1st KPMG Accounting Research Symposium at ESCP Europe Paris –
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The Symposium, to be held on November 30th at ESCP Europe in Paris (*room #4310*), is designed for accounting researchers, accounting professionals and auditors who desire an update on selected current research development in the areas of corporate governance, financial reporting and auditing. The program also will discuss other important topics impacting the responsibilities of the audience.

This year's ***keynote speaker*** (sponsored by KPMG) is **Professor Paul André** (HEC Lausanne, Switzerland) who serves as the editor of *Accounting in Europe*. Before joining HEC Lausanne, he was professor at ESSEC, University of Edinburgh, HEC Montréal, UQAM and University of Ottawa. His research focuses on international financial reporting and analysis and corporate governance including the role of auditing.

The 2018 **Accounting Research *Symposium* Schedule** is organized as follows:

Presenter: Jochen BIGUS (Freie University Berlin) – 9:00am to 10:15am
Topic: *Does owner liability affect the debt-related earnings properties of financial accounting? - Evidence from European private firms*
Abstract: *In contrast to corporations, the owners of sole proprietorships and partnerships are held liable for the firm's liabilities. We expect owner liability to mitigate agency problems of debt implying that debt covenants should become less necessary than with corporations. We expect and find for a large sample of European private firms that sole proprietorships and partnerships exhibit less earnings smoothing and lower levels of conditional conservatism than corporations. Further, we find that these differences in earnings smoothing and in conditional conservatism increase when the bankruptcy code is weak or when it offers the possibility for going concern. Stricter legal minimum capital requirements for corporations are associated with marginally higher levels of earnings smoothing and of conditional conservatism. Tax-book conformity moderates the association between owner liability status and earnings smoothing (and conditional conservatism), since financial reports are used for tax purposes as well. The paper provides evidence for the claim that the debt contracting role of financial accounting becomes less important in the presence of owner liability.*

Keynote Presenter: Paul ANDRÉ (HEC Lausanne) – 10:30am to 11:45am

Topic: *Women Involved in the Financial Reporting Process and Financial Reporting Quality*

Abstract: *We examine how the presence of women involved in the financial reporting process of public companies, and especially the interactions between them (i.e. the simultaneous presence of a woman CFO, women sitting on the audit committee, and women auditors), impacts financial reporting quality. For our sample of large French companies, we find that women do not affect financial reporting quality when interactions are not considered. However, the interactions between women involved in the financial reporting are associated with lower discretionary accruals and higher C-scores (our measure of conservatism), as expected because women are generally more risk averse and have greater ethical sensitivity. Furthermore, our result holds only for non-family firms, which is also expected because there is a greater demand for earnings quality in such firms. In addition, it appears that woman CFOs play a key role in these interactions. Overall, our results support the idea that women affect positively financial reporting quality only if several women are involved at various stages of the financial reporting process and only in specific contexts (i.e. non-family firms). These new results should be of great interest for researchers, investors and regulators.*

Presenter: Seraina ANAGNOSTOPOULOU (ESCP Europe London) – 1:15pm to 2:30pm

Topic: *Accounting Conservatism and Corporate Social Responsibility*

Abstract: *We examine the association between accounting conservatism, expressed in the form of asymmetric timeliness of recognition of economic gains and losses, and Corporate Social Responsibility (CSR). Our aim is to assess whether a conservative stance in financial reporting, expected to be beneficial for capital providers, is associated with a social responsibility orientation taken towards an extended group of stakeholders. Our evidence overall suggests that higher levels of conservatism are negatively associated with a CSR orientation by firms. We find this negative association to be more prominent in the post-2008-09 crisis period; we interpret this evidence as an indication that economic cycles can impact on managerial choices over CSR and catering for capital providers, with the latter choice being a priority during an economic slowdown. We also find the negative association between conservatism and CSR to be more pronounced for higher levels of outside pressure by debt and equity holders, and for more financially constrained firms. Thus, our findings indicate that under pressure from financial stakeholders, firms appear to prioritize commitment to conservative reporting, over the needs of non-financial stakeholders and other interest groups.*

Presenter: Juana ALEDO (ESCP Europe Madrid) – 2:45pm to 4:00pm

Topic: *Accounting Conservatism and Debt Covenant Intensity in Private Debt Contracts*

Abstract: *Agency costs exist due to the conflict of interests between shareholders and debtholders. Corporate managers may act on behalf of shareholders that result in taking certain actions detrimental to the welfare of the debtholders. The agency theory of covenants (ATC) suggests that the agency cost of the debt can be mitigated by restricting managerial opportunistic behavior with covenants written into the debt contracts to better align manager's interests with those of the debtholders. This paper examines whether firms with more covenant intensity in their private debt contracts exhibit timelier recognition of economics losses. Additionally, we examine whether conservatism plays a role in the design of the covenants in private debt agreements. We find a negative relation between covenant intensity and the degree of timely loss recognition. This finding is consistent with Nikolaev's (2010) finding that the presence of private debt and covenants attenuate the relationship between conservative financial reporting and the use of public debt covenants in contract. We also find a firm's degree of conservatism prior to debt issue influences the debt covenant design of the lending agreements.*