

Japanese

ACCOUNTING FORUM

2010

No. 18

JAPAN ACCOUNTING ASSOCIATION

Japan Accounting Association.

Liaison Office: Hayashi Building, 1-10 Kanda Nishiki-cho, Chiyoda-ku,
Tokyo 101-0054, Japan

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PREFACE

Japanese ACCOUNTING FORUM of the Japan Accounting Association (JAA) is published annually to publicize academic activities of JAA in English.

The first issue of *Japanese ACCOUNTING FORUM* was published in 1993. This edition for 2010 is the 18th issue of *Japanese ACCOUNTING FORUM*.

This issue contains the summary of presentations at the 68th Annual Conference of JAA which was hosted by Kwansei Gakuin University in Nishinomiya-city on September 2-4, 2009. It also includes the reports of regional activities of JAA during the 2009 academic year.

I sincerely hope that *Japanese ACCOUNTING FORUM* serves the readers to better understand the activities of JAA.

Yoshihiro Tokuga

Chairman of the International Committee and
Managing Editor of *Japanese ACCOUNTING FORUM*,
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2009 Annual Conference of JAA

Report

2009 Annual Conference

Chairman of 2009
Annual Conference
Kazuo Hiramatsu
Kwansei Gakuin University

Program

The 68th Annual Conference (2009) of the Japan Accounting Association (JAA) was hosted by Kwansei Gakuin University on September 2-4, 2009 at Kobe (September 2) and Nishinomiya-Uegahara Campus (September 3 and 4). The main theme of the conference was “Issues and Prospects of Accounting”.

On September 2, meetings of the Council and the General Assembly of Membership were held at the International Conference Center in Kobe. Soon after those events, reports were presented by two Study Groups, one Subject Research Committee and two Special Committees. The reception was held in that evening at Portopia Hotel, Kobe.

In the morning of September 3, 12 concurrent sessions including 2 sessions for graduate students were held. “Korea Session” was also held. “Korea Session” has been held for these five years based on the tentative agreement by JAA and Korean Accounting Association (KAA). (From 2010, it will be held as the official activity based on the exchange agreement signed by JAA and KAA in September 2009. Also the exchange agreement was signed in December 2009 by JAA and Taiwan Accounting Association (TAA).)

In the afternoon of September 3, three plenary sessions were held under the main theme of “Issues and Prospects of Accounting” in the area of financial accounting, management accounting and auditing. Following the plenary session, a special open session was held which was planned outside the official JAA program. Two distinguished speakers offered presentations on IFRS. The speakers were Professor Donna Street (University of Dayton, U.S.A., president of IAAER, and Professor Sidney Gray (University of Sydney, Australia), past president of IAAER.

In the morning of September 4, 13 concurrent sessions including 1 session in English and 2 sessions for graduate students were held. In the afternoon of September 4, panel discussions of the three plenary sessions were held. Following the panel discussion, another special panel discussion, which is called ASBJ session, was held

under the theme of “Issues and Prospects of the Adoption of IFRS”.

More than one thousand members attended this annual meeting and actively participated in the academic programs.

The schedules of the conference were as follows:

Event	Date and Time	Venue
Committee for Officers Election Committee for New Membership Screening Committee for Awards Meeting of the Board of Directors	Sep.1 11:00 – 13:00 12:00 – 13:00 13:00 – 15:00 15:00 – 17:30	Crowne Plaza Hotel, Kobe
Meeting of the Council General Assembly of Membership Study Group Reports Subject Research Committee Report Special Committee Reports Reception	Sep.2 10:00 – 12:00 13:00 – 14:30 15:30 – 16:10 16:15 – 17:40 18:30 – 20:30	International Conference Center, Kobe Portopia Hotel
Korea Session Concurrent Sessions Plenary Sessions 1 Issues and Prospects of Financial Accounting 2 Issues and Prospects of Management Accounting 3 Issues and Prospects of Auditing	Sep.3 9:50 – 12:00 9:50 – 12:00 13:00 – 15:10	Kwansei Gakuin University
Concurrent Sessions Plenary Panel Discussions ASBJ Session	Sep.4 9:50 – 12:00 13:00 – 15:00 15:30 – 17:30	Kwansei Gakuin University

2009 Annual Conference of JAA

Plenary Session 1: Issues and Prospects of Financial Accounting

Advances in Information Technology and Its Impact on Financial Accounting Research

Manabu Sakaue
Hosei University

Extensible Business Reporting Language (XBRL) is a language for the electronic communication of business and financial data, which is being adopted as a reporting standard around the world. In 2008, XBRL was introduced to the EDINET system developed for the Japanese Financial Services Agency, and also to the EDGAR system developed for the U.S. Securities and Exchange Commission. The XBRL is remarkable that it provide different perspective, or data modeling against financial statements. While the impact of information technology for accounting research is relatively concentrated on the input data or accounting events, how to deal with output data issues has been left out of consideration so far.

