



Turku School of Economics

Accounting and Finance

Annual Report 2010



Turun yliopisto
University of Turku

Further information

For further information please contact:

	Noora Kedonperä Departmental Coordinator Department of Accounting and Finance Turku School of Economics
Address	Turku School of Economics FI-20014 University of Turku Finland

Telephone	+358 2 3339 317
Telefax	+358 2 3338 900
E-mail	noora.kedonpera@tse.fi

E-mail messages to the personnel can be sent in following way:
firstname.surname@tse.fi

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1 REVIEW BY THE HEAD OF ACCOUNTING AND FINANCE

The year 2010 was the first post-merger year of the new University of Turku, when Turku School of Economics became part of that bigger university. It was a challenging year due to several legal, administrative, cultural and information systems-related changes that took place or surfaced during the year. Another notable change was that prior to 2010 Accounting and Finance had formed a department of its own, but now it is one part of an enlarged Department of Accounting and Finance, together with the subjects of Business Law and Quantitative Methods in Management. Nevertheless, this new and enlarged department has worked very smoothly.

As far as research was concerned, the scholars of Accounting and Finance continued their efforts to conduct research of high international quality. There are many examples of such endeavours, the project “Innovation, competitiveness and the roles of management control systems”, funded by the Academy of Finland and led by Professor Markus Granlund, continued in co-operation with researchers of the Copenhagen Business School. Professor Hannu Schädewitz continued his project “Social responsibility as a value factor for companies in a global economy”, which was also funded by the Academy of Finland. New research projects of notable size and international coverage were developed during 2010, too. Scholars from Accounting and Finance published their works in several high quality journals during 2010, including Accounting, Organizations and Society, European Accounting Review, Management Accounting Research, Research in International Business and Finance, International Review of Economics & Finance and The Finnish Journal of Business Economics. In addition, several papers of the faculty members were accepted for publication in respected international journals. Antti Fredriksson successfully defended his Ph.D. thesis entitled “Soft and hard information in bank-firm relationships: The effect of relationship intensity and reporting conservatism on loan pricing and relationship value” in 2010.

The faculty of the Department worked within several international scientific organisations in many different ways, the most significant being the European Accounting Association (EAA), the American Accounting Association (AAA), and the European Institute for Advanced Studies in Management (EIASM). They also worked for international research journals on their editorial boards and as reviewers. Professor Granlund not only continued as an Associate Editor of the European Accounting Review, but was also appointed to the position of Associate Editor of the International Journal of Accounting Information Systems. Professor Mika Vaihekoski was appointed to a similar position on the European Journal of Finance, indicating that the development of the finance domain of the Accounting and Finance subject progresses well. Professor Kari Lukka organised and chaired the

7th EIASM conference on “New Directions in Management Accounting: Innovations in Practice and Research,” jointly with Prof. Michael Shields from Michigan State University.

Typical of the activities of Accounting and Finance were the several international academic visits that it received in 2010. The visitors formed a distinguished and stimulating mixture of scholars from across the entire spectre of Accounting and Finance and included Professor Jan Mouritsen (Copenhagen Business School, Denmark), Associate Professor Frederick Lindahl (George Washington University, USA), Assistant Professor Florin Vasvari (London Business School), Dr. Yuval Millo (London School of Economics), Dr. Allan Hansen (Copenhagen Business School), Dr. Matthew Hall (London School of Economics) and Dr. Silvana Revellino (Copenhagen Business School). Professor Lukka visited the China Europe International Business School (China), Professor Granlund University of Technology Sydney (Australia) and Dr. Hanna Silvola London School of Economics and Political Science (UK).

The faculty of Accounting and Finance also worked actively on a national level, for instance by organising a considerable number of departmental research seminars. The management accounting discussion group, coordinated by Dr. Erkki Vuorenmaa, assembled about once a month. The faculty also engaged in much cooperation with the business community. This included close co-operation with several companies related to ongoing field research projects. With regard to teaching the collaboration was most intensive with KPMG, PwC and the OP-Pohjola Group, while the Financial Supervision Authority of Finland is also deserving of special mention. Collaboration with Tofuture Oy continued in the teaching and research of the reporting of social responsibility.

Several members of the faculty of Accounting and Finance worked actively in the different management and working groups of the University of Turku and Turku School of Economics. Professor Lukka was elected to the membership of the University Collegium, which is the highest decision making organ of the University of Turku. Professor Granlund continued as a member of the management committee of the Turku Institute for Advanced Studies (TIAS).

During 2010 we were happy to welcome several new members to the faculty and staff of Accounting and Finance including Yeng Wai Lau (Postdoctoral researcher), Anna-Maija Lantto (Doctoral student) and Noora Kedonperä (Departmental coordinator).

It is my pleasure to warmly thank the entire personnel of Accounting and Finance for its most productive efforts and contributions during 2010.

