentation time.

2. Your paper will be included in the international refereed Conference Proceedings which will be published online with ISBN *via our website: www.wbiworldconpro.com* which is visited by thousands of readers.

3. You are required to send us attached completed registration form along with payment on or before 3 **October 2016**. Please find attached Registration Form and Fee Schedule.

4. Conference program will be sent to you by **10 October 2016**. Each presenter is scheduled for a total of 20 minutes (nominally a 15 minute presentation and 5 minute discussion). Please bring your USB containing power point slides and 20 copies of your paper (optional). We will provide LCD projector and computer at the venue.

5. Please visit **www.singconfo.com** and read all information relating to hotel and all other issues. We look forward to seeing you at the conference.

With best regards

Nuha Jahan
Conference Coordinator

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Journal of Islamic Finance and Business Research