If financial statements are properly modeled, financial information will be seamlessly connected to the following system, so that we can observe financial information from both supply side and user side. Focusing on the consuming aspect, we can analyze the process of spread of financial information directly by use of different research method like social network analysis. We also easily observe the particular distribution of accounting data, which follow Zipf's and Benford's law. It is known that those characteristics of financial figures can be powerful tool for the fraud accounting investigation. XBRL and related new information technologies provide new research perspectives, therefore it deserves continued attention.

Influences on Financial Accounting by Globalization of Economic Activities

Shinya Saito

Yokohama National University

Because of globalization of economic activities, a movement toward international convergence of the accounting standards used in capital markets is accelerating focusing on International Financial Reporting Standards (IFRS) today. Needless to say, although IFRS are for preparing consolidated financial statements, calculating tax base is depend on individual financial statements. But individual financial statements are influenced by the convergence.

Perhaps IFRS will be the standards for useful information in order to make investment decision. However, it is not appropriate standards for calculating tax base and dividend base. Therefore the movement produced a serious problem in countries like Japan; in such countries, accounting standards organically connected with other social systems. Especially for calculating tax base, IFRS include unsuitable standards (e.g., standard for parts of financial instruments).

To this problem, the following solution is proposed. That is; at first, IFRS will be applied only to consolidated financial statements, and then applied also to individual financial statements after a fixed period (the device of consolidated statements – precedence; the dynamic approach). By the device, the double standards problems arise in the fixed period.

Then, in the place of the device, the followings should be considered.

- Application of IFRS for public companies' statements.
- Application of IFRS(simple and easy version) greatly for private companies' statements, or exemption regulations for them.
- Abolition of "the condition of accounting for calculating net income" in calculating taxable income on the corporate tax law.

Finally, it should be emphasized, that the social role imposed on financial accounting study is the presentation of the coordinate, which can clarify the meaning of the information in the situation that the accounting standards converged internationally.

Training of Competitive Researchers

Takashi Yaekura

Hosei University

This presentation deals with the issue of how to train competitive researchers. It was prepared to answer to the doubts raised by the Science Council of Japan (SCJ). SCJ doubts if social 'science' in Japan, including accounting, actually belongs to science.

I share the doubt because the current state of Japanese accounting literature completely lacks competitiveness and ignores scientific method.

First, I demonstrated how the doctoral students in accounting are trained in the U.S., using the Ph.D. program at the University of Illinois as an example.

Second, I argued that the following four initiatives must be taken in Japan so that doctoral students in Japan become competitive.

- Emphasis on research methodology based on the understanding of the philosophy of science.
- Standardizing the core knowledge of the literature.
- Developing the education system which promotes the extended reproduction of knowledge.
- Differentiation of research output by utilizing the accumulated literature in normative studies.

In addition, I proposed to demolish the master's thesis and reeducation of existing accounting educators. The reason for demolishing the master's thesis is that it is rather a waste of precious time of doctoral students. The reason for the call for reeducation is that the existing accounting educators do not possess the necessary knowledge to train competitive researchers.

Accounting Challenged by New Demands

Kenji Shiba

Kansai University

As well as changes in the economy cannot be controlled, progress in science and technology does not necessarily mean a more comfortable human life.

If accounting makes the same mistake as in human life, of having an excessive faith in science and technology, we should pay attention not to lose sight of the truth.

The classification of accounting in financial and managerial is now being substituted by the one focusing on accounting for the public interest and for private interests. I think it is necessary to change our minds considering that “public companies participating in the global capital markets should be regulated from the viewpoint of the public interest”.

How should education keep up in an accounting world moving to standardization? As accounting searching for the public interest, the need for regulation and the required standard should be taught. That is, IFRS should be taught as an issue in regulation accounting. Financial reporting of giant enterprises should be considered as an issue of “public accounting”.