Kari Lukka
Professor, Head of Department

2 STAFF PROFILES

Kari Lukka

Professor, Ph.D. (Econ. & Bus. Adm.), Head of Department



Kari's research interests as well as his international publication record cover a wide range of management accounting as well as accounting theory and methodology topics. His teaching focuses on management accounting, but he also gives a course on research methodology for doctoral students. Kari is actively involved in the executive MBA program of the School. He also is a Professor at the EIASM. In that context, he organizes and chairs, jointly with Prof. Michael Shields, the biannual conference on "New directions in management accounting", and is the coordinating faculty member of the EDEN doctoral course on "Case-based research in management accounting", organized biannually as well. In addition to being a member of the Board of Turku School of Economics, in recent years Kari has been actively involved in the strategy development and implementation processes going on at the School. He is also a member of the Collegium of the University of Turku.

Hannu Schädewitz

Professor, Ph.D. (Econ. & Bus. Adm.)



Hannu's research interests cover: discretionary corporate reporting, international accounting, corporate governance (especially State ownership steering), and role of information intermediaries (especially analysts). Currently Hannu analyzes how the recent integration of new members into the European Union affects financial reporting transparency in those countries. Also the role of international legal systems on accounting quality is on focus. Teaching areas include financial accounting theory and corporate governance. Hannu also supervises Master's and Doctoral thesis work.

Markus Granlund

Professor, D.Sc. (Econ. & Bus. Adm.), Vice-Director (Research and doctoral studies)



Markus' research interests cover a wide range of technical and behavioral issues in management accounting and information systems. His main interests currently concern the relationships between management control, uncertainty and innovativeness, the interface of modern IT and management control, the different applications of the Balanced Scorecard, and the nature and content of management accounting theory. Markus gives courses on advanced strategic management accounting, advanced management control systems, and recent developments in management accounting practice. He also supervises Master's and Doctoral thesis work. Markus is also an active lecturer in several executive training programs.

Mika Vaihekoski

Acting Professor, Ph.D. (Econ. & Bus. Adm.)



Mika's research interests cover questions related to asset pricing, emerging markets, historical development of financial markets, and the effects of ownership on companies' actions. His main interests currently are the historical equity premium in Finland and financial management and internal controls in the OMX listed firms. Teaching areas cover several courses in finance (corporate finance, asset pricing, portfolio theory and portfolio management). Mika also supervises Master's and Doctoral theses.

Matti Niinikoski

Lecturer, M.Sc. (Econ. & Bus. Adm.)



Matti is responsible for the introductory courses in financial accounting. He also supervises students' research work.

Ulla-Maarit Valve

Senior Lecturer, Lic.Sc. (Econ. & Bus. Adm.)



Ulla-Maarit is teaching financial accounting. Her main areas of interest are financial accounting and taxation. She also supervises students' research work.

Tuula-Marja Vilja

Senior Lecturer, M.Sc. (Econ. & Bus. Adm.)



Tuula is responsible for the introductory courses in cost accounting and management accounting. She also supervises students' research work. Tuula's main research interests include management accounting issues, accounting methodology and philosophy. She is also an active lecturer in several executive training programs.

Minna Vähäsalo

Lecturer, M.Sc. (Econ. & Bus. Adm.)



Minna is teaching cost accounting and management accounting.

Antti Fredriksson

Assistant Professor, D.Sc. (Econ. & Bus. Adm.)



Antti's research interest is in the area of accounting and financial intermediation. His research themes include bank-firm relationships, corporate governance and audit research. He gives courses on contemporary trends in financial accounting and auditing as well as a course on IFRS-standards. He also co-supervises Doctoral and Master's theses, and supervises Candidate thesis work.

Ulla-Maija Lakka

Acting Senior Research Associate, M.Sc. (Econ. & Bus. Adm.) (until July 2010)



Ulla-Maija's research interests are in the area of management accounting. She is currently completing her Ph.D. thesis under the title "The dynamics of management control package – The new CEO intervention". Ulla-Maija gives a course concerning qualitative research methods and teaches cases of management accounting problems. She also co-supervises Master's thesis work and teaches the course "Business and Teamwork" for first-year students. Previously she has also given lectures on cost accounting in English.

Hanna Silvola

Assistant Professor, Ph.D. (Econ. & Bus. Adm.)



Hanna's research interests cover a wide range of strategic management accounting and control issues including, for example, cost accounting, accounting information systems and advanced management control systems. Many of her research projects are related to high technology, R&D investments, start-ups and innovations. Her research projects cover both contingency based survey research and qualitative methods. Hanna teaches courses "Management Accounting Theory", "Accounting and Organizational Control" for third-year students and the course "Business and Teamwork" for first-year students. She also supervises Master's thesis work and teaches in TSE executive training program.

Eija Vinnari

Postdoctoral Researcher, D.Sc. (Technology)



Eija's research interests include questions related to public sector accounting, corporate social and environmental reporting as well as environmental management accounting. Her particular area of expertise is accounting for public infrastructure services. Eija teaches the course "Public Sector Accounting" for third-year students. She also supervises BSc theses as well as theses in the TSE executive training program.

Erkki Vuorenmaa

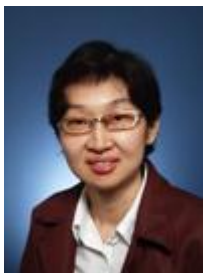
Assistant Professor, Ph.D. (Econ. & Bus. Adm.)



Erkki's research interests include management control, trust and corporate integration. He gives a course concerning qualitative research methods, mergers and acquisitions, and capital budgeting. He also supervises Master's and Doctoral theses. He is also a lecturer in executive training program.