2009 Annual Conference of JAA

**Plenary Session 2:
Issues and Prospects of Management Accounting**

**Continuity and Change in Management Accounting:
An Institution Design Perspective**

Noboru Harada

Tokyo University of Science

This paper conceptualizes and interprets the dynamic change process in management accounting practices from an institution perspective. Institution has two meanings as follows.

First, the institution keeps practices continuously stable as the habits which produce individual or collective practices through the conformation of present practices to products of past experiences. These habits are systems of mental dispositions to be self-actualized in structured practices over a long time, formed in fields such as group with homogeneity as well as in individuals. Each member in fields will internalize and accept hierarchic order in fields as taken for granted, and unconsciously select a rule-dependent action.

Secondly, the institution transforms old practices into new ones. Rational action may generate irrational and unexpected economic consequences. Then the shift of institution itself and environmental conditions or executive's action will trigger change in practices. The changed institution accommodates the evolution and revolution in practices caused by variations and mutations respectively.

In final, an executive's autonomous actions may have a significant influence on the economic consequence contingent upon external and internal environments, and contribute to change of practices. Therefore institution design can consciously build management accounting in Japanese style focused on collective cooperation with homogeneity, in the Western style that takes individual skill and knowledge in organization with heterogeneity in account, or in new integrated type. As a result, this design may give a new direction and implication for studying the change process in management accounting.

An Influence of International Convergence of Accounting Standards on Management Accounting: Firm Performance Measures

Susumu Ueno

Konan University

International convergence of accounting standards has changed concepts and presentations of periodic firm performances. This study examines the influence of changes in reported income on management accounting as a result of internationalization of accounting standards.

The initial part of the study examines the recent development of international convergence and adoption of accounting standards in Japan, U.S., and European Union, after which income as defined under both US and International Standards is compared with the Hicks' economic income. The comparison showed that these standards preferred the asset-liability view over the revenue-expense view in calculating firms' reported income. The accounting standards have been shown to employ the "mixed-attribute" model in evaluating assets and liabilities until today. An increased utilization of fair value measurements has also been observed.

Fair value methods recognize value changes of assets and liabilities during each holding period. However, it should be noted that the amount recognized in a period is only temporary and is subject to changes in later periods. The broader utilization of fair value therefore amplifies volatilities of reported income numbers.

The above two accounting standards mandate the disclosure of multiple incomes in periodic performance reports. The disclosure satisfies different information needs of different stakeholders. The best surrogate for a top management's periodic performance is the comprehensive income. This is because the other comprehensive income items do capture value changes caused by exposure risks for which the top management should assume full responsibility.

Asset-Liability view expands scopes of asset and liability recognition and enhances utilization of fair value measurements. This study discusses accounting for in-process R&D and internally-generated intangible assets in the context.

The final discussion focuses on the influence of international convergence of accounting standards on management accounting research. The whole ethos of the discussion clarifies that cross-cultural management accounting studies could enjoy parsimonious specifications when all listed-companies throughout the world use a uniform standard after the full-adoption of IFRS.

Management Accounting and Innovation: The Interactive Control That Facilitates Decisions

Kentaro Koga

Hitotsubashi University

In its decision facilitating function, the accounting information often does not identify the best decision because the accounting information allows more than one interpretations. For example, the sales decline may indicate the drop in demand, which commands to reduce future investments. At the same time, the sales decline may indicate poor execution of business strategy, which requires increasing future investments to improve the execution. The interactive control, the group innovation process that combines the tacit knowledge from various business functions, can help the manager to reach the most reasonable interpretation and, consequently, the best decision. Management accounting literature, however, has not empirically documented whether and how the interactive control actually leads to innovation. Social psychology studies explore brainstorming that resembles the interactive control to find that brainstorming hinders innovation, not enhance it. In brainstorming, the free-rider problem and the illusion of high group performance reduce the participants' efforts to generate innovation. The problems can be removed by the group composition from diverse backgrounds and a specific and challenging goal. Management accounting studies should empirically investigate whether these mechanisms also improve the group innovation process of interactive control through which the accounting information facilitates the decisions.

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Plenary Session 3: Issues and Prospects of Auditing

Challenges and Perspectives of the Cooperation of Corporate Audit

Yoshimasa Tomosugi

Waseda University

I reported the problems of the cooperation of corporate audit in Japan. Big company is either capital 500 million yen or liability 20 billion yen and necessary to set up board of directors. Public company is no limit of sale or purchase of stocks and subject to accounting audit by certified public accountants (CPA). Big company and public company are about 4,000 in Japan. The auditor is corporate auditor (or audit committee), internal auditor and CPA. The necessity of total audit is explained by audit standards and guidelines. To effective audit, each auditor must have the cooperation with another auditors positively to have communication or exchange opinion. Corporate auditor is not necessary to have license, but if one or more corporate auditors have knowledge of finance or accounting, the fact is disclosed. I researched the cooperation of corporate audit in terms of economy, efficiency, effectiveness. There are the problems of (1)the valuation by corporate auditor to audit judgement by CPA , (2)the advice or announcement of facts of illegal act and fraud, (3)the dissolution of perverse incentive between board of directors and CPA. Now, in the audit environment, we must advance the direction to recognize Convergence and Adoption to International Standards on Auditing.

Critical View on Balance-Sheet Audits in Japan

Kunio Chiyoda

Kumamotogakuen University

In Japan, majority views say that American audit style before Securities Acts (1933, 34) is the Audit for Bankers by accountants. They also assert that American public accountancy was developed by this style of audits before 1930. But we can't find those facts in the American literature. In other words, we have great difference between the two countries.

This is the reason why in Japan a famous and authoritative professor had mistaken Stephen Gilman, *Accounting Concepts of Profit*, The Ronald Press Co., 1939. and that following professors has adopted his view without due consideration.

Author discloses the fact that in US Audit for Bankers were not developed extensively. Instead, financial statement audits in annual reports were adopted steadily. He depends on the *Commercial & Financial Chronicle* for 50 years, editorials of *Journal of Accountancy* for 30 years and public accountants office histories including Big 8.

This vast research exceed the results of Roger Barton, "Independent Audits for Investors," *The Journal of Accountancy*, August 1933, pp.91-101. and Richard Vangermeersch, *Financial Reporting Techniques In 20 Industrial Companies Since 1861*, University of Florida, Accounting Series No. 9, University Press of Florida, Gainesville, 1979.

Challenges and Future Perspective of Audit Practices Considering the Current Audit Environment

Satoshi Komiyama

CPA

Emerging audit issues considering the current changes of the audit environment have been reported.

Examples of impact to audit practices resulting from the financial and economic crisis are fair value measurement of financial instruments, unfunded status of employees benefit plans, collectability of deferred income tax assets, and consolidation of SPE.

Recent changes to financial reporting requirements have also significantly impacted audit practices. Quarterly financial reporting and audit of internal control have already started, and new accounting standards developed under convergence programs with IASB as well as the possibility of adopting IFRS will also have significant impact in the future. The recent trend of requiring expanded information in notes to financial statements will change the quality of financial information.

Examples of impact resulting from regulatory environment include the second amendment of CPA Laws which require strengthened quality control systems, governance and independence. This amendment had significantly impacted the audit practices of small and medium size audit firms as well as the large audit firms. The planned amendment of auditing standards responding to results of the ISA clarity project will impact audit practices. Audit requirements in various areas are expanding, and developing auditing standards as well as defining assurance risk in new areas will be new issues.

Examples of plans responding to those challenges in audit practices include intensifying training programs in audit firms, improving audit methodology for accounting estimate including fair value, developing audit methodology for narrative information disclosure, and developing auditing standards which can be applied to entities such as non-profit entities, public sectors and new audit areas.

2009 Annual Conference of JAA

Special Committee

A Study on Revolution of Financial Reporting

Chair: **Yoshikuni Hirose**

Waseda University

In the Final Report, based on the findings in the Interim Report, we sought new systems to improve the reporting system and measurement system to bring non-financial information, which explains value drivers, into accounting fields.

We found the key to the solution in the scheme of EBR (Enhanced Business Reporting), which improves financial reporting, and discussed it in detail. As a result, we revealed that the EBR was not only different from this Special Committee's approach to regard financial reporting as the final chapter in accounting, but also had issues at this point such as not having established a model to calculate concrete Enterprise Values.

In aiming for fundamentally resolving these issues, we attempted to propose and publish to the world the EFR (Enhanced Financial Reporting), a Japanese version of EBR, in the Final Report.

More specifically, we established the "Cockpit Model" as an example of Enterprise Valuation model inherent in the EFR, proposed the Reporting Map in financial reporting by visualizing Enterprise Values which indicates the points where Enterprise Values are created and enhanced, and summarized basic concepts of the EFR which are considered useful in studying the revolution of financial reporting in the future.

The Final Report has several notable features; first, it proposes Japanese version of financial reporting model which is not a carbon copy of ones in Europe or in the United States; second, it develops discussions not only from the viewpoint of external reporting (i.e., financial accounting), but also from the viewpoint of internal reporting (i.e., management accounting); third, it performs empirical studies based on preceding studies to demonstrate usefulness of non-financial information and to examine the way financial reporting should be improved; and fourth, it identifies basic concepts of financial reporting which include ones difficult to be incorporated into the system in the near future and ones totally not to be incorporated into the system, taking a different approach from the conceptual framework which assumes the establishment of

the system or accounting standards.

In the Final Report, we also discussed the limitations and future directions of the aforementioned EFR in the end.

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Special Committee

**Study of Decision-Making for Environmental Management and
Accounting System**

Chair: **Katsuhiko Kokubu**
Kobe University

The objective of this committee is to study accounting systems useful in environmental management decision-making from the perspective of both management

accounting and financial accounting, in order to develop specific accounting techniques. Global environmental problems are considered to be the biggest challenges of the 21st century, and achieving compatibility between the environment and the economy is essential for resolving these problems. As the economic calculation systems of companies, accounting systems have a central role in achieving compatibility between the environment and the economy. For this reason, it is necessary to identify specific environmental management decision-making and clarify the methods with which accounting systems can contribute to this decision-making and the challenges they still have to overcome.

Environmental management decision-making is carried out by people within companies but at the same time people outside the companies also carry it out in the form of valuations of the companies, so cooperation between these two groups is important. This committee placed importance on both of these perspectives, and carried out in-depth and separate studies of “accounting systems that support the environmental management decision-making of companies” (Part I) and “accounting systems that support the environmental management decision-making of society and the economy” (Part II)

In the committee’s examination of “accounting systems that support the environmental management decision-making of companies,” it analyzed the environmental measures in the core management systems of companies, including environment-conscious production, environment-conscious operational improvements, design for environment, environmental capital investment, environmental performance evaluation, etc., and elucidated the role of accounting systems in each of these phases. Moreover, it performed studies of new areas such as green supply chain management, environmental externalities management, etc.

In the committee’s examination of “accounting systems that support the environmental management decision-making society and the economy”, it examined the effectiveness of accounting systems in new areas related to society and the environment such as CSR management, regional development, etc., with the focus on studies of the environmental management decision-making areas that are mainly faced by companies and investors, such as responsible investment, the development of “eco-indicators”, emissions trading, pollution cleanup activities, etc. Moreover, it performed studies of the relationship between environmental accounting and the public interest. Finally, it added a survey of the literature on environmental accounting from the past 20 years as a reference.

The interim report identified the problem areas for each kind of accounting system, clarified the directions in which the roles of accounting systems are moving. In the next fiscal year the committee plans to elucidate what kinds of environmental management decision-making can be supported by accounting systems in each of the above two areas, primarily using experimental studies and case studies.

Subject Research Committee

An Inventory of Financial Accounting Research in Japan - Changing International Research Trends – (Interim Report)

Chair: **Yoshihiro Tokuga**
Kyoto University

This Subject Research Committee of the Japan Accounting Association was organized in September, 2008. We have set two main tasks as our goals. One is to do an inventory of the financial accounting research available in Japan and from this to chart its historical changes and characteristics. The other is to take it a step further and make a contribution to the future progress of Japanese financial accounting research by identifying strong and weak areas, as compared to international standards (though international standards are not the only criteria used to judge quality) while keeping the good characteristics, with the aim of improving our international competitiveness. This year, we have focused on the first task, especially the development of classification criteria, while laying the foundation for the second task.

For the inventory of the research, a classification method needed to be agreed upon. However, there are no internationally accepted rules for the classification of accounting research. We thus assumed several classification criteria; the research subject, research method, and research object etc. We discussed what the criteria for our classification should be and if we should plot research papers on multiple axes (multi dimensional classification) or if the axes should be applied in steps. We repeatedly improved on our chosen classification method by considering ongoing feedback from the application of sample research papers.

In our search for an axis for the first stage classification for our "research method," through trial and error, we came up with the following categories. 1. Analytical Research and Methodology, 2. Empirical Research, 3. Normative and Descriptive Research, 4. Historical Studies, 5. Case Studies, and 6. Miscellaneous. To follow this step, we adopted the "research object" as the second axis for the next stage of classification.

In a pilot study, we classified 538 research papers; those published every 5th year in the Journal "Accounting" from 1978 for a period of 30 years. We found in all sample years that normative and descriptive research are responsible for more than 50 % of all

papers and that "Analytical Research and Methodology" and "Historical Study" tended to decrease, while "Empirical Research" tended to increase.

Next year, the final year of this committee, our job will be to finalize the report, to add papers from *Accounting* for the blank years, and to extend our research to other journals in order to remove the sampling bias. In this second year, we will work on our second goal, which is to propose a way of improving the weaker areas while building on the stronger areas. We also plan to suggest criteria for evaluating the quality accounting papers, drawing on related research areas such as economics and law.

Study Group

Institutional Basis of Accounting Standards and Current Nature of GAAP

Chair: **Hideki Fujii**
Kyoto University

We have been observing radical changes in accounting and its related systems since around the beginning of the new century; e.g., convergence of accounting standards, proposals of (full) fair value accounting, coming into effect of new internal auditing rules stipulated by Sarbanes-Oxley Act in the U.S. and by Financial Instruments and Exchange Act (JSOX) in Japan and so on. We can point out two features among others concerning these system changes. First, they have, in common, obstinate orientation toward uniformity in regulation by eliminating the room for managers' latitude from practice as far as possible. Second, these changes are made up on the completely different basis from traditional GAAP widely imbedded in practice.

But accounting rules should be *generally accepted*, if they are to be established as a social institution. For this, the practice based on the rules should substantially spread over the society. Any accounting functions couldn't be carried out without practice. In this sense, accounting rules are fundamentally autogenous.

Do the new accounting rules mentioned above have this kind of general acceptance? Our purpose is to reconsider the nature of the new accounting standards, especially IFRS and SFAS, and to analyze what eventually makes them social and/or global rules. We tentatively concluded, in our interim report 2009, that substantial authoritative support is getting even more indispensable for accounting rules to become ingredients of GAAP. To this extent, the notion of GAAP, originally autogenous and descriptive, has been taking heterogenous and normative character.

Study Group

Research on Intangibles from the Perspectives of Management Accounting -Focused on Corporate Reputation-

Chair: **Michiharu Sakurai**
Josai International University

A study group titled Research on Intangibles from the Perspectives of Management Accounting was established at the annual meeting of JAA held on September 2008. This paper is a short summary of our interim report, *Research of Management Accounting on Intangibles, focused on Corporate Reputation*. The report was published on September 2009. Members of the committee are listed at the bottom of this paper.

The interim report divides intangibles into two categories: one is intellectual and the other is reputation-related intangibles. Intellectual intangibles include innovation and R&D, computer software, intellectual properties, human, information & organizational assets. Reputation-related intangibles include brand and corporate reputation. The most promising intangibles for the research of management accounting are believed to be corporate reputation because it is relatively easier for management accountants to manage corporate reputation than other intangibles such as brand. The study group adopted the definition of intangibles defined by Brookings Institution: Intangibles are defined as nonphysical factors that contribute to or are used in producing goods or providing services, or that are expected to generate future productive benefits for the individuals or firms that control the use of those factors.

At the annual meeting of JAA, five members presented their short presentation. Professor Sakurai presented a summary of the report. Professor Uchiyama talked about human resources management. Professor Kozakai reported on information assets management. Professor Arae discussed organizational assets management. Lastly, Professor Aoki analyzed perception of Japanese managers on corporate reputation and reputation management based on the survey by questionnaire that was carried out for managers whose companies are listed on Tokyo Stock Exchange.

Chairman of the Committee; Michiharu Sakurai (Josai International University)
Committee members; Akimichi Aoki (Senshu University), Takayuki Asada (Osaka University), Takashi Arae (Nihon University), Kazunori Ito (Senshu University),

Yoshihiro Ito (Waseda University), Hironao Iwata (Senshu University), Akihiko Uchiyama (Chiba University), Asako Kimura (Kansai University), Masakazu Kozakai (Tamagawa University), Tomoaki Sonoda (Keio University), Yoshiomi Someya (Josai International University), Akiko Iwabuchi (Tokyo Management College)

Discussants; Junya Onishi (MOF), Kyoko Kanesaka (Dentsu), Norio Sawabe (Kyoto University), Hidetoshi Takaba (Syuwa accounting firm), Kazuhiro Mawatari (Dentsu)

2009 Annual Conference of JAA

Regional Reports

Hokkaido Region

Yuji Yoneyama
Hokkaido University

The regional meetings were held in 2009 as follows.

1. The 75th Regional Meeting at Tomakomai Komazawa University on May 23rd, 2009.

- (1) “Accounting for Complex Capital Structure”, Hideaki Kuramoto, Hokkai-Gakuen University.
- (2) “Gradual Progress of the Amendment to IAS19-Employee Benefits”, Akiyoshi Miyakawa, Sapporo University.
- (3) “Accounting Education and Qualifying Exams of Bookkeeping: A Survey Research in a University”, Satoshi Hatamoto, Otaru University of Commerce.
- (4) “The Problems of Consolidation Standard in Japan: In Convergence with IFRS”, Kouichirou Matsumoto, Hokusei Gakuen University.

2. The 76th Regional Meeting at KKR Hotel Sapporo on November 7th, 2009.

- (1) “A Study of the Practical Use of Capital Investment Analysis Methods in Japan: The Multiple and Flexible Use of Methods by Japanese Companies”, Tomonari Shinoda, Hokkaido University.
- (2) “Convergence of Chinese Accounting Standards: A Strategic Perspective”, Lanlan Shao, Sapporo Gakuin University.
- (3) “Issues of Internal Control Report System and the Way Accounting Disclosure System Ought to Be”, Katsuyuki Kanda, Hokkaido University.

Tohoku Region

Yoshio Hosaka
Tohoku Gakuin University

The Tohoku Region of the Japan Accounting Association covers the north eastern (Tohoku) area of the main land.

In 2009, following two meetings were held.

(1)The 76th Meeting at Tohoku Institute of Technology on May 30th, 2009.

- (1) “An Empirical Study of the Effect of Accounting Firms’ Consulting Services for J-SOX in Japan”, Dairiki Ko, Ph.D Candidate, Graduate school of Business, Tohoku University.
- (2) “Variance Deployment of Revenue in Fixed Revenue Accounting”, Kosuke Matsuoka, Tohoku Gakuin University.

(2)The 77th Meeting at Aomori Public College On November 21st, 2009.

- (1) “Post Earnings Announcement Drift; Evidence in the Japanese stock markets”, Naohiko Matsumura, Tohoku Gakuin University.
- (2) “A Study in the Transition and Direction of Empirical Research on Intangible Asset Accounting”, Keikichi Kato, Hirosaki Univeristy.

Kanto Region

Shigemasa Kanai
Bunkyo Gakuin University

The 57th regional meeting was held at Bunkyo Gakuin University on December 5th, 2009. The main theme of the meeting was “Problems Surrounding Revenue Recognition Standard”. Discussions were coordinated by Eiko Tujiyama, Waseda University.

Following reports and panel discussions were presented.

- (1)“Problem Concerning an IASB·FASB “Revenue Recognition” project”, Katunobu Mandai, Hitotubasi University.
- (2) “Problem Concerning a Revenue Recognition Standard and a Conceptual

- Framework”, Yoshinori Kawamura, Waseda University.
- (3) “Problem Concerning a Revenue Recognition Standard and Audit”, Satoshi Komiyama, KPMG AZSA&Co.
 - (4) “Problem Concerning a Revenue Recognition Standard and an Accounting Practice”, Hideto Watanabe, Shimizu Corporation.

Chubu Region

Akihiro Noguchi
Nagoya University

The 120th Regional Meeting at Kanazawa University on April 18th, 2009.

1. “Real versus Accounting Manipulation on Earnings Management”, M Tazawa, Meijo University.
2. “The Explanation of Ledger Records Based on the Events Theory”, S Takeshima, Kanazawa University.

The 121st Regional Meeting at Chubu University on July 11th, 2009.

1. “International Movement toward Electronic Disclosure”, Hitoshi Abe, Chubu University.
2. “Financial Reporting for Islamic Banks in Malaysia”, Osamu Matsuda, Nagoya Sangyo University.
3. “Purpose of Financial Statement Presentation and the Statement of Cash Flow: Issues Related with the IASB Discussion Paper”, Hideki Endo, Tokai Gakuen University.
4. “The IASB/FASB’s Framework on Revenue Recognition and the System of Double-Entry Bookkeeping”, Tsukasa Nishidate, Mie Chukyo University.

The 122nd Regional Meeting at Nagoya University of Commerce and Business (Fushimi Campus) on December 5th, 2009.

Theme: The Results of Empirical Research and the Facts in Accounting Practice

Moderator: Akira Kobashi, Nagoya University of Commerce and Business

1. “Earnings Management in Acquisitions through Stock Deals in Japan”, Kensuke Yabe and Yasuharu Aoki, Nagoya University of Commerce and Business.
2. “Empirical Evidence of Effect by the Introduction of IFRSs in Germany”, Ko Tan, Nagoya University.
3. “Introduction of Defined Contribution Pension Plans and Earnings

- Management”, Kazuo Yoshida, Nagoya City University.
4. “Issues on Acquisitions through Stock Deals in Japanese Accounting Practice”, Kazuo Matsuoka, CPA.

Kansai Region

Izumi Watanabe

Osaka University of Economics

The 59th Kansai regional meeting of The Japanese Accounting Association (JAA) was held at Osaka University of Economics on December 19th, 2009. The main theme of the meeting was “The essence of accounting will have to be considered again – from the Theoretical, Historical and Empirical Approaches.” These three approaches were presented by Professor Yoshihiro Tokuga (Kyoto Univ.), Professor Hidetoshi Yamaji (Kobe Univ.) and Tatsuo Inoue (Kwansei Gakuin Univ.). In addition to these main presentations, we had a speech “Doing qualitative research in management accounting - why, how, and where” by a guest speaker, Professor Wai Fong Chua (senior associate dean of the Australian Business School, University of New South Wales, Australia).

Before the main session, we had interesting reports in three parallel sessions by nine young researchers, Yu Wang (Osaka Seikei University): “Chinese GAAPs—What’s a Role of IFRS in BRICs—”, Koji Okino (Hyogo University): “The New Accounting Regime of UK GAAP: A Three Tiers Approach by UK ASB’s Proposals on August 2009”, Tomomi Shiosaki (Hiroshima City University): “Applying IFRS for Individual Accounts: Evidence from Germany”, Noriaki Miyatake (Osaka University of Economics): “A Study on Problems of Missions Trading Schemes”, Takashiro Shinso (Doshisha University): “The Great Depression and Accounting for Investment Securities in U. S. Commercial Banks”, Yumiko Sankoji (Matsuyama University): “A Historical Study of Accounting in 14th century France: Before the Introduction of Double-entry Bookkeeping in France”, Hirofumi Asada (Kyoto University): “Analytical Frameworks in Management Accounting Change Study”, Kousuke Shiomi (Hiroshima University): “On the Application of a Design Structure Matrix to German Cost Accounting System” and Tsuyoshi Sato (Hiroshima University): “A Study on the Application of Balanced Scorecard to the Local Government— Comparative Analysis between a Framework in Japan and U.S. —”.

Kyushu Region

Chikako Ozu

Kyushu University

The Japanese Accounting Association (JAA) Kyushu regional conferences are regularly held two times a year – in early August and late March. This year, the summer conference was organized at Nakamura Gakuen University in Fukuoka city and the early spring conference was assembled at Kurume University. The title of topics and name of the presenters at each of the meetings are shown below:

1. The 84th meeting held at Nakamura Gakuen University, on 1st August, 2009.
 - (1) The Recent Development of Financial Reporting, Miho Nakamura, Oita University
 - (2) On the Income Determination Basis in Commercial Code, Shigeru Hirakawa, Kinki University
 - (3) The Development of Control Chart System in Dupon Co., Shin'ichi Korogi, Kurume University
 - (4) Some Issues in Tax Law Accounting in Japan, Hideo Suenaga, Kumamoto Gakuen University

2. The 85th meeting held at Kurume University, on 27th March, 2010.
 - (1) An Investigation on the Development of Target Costing and its Diffusion in 1950's in Japan, Okihiro Maruta, Kyushu University
 - (2) An Inquiry into Neutrality Criteria in Recent Auditing Standards in the U.S., Akira Nin, Kita Kyushu City University
 - (3) Questioning of Trial Sheet Equation in High School Textbook, Masahiro Ota, Fukuoka University