Yeng Wai Lau

Postdoctoral Researcher, Ph.D. (Acctg. & Info. Sys.)



Yeng's research interests revolve around the cognitive and behavioral aspects of accounting judgments and decision making, using both quantitative and qualitative research methods. Currently, her main interest is in the knowledge structure and knowledge acquisition process of individual auditors in a case setting. She teaches management accounting and accounting information systems courses. She also supervises master's theses.

Hanna Pitkänen (born Karlsson)

Research Associate, M.Sc. (Econ. & Bus. Adm.) (on leave from December 2010)



Hanna's research interests include issues related to management accounting control, sociological theories and qualitative research methods. She is currently working on her Ph.D. thesis under the title "Theorizing feedback in management accounting: the coupling of formal and informal approaches". She also supervises students' Bachelor's and Master's theses, teaches and coordinates the course "Business and Teamwork" for first-year students, and reads for a pedagogy degree at Turku University Department of Education.

Niina Ahokas

Doctoral Student, M.Sc. (Econ. & Bus. Adm.) (from December 2010)



Niina's research interests are in the area of corporate internal control and qualitative research methods and she is currently working on her Ph.D. thesis. She is teaching the courses for "Cost Accounting" and "Business and Teamwork" for first-year students, and also supervises students' bachelor's theses.

Mikko Kepsu

Research Associate, M.Sc. (Econ. & Bus. Adm.)



Kepsu's research interests are in the area of finance and financial accounting. He is currently working on his Ph.D. thesis under the title "Earnings management in the process of preparing corporate financial reports". Teaching areas cover courses in finance. Kepsu is also a lecturer in the executive MBA program of the School.

Anna-Maija Lantto

Research Associate, M.Sc. (Econ. & Bus. Adm.) (from August 2010)



Anna-Maija's research interests are in the area of the IFRS adoption and its implications. She is currently working on her Ph.D. thesis under the title "IFRS adoption: perspectives of preparers and users of information". Anna-Maija also teaches a course concerning qualitative research methods and supervises Master's thesis work.

Juuso Lindeqvist

Acting Research Associate, M.Sc. (Econ. & Bus. Adm.) (until July 2010)



Juuso's research interests are in the area of management accounting. He is currently working on his Ph.D. thesis under the title "Strategic management control of expert organizations". Juuso gives lectures on cost management in English, teaches cost accounting for first-year students and exercises of the course "Accounting information systems". He also co-supervises students' master's theses.

Leena Henderson

Departmental Coordinator, M.Ed. (on leave from April 2007)



Riina Karskela

Acting Departmental Coordinator, M.Sc. (Soc. Sc.) (on leave from November 2010)



Riina deals with general-, staff- and educational tasks in the department. Riina is also secretary of the Board of the Department.

Noora Kedonperä

Acting Departmental Coordinator, M.Phil. B.Ed. (from November 2010)



Ilona Karkulehto

Acting Educational and Research Secretary



Ilona takes care of all kinds of financial and educational administrative tasks in the department.

Atte Salminen

Trainee, Research Assistant

Joona Rauhamäki

Research Assistant

Juhani Lassila

Project Researcher, Part-time Teacher

3 RESEARCH ACTIVITIES

3.1 Publications 2006–2010

3.1.1 Articles in Refereed International Journals or Edited Books

- Ahrens, T. – Becker, A. – Burns, J. – Chapman, C. – Granlund, M. – Habersam, M. – Hansen, A. – Khalif, R. – Malmi, T. – Mennicken, A. – Mikes, A. – Panozzo, F. – Piber, M. – Quattrone, P. – Scheytt, T. (2008) The future of interpretive accounting research – A polyphonic debate. *Critical Perspectives on Accounting*, 19:6, 840–866.
- Antell, J. – Vaihekoski, M. (2007) International Asset Pricing Models and Currency Risk: Evidence from Finland 1970-2004. *Journal of Banking and Finance*, 31:9, 2571-2590.
- Blevins, D. R. – Kahra, H. A. – Kanto, A. J. – Schädewitz, H. J. (2006). Anatomy of interim disclosures during bimodal return distributions. *The European Journal of Finance*, 12:1, 61–75.
- Brown, D. – Granlund, M. – Sundin, H. (2010) Balancing multiple conflicting objectives with a Balanced Scorecard. *European Accounting Review*, 19(2), 203-246.
- Carmona, S. – Lukka, K. (2010) Obituary. Anthony G. Hopwood 1944-2010. *European Accounting Review*, Vol. 19, No. 3, 395–398.
- Dechow, N. – Granlund, M. – Mouritsen, J. (2006) Management control of the complex organization: Relationships between management accounting and information technology. In C. Chapman – A. Hopwood – M. Shields (Eds.) *Handbook of Management Accounting Research*, Vol. II, Elsevier (Chapter 7).
- Dechow, N. – Granlund, M. – Mouritsen, J. (2007) Interactions between modern information technology and management control. In T. Hopper – D. Northcott – R.W. Scapens (Eds.) *Issues in Management Accounting*, 3rd Edition, Prentice Hall (Chapter 3).

- Fedorova, E. – Vaihekoski, M. (2009) Global and local sources of risk in Eastern European emerging stock markets. *Czech Journal of Economics and Finance*, 59:1, 2-19.
- Frederiksen, H. – Vinnari, E. (2010) Water, food and economy. *Environment & History* 16(2), 195-212.
- Granlund, M. – Malmi, T (2009) Agreeing on problems, where are the solutions? A reply to Quattrone. *European Accounting Review*, 18:3, 631-639.
- Granlund, M. – Malmi, T (2009) In search of management accounting theory. *European Accounting Review*, 18:3, 597-620.
- Grönlund, T. – Louko, A. – Vaihekoski, M. (2008) Corporate Real Estate Sale and Leaseback Effect: Empirical Evidence from Europe. *European Financial Management*, 14:4, 820–843.
- Hukka, J.J. – Vinnari, E. (2010) An international comparison of the institutional governance of water utility asset management and its implications for Finland. *Water Policy* 12(1), 52–69.
- Juuti, P.S. – Katko, T.S. – Vinnari, E. (2010) Editorial Note: “Pasts and Futures of Water”. *Environment & History* 16(2), 167-171.
- Jönsson, S. – Lukka, K. (2006) There and back again. Doing interventionist research in management accounting. In C. Chapman – A. Hopwood – M. Shields (Eds.) *Handbook of Management Accounting Research*, Vol. II, Elsevier, 373–397.
- Kakkuri-Knuuttila, M.-L. – Kuorikoski, J. – Lukka, K (2008) No premature closures of debates, please: A response to Ahrens. *Accounting, Organizations and Society*, 33:2/3, 298–301.
- Kakkuri-Knuuttila, M.-L. – Kuorikoski, J. – Lukka, K (2008) Straddling between paradigms: A naturalistic philosophical case study on interpretive research in management accounting. *Accounting, Organizations and Society*, 33:2/3, 267–291.
- Liljeblom, E. – Vaihekoski, M. (2009) Corporate ownership and managerial short-termism: Results from a Finnish study of management perceptions. *International Journal of Production Economics*, 117: 2, 427-438.

- Lukka, K. (2007) Accounting Theory. Essays by Carl Thomas Devine. Book review on Hendriksen H. S. – Williams, P. F. (eds.) *European Accounting Review*, 16:3, 655–659.
- Lukka, K. (2007) Management Accounting Change and Stability: Loosely Coupled Rules and Routines in Action. *Management Accounting Research*, 18:1, 76–101.
- Lukka, K. (2010) The roles and effects of paradigms in accounting research. *Management Accounting Research*. 21:2, 110-115.
- Lukka, K. – Modell, S. (2010) Validation in interpretive management accounting research. *Accounting, Organizations and Society*. 35:4, 462-477.
- Niskala, M. – Schadewitz, H. (2010) Communication via responsibility reporting and its effect on firm value in Finland. *Corporate Social Responsibility and Environmental Management*. Vol. 17, No. 2.
- Nyberg, P. – Vaihekoski, M. (2010) A new value-weighted index for the Finnish stock market. *Research in International Business and Finance*, 2010, vol. 24, no. 3, 267-283.
- Perttunen, J. – Schadewitz, H. – Vieru, M. (2006). How investors trade around interim earnings announcements. *Journal of Business Finance & Accounting*, 33:1/2, 145–178.
- Saleem, K. – Vaihekoski, M. (2009) Pricing of global and local sources of risk in Russian stock market. *Emerging Markets Review*, 9:1, 40-56.
- Saleem, K. – Vaihekoski, M. (2010) Time-varying global and local sources of market and currency risk in Russian stock market. *International Review of Economics & Finance* vol. 19, no. 4, 686-697.
- Schadewitz, H. (2009) *Financial and nonfinancial information in interim reports*. Lambert Academic Publishing (reprinted Doctoral Dissertation).
- Vaihekoski, M. (2009) Pricing of liquidity risk: Empirical evidence from Finland. *Applied Financial Economics*, 19:19, 1547-1557.

3.1.2 Articles in Finnish Journals

- Ahokas, N. (2007) Sarbanes-Oxley on osa Yhdysvalloissa listattujen suomalaisyritysten sisäistä valvontaa. *Tilintarkastus - Revision* 3/2007.
- Ahokas, N. (2010) Miten rakentaa liiketoimintaa tukeva sisäinen valvonta? *Tilintarkastus - Revision* 5/2010.
- Fredriksson, A. (2007) Tilinpäätösraportoinnin laatu ja sen merkitys pankkisuhteissa. *Tilintarkastus - Revision* 2/2007: 30–33.
- Granlund, M. – Lukka, K. (2009) Uncertainty and the control of the drug discovery and development process. *Dosis*, 25:1, 49-55.
- Liljeblom, E. – Vaihekoski, M. (2010) Who creates short-term pressure? An analysis of firms with different ownership structures. *The Finnish Journal of Business Economics*, 2010, vol. 59, no. 3, 239-264.
- Partanen, V. (2007) Talousviestintä johtamisen tukena. *Yritystalous WalkAbout*, 4/2007: 50–53.
- Partanen, V. (2007) Vaikuttava talousviestintä johtamisen tukena. *Tilisanomat* 3/2007: 50–53.
- Schadewitz, H. – Vieru, M. (2010) Impact of IFRS transition on audit and non-audit fees: evidence from small and medium-sized listed companies in Finland. *The Finnish Journal of Business Economics*, no. 1, p. 2, pp. 11-40.

3.1.3 Publications in the Series of the Turku School of Economics

- Fredriksson, A. (2010) *Soft and hard information in bank-firm relationships: The effect of relationship intensity and reporting conservatism on loan pricing and relationship value*. Publications of the Turku School of Economics, Series A-5:2010.
- Granlund, M. (2007) Tietoteknisen kehityksen vaikutus johdon laskentatoimen informaation tuottamiseen: havaintoja käytännöistä ja tutkimuksesta. Teoksessa R. Suomi – H. Salmela – M. Ruohonen (toim.) *Tutkijasta johtajaksi – Näkökulmia akateemiseen ja liike-elämän johtamiseen*. Publications of the Turku School of Economics, Series C-2:2007.

- Granlund, M. (2007) *Total Quality in Academic Accounting – Essays in honour of Kari Lukka*. Publications of the Turku School of Economics, Series C-3:2007.
- Granlund, M. (2009) *On the interface between accounting and modern information technology*. Publications of the Turku School of Economics, Series A-13:2009.
- Granlund, M. – Malmi, T. (2007) How to proceed in building management accounting theory? In M. Granlund (ed.), *Total Quality in Academic Accounting – Essays in honour of Kari Lukka*. Publications of the Turku School of Economics, Series C-3:2007.
- Lukka, K. (2006) Kuinka käytännönläheinen kauppakorkeakoulun tulisi olla? Kirjassa Paalumäki, A. (toim.) *Tieteestä ulospäin. Puheenvuoroja kauppatieteellisen tiedon merkityksestä yhteiskunnassa*. Publications of the Turku School of Economics, Series C-1:2006, 60–64.
- Lukka, K. (2007) Kansainvälisyyden monet kasvot. Teoksessa Suomi, R. – Salmela H. – Ruohonen, M. (toim.) (2007) *Tutkijasta johtajaksi. Näkökulmia akateemiseen ja liike-elämän johtamiseen*. Publications of the Turku School of Economics, Series C-2:2007, 213–219.
- Lukka, K. (2008) Antti Paasio – luova innovaattori ja sanataiteilija. Teoksessa Malinen, P. & Paasio, K. (toim.) *Work in Progress. ”Tiistaiamu 2.9.1986, klo 8:15. Satoi vettä ja olin yksin...”*. Publications of the Turku School of Economics, Series C-1:2008, 63–67.
- Manner, A. (toim.) (2006) *Kehitystrendejä tilinpäätösmaailmassa*. Publications of the Turku School of Economics, Series B-1:2006.
- Partanen, V. (2007) Theoretical reasoning in the grounded theory approach, In Markus Granlund (ed.) *Total quality in academic accounting*, Publication of Turku School of Economics, Series C-3:2007, 225–248.
- Perera, H. – Schadewitz, H. (2007) Accounting and corporate governance: an investigation into the associated issues in Baltic countries. In M. Granlund (ed.), *Total quality in academic accounting – Essays in honour of Kari Lukka*, Publications of the Turku School of Economics, Series C-3:2007, 249–266.

3.1.4 Other Publications

- Abdullah, A. – Lau, Y. – Ong, T.S. (2010) *Accounting Research 2010*. University Putra Malaysia Press.
- Brown, D. – Granlund, M. – Sundin, H. (2007) *Multiple objectives, management control systems, and the balanced scorecard: An exploratory case study*. University of Technology Sydney, School of Accounting Working Paper Series, 80:2007.
- Ding, Y. – Hope, O.-K. – Schädewitz, H. (2007) Financial transparency in Nordic and Baltic regions. In P. Vahtra – E. Pelto (Eds), *The future competitiveness of the EU and its Eastern neighbours – Proceedings book of the conference* (ISBN 978-951-564-406-0), p. 207–230. Esa Print: Tampere.
- Fedorova, E. – Vaihekoski, M. (2008) *Global and local sources of risk in Eastern European emerging stock markets*. The Bank of Finland Institute for Economies in Transition (BOFIT), BOFIT Discussion Papers 27/2008. 32 pages.
- Järvenpää, M. – Partanen, V. – Tuomela, T.-S. (2007) *Moderni taloushallinto – haasteet ja mahdollisuudet* (Modern Controllership: Challenges and Opportunities), EDITA. 4th edition. 359 pages.
- Kepsu, M. – Schädewitz, H. – Vieru, M. (2008) *Performance of analysts' earnings forecasting - evidence from Finnish emerging markets 1987-2005*. Discussion paper series of The Research Institute of the Finnish Economy (ETLA), No. 1160.
- Lukka, K. (2006) Interventionist research. *Financial Management*, November 2006. ISSN (printed): 1471-9185, p. 36.
- Lukka, K. (2006) Konstruktiivinen tutkimusote: luonne, prosessi ja arviointi. Kirjassa Rolin, K. – Kakkuri-Knuuttila, M.-L. – Henttonen, E. (toim.)(2006) *Soveltava yhteiskuntatiede ja filosofia*, p. 111–133. Gaudeanus.
- Lukka, K. – Pitkänen, H. (2010) Formal and informal feedback in management accounting - Taking a look beyond the balanced scorecard. *CIMA Research executive summary series*, Vol. 6, Issue 14, 8 p.
- Nyberg, P. – Vaihekoski, M. (2009) *A new value-weighted total return index for the Finnish stock market*. Bank of Finland, Discussion Papers Series, 2009, No. 21.

Nyberg, P. – Vaihekoski, M. (2009) A new value-weighted total return index for the Finnish stock market. In Nyberg, Peter: *Essays on Risk and Return*. Helsinki: Hanken School of Economics, Publications of the Hanken School of Economics, No 198.

Partanen, V. (2007) *Talousviestintä johtamisen tukena*.

Saleem, K. – Vaihekoski, M. (2009) Time-varying global and local sources of risk in Russian stock market. In Saleem, Kashif: *Essays on Pricing of Risk and International Linkage of Russian Stock Market*. Acta Universitatis Lappeenrantaensis 343. Lappeenranta: Lappeenranta University of Technology.

Schadéwitz, H. (2006). Accounting in Scandinavian – The Northern Lights. (book by Jönsson, S. – Mouritsen, J. (eds.), (2005). Kristianstad: Liber & Copenhagen Business School Press). A book review for the *Scandinavian Journal of Management*, 22:2, 180–182.

Schadéwitz, H. – Vieru, M. (2007) Use of interim earnings information on the Helsinki Stock Exchange. In T. Rothovius – J. Nikkinen (Eds), *Contributions to Accounting and Finance – Essays in Honour of Professor Paavo Yli-Olli*, Acta Wasaensia, No. 173 (ISBN 978-952-476-180-2), p. 331–350. Yliopistopaino: Vaasa.

Schadéwitz, H. (2009) International Accounting (1st Edition). (book by Dougnik, T. S. & Perera, H. B., (2007). Boston: McGraw-Hill/Irwin). A book review for the *European Accounting Review*, 18:1, 177-179.

Vaihekoski, M. (2008) *History of finance research and education in Finland: the first thirty years*. Bank of Finland, Discussion Papers Series, 2008, No. 18.

3.2 Conference Presentations

Ahrens, T. – Becker, A. – Burns, J. – Chapman, C. – Granlund, M. – Habersam, M. – Hansen, A. – Khalif, R. – Malmi, T. – Mennicken, A. – Mikes, A. – Panozzo, F. – Piber, M. – Quattrone, P. – Scheytt, T. (2006) The future of interpretive accounting research – A polyphonic debate. *Paper presented at the 29th Annual Congress of the European Accounting Association*, Dublin, Ireland.

- Antell, J. – Vaihekoski, M. (2008) Pricing of Currency Risk in Stock Markets. Empirical Evidence from Sweden and Finland. *Financial Management Association (FMA) 2008 European Conference*, Prague, Czech Republic.
- Antell, J. – Vaihekoski, M. (2008) Pricing of Currency Risk in Stock Markets. Empirical Evidence from Sweden and Finland. *Midwest Finance Association (MFA) 2008 Conference*, San Antonio, TX, USA.
- Broussard, J. P. – Vaihekoski, M. (2010) Profitability of Pairs Trading: Empirical Evidence from Finland. *Paper presented at the 6th Portuguese Finance Network 2010 Conference*, Azores.
- Brown, D. – Granlund, M. – Sundin, H. (2006) MCS and the Balanced Scorecard's Role in Managing Multiple Competing Objectives. *Proceedings of the Annual Conference of the Accounting and Finance Association of Australia and New Zealand (AFAANZ)*, Wellington, New Zealand, July 2–4, 2006.
- Brown, D. – Granlund, M. – Sundin, H. (2006) Multiple objectives, management control systems, and the Balanced Scorecard – An exploratory case study. *Proceedings of the 5th Conference on New Directions in Management Accounting (EIASM)*, Brussels, December 14–16, 2006.
- Brunzell, T. – Liljeblom, E. – Vaihekoski, M. (2010) Short-Term Expectations in Listed Firms: The Mitigating Impact of Large Owners”. *Paper presented at the 19th Annual Conference of the European Financial Management Association*, Aarhus, Denmark.
- Ding, Y. – Hope, O.-K. – Schädewitz, H.J. (2006). Country effects on financial reporting transparency: a comparison between Nordic and Baltic countries. *In Programme and collected abstracts of the 29th Annual Congress of the EAA*, Dublin, Ireland.
- Ding, Y. – Hope, O.-K. – Schädewitz, H.J. (2006). Region effects on financial reporting transparency: a comparison between Nordic and Baltic countries. *Paper presented at the EIASM workshop on Financial Market Development in the Central and Eastern European Countries*, Prague, Czech Republic.
- Ding, Y. – Hope, O.-K. – Schädewitz, H.J. (2006). Region effects on financial reporting transparency: a comparison between Nordic and Baltic countries. *4th INFINITI Conference on International Finance*, Trinity College Dublin, Ireland.

- Ding, Y. – Hope, O.-K. – Schadewitz, H. (2008) Effect of accounting regime change on firm-level disclosure. *Abstract In Proceedings of the International Conference on Business Analysis, Accounting, Taxes and Auditing (IBAATA)*, Tallinn, Estonia.
- Fredriksson, A. (2007) The Effect of Relationship Intensity and Value on Loan Pricing. *Proceedings in 20th Australasian Banking and Finance Conference*.
- Fredriksson, A. (2008) The Pricing of Reporting Conservatism in Private Loan Contracts. *Proceedings in 20th Asian-Pacific Conference on International Accounting Issues*.
- Fredriksson, A. (2009) The Effect of Relationship Intensity and Reporting Conservatism on Loan Pricing and Relationship Value. *Proceedings in 21st Asian-Pacific Conference on International Accounting Issues*.
- Fredriksson, A. (2010) The Effect of Relationship Intensity and Reporting Conservatism on Loan Pricing and Relationship Value. *Proceedings in EAA 33rd Annual Congress*, Istanbul.
- Granlund, M. – Malmi, T. (2006) Debating the content and role of management accounting theory. *Proceedings of the Annual Conference of the Accounting and Finance Association of Australia and New Zealand (AFAANZ)*, Wellington, New Zealand, July 2–4, 2006.
- Granlund, M. – Malmi, T. (2006) In search of management accounting theory. *The 29th Annual Congress of the European Accounting Association*, Dublin, March 21–23, 2006.
- Granlund, M. (2007) On the interface between management accounting and modern information technology. *The 30th Annual Congress of the European Accounting Association*, Lisbon, April 25–27, 2007.
- Granlund, M. (2007) Plenary speech: Research opportunities in the interface between management control and modern IT. *8th International Research Symposium on Accounting Information Systems*, Montreal, December 8–9, 2007.
- Granlund, M. (2008) Balancing multiple competing objectives with a Balanced Scorecard. *Research seminar presentation at Groupe HEC*, France, December 5, 2008.

- Karlsson, H. (2007) Formal and informal feedback in the balanced scorecard environment. Research seminar presentation at the *EDEN doctoral seminar on case-based research in management accounting*, Brussels, Belgium, 11 April 2007.
- Karlsson, H. (2008) The forms and roles of formal and informal feedback in management accounting. Research seminar presentation at the *4th doctoral summer school in management accounting*, Siena, Italy, 20-23 July 2008.
- Karlsson, H. – Lukka, K. (2009) Formal and informal feedback in management accounting: a case study with Bourdieu's practice theory. *Paper presented at the 7th Conference of the European Network for Research in Organisational & Accounting change*, Dundee, Scotland, 23-25 June 2009.
- Karlsson, H. – Lukka, K. (2009) The power of formal and informal feedback in management accounting: a case study with Bourdieu's practice theory. *Paper presented at the 32nd Annual Congress of the European Accounting Association*, Tampere, Finland, 12-15 May 2009.
- Karlsson, H. – Lukka, K. (2009) Three dimensions for formal and informal feedback in management accounting. *Paper presented at the 5th Conference on Performance Measurement and Management Control*, Nice, France, September 23-25, 2009.
- Kepsu, M. (2009) Earnings management in the process of preparing corporate financial reports. *Presented at the European Accounting Association (EAA) 25th Doctoral Colloquium in Accounting*, Tampere, Finland, May 10-12, 2009.
- Kepsu, M. – Schadewitz, H. – Vieru, M. (2008) Impact of State governance on analysts' forecasts - evidence from Finland. *In Programme and collected abstracts of the 31st Annual Congress of the EAA*, Rotterdam, the Netherlands.
- Kepsu, M. – Schadéwitz, H. – Vieru, M. (2009) Does State ownership steering help or hinder analysts' forecasting? *In Programme and collected abstracts of the 32nd Annual Congress of the EAA*, Tampere, Finland.
- Kepsu, M. – Schadéwitz, H. – Vieru, M. (2009) Does State ownership steering help or hinder analysts' forecasting? *7th International Conference on Accounting*, Athens, Greece, July 6-9, 2009.

- Lukka, U.-M. (2007) Taking charge via management control system change – the interplay between formal and informal controls. *The 30th Annual Congress of the European Accounting Association*, Lisbon, April 25-27, 2007.
- Lau, Y. (2010) *Management Accounting Section Research and Case Conference and IMA/MAS Doctoral Colloquium*, January 6-9, 2010, Seattle, Washington.
- Liljeblom, E. – Vaihekoski, M. (2008) Owners' way or the highway: Short-term pressure and owner impatience. *17th Annual Conference of the European Financial Management Association (EFMA)* 2008, Athens.
- Lindahl, F. – Schädewitz, H. (2008) US GAAP and IFRS – How close is “close enough”? *In Programme and collected abstracts of the 31st Annual Congress of the EAA*, Rotterdam, the Netherlands.
- Lindahl, F. – Schädewitz, H. (2008) US GAAP and IFRS: how close is “close enough”? *In Programme of the Academy of International Business Annual Meeting* (50th anniversary), Milan, Italy.
- Lindahl, F. – Schädewitz, H. (2009). The role of international legal systems on accounting quality. *In Programme and collected abstracts of the 13th Annual Financial Reporting and Business Communication Conference (FRBC)*, Cardiff, UK.
- Lukka, K. (2006) Chairman of the 5th *EIASM Conference* on “New Directions in Management Accounting: Innovations in Practice and Research” (jointly with Michael Shields). Brussels, Belgium, December 14-16, 2006.
- Lukka, K. (2006) *How to validate interpretive research in management accounting?* University of Oxford, Saïd Business School, November 8, 2006.
- Lukka, K. (2006) *How to validate interpretive research in management accounting?* Warwick Business School, November 1, 2006.
- Lukka, K. (2006) Invited speech on “Interventionist research in management accounting”. *CIMA's R&D Forum*, London, UK, April 5, 2006.
- Lukka, K. (2006) Plenary speech on “Interventionist research in management accounting”. *British Accounting Association, Annual conference*, Portsmouth, UK, April 12, 2006.

- Lukka, K. (2007) Europe meets America: Exploring diverse research perspectives. Panel presentation, *American Accounting Association, Annual Meeting*, Chicago, USA, August 7, 2007.
- Lukka, K. (2008) Chairman of the 6th *EIASM Conference* on “New Directions in Management Accounting: Innovations in Practice and Research” (jointly with Michael Shields). Brussels, Belgium, 15-17 December 2008.
- Lukka, K. (2008) *Validation in interpretive management accounting research* (jointly with Sven Modell). Manchester Business School, June 10, 2008.
- Lukka, K. (2008) *Validation in interpretive management accounting research*. University of Venice, May 27, 2008.
- Lukka, K. (2009) Active engagement outside accounting research comfort zones. Panel presentation, *AAA Annual Meeting*, New York, USA, 2-5 August 2009.
- Lukka, K. (2009) Chairman and speaker at the symposium on “The roles and effects of paradigms in accounting research”. 32th *Annual Congress of the EAA*, Tampere, Finland, 13-15 May 2009.
- Lukka, K. (2009) *True scholarship in the era of publish or perish –mentality*. Panel presentation at the seminar on “The functioning of the academic community”, The University of Turku (COREHES), 12 October 2009.
- Lukka, K. (2010) Approaches to case research in management accounting. Key note speech, 6th *Annual Conference at the University of Economics* entitled “Through crisis reflection to performance enhancement”, Prague, Czech, 15 September 2010.
- Lukka, K. (2010) Chairman of the 7th *EIASM Conference* on “New Directions in Management Accounting: Innovations in Practice and Research” (jointly with Michael Shields). Brussels, Belgium, 15-17 December 2010.
- Lukka, K. (2010) *Mission impossible? The roles of managerial interventions and organisational ideologies in advancing change*. Research seminar presentation, CEIBS, Shanghai, China, 15 November 2010.
- Lukka, K. (2010) The Future of Management Accounting Departments. Panel presentation, *AAA/MAS Midyear Meeting*, Seattle, Washington, USA, 7-9 January 2010.

- Lukka, K. (2010) The roles and effects of paradigms in accounting research”. Key note speech at the *Conference “MAR 2010 – Interdisciplinary research in cost, profitability and performance management in manufacturing, logistics and service operations”*. Ghent, Belgium, 21-23 June 2010.
- Niskala, M. – Schadewitz, H. (2007) Towards a transformation of corporate responsibility into financial value measures. *Paper presented at the Responsibility business – practice, research and development seminar*, Turku, September 2007.
- Niskala, M. – Schadewitz, H. (2009) Financial value measurement of corporate responsibility. In Mumba, & T. Ketola (Eds), *Responsible Leadership. Proceedings of the Corporate Responsibility Research (CRR) Conference*. University of Vaasa, Finland.
- Nyberg, P. – Vaihekoski, M. (2006) Descriptive Analysis of Finnish Equity, Bond, and Money Markets 1920-2004. *15th Annual Conference of the European Financial Management Association (EFMA) 2006*, Madrid.
- Nyberg, P. – Vaihekoski, M. (2009) A new value-weighted index for the Finnish stock market. *18th Annual Conference of the European Financial Management Association (EFMA) 2009*, Milan.
- Saleem, K. – Vaihekoski, M. (2009) Time-varying global and local sources of risk in Russian stock market. *16th Annual Conference of the Multinational Finance Society (MFS) 2009*, Cyprus.
- Schadewitz, H. – Vieru, M. J. (2006). Finnish evidence of implementation and value relevance of IFRS standards. *In Programme and collected abstracts of the 29th Annual Congress of the EAA*, Dublin, Ireland.
- Schadewitz, H. – Vieru, M. (2008) Impact of IFRS transition complexity on audit and non-audit service fees: evidence from small and medium-sized listed companies in Finland. *In Programme and collected abstracts of the 31st Annual Congress of the EAA*, Rotterdam, the Netherlands.
- Silvola, H. (2009) Creation of management control systems in start-up and growth firms – A field study of high technology firms. *5th Conference on Performance Measurement and Management Control*, Nice, France.

- Silvola, H (2010) Creating Management Control Systems for Radical Innovations: How does the Source of Funding Matter? *33rd Annual Congress of the European Accounting Association*, Istanbul, Turkey.
- Silvola, H. (2010) Hanna Silvola was an appointed discussant to Ph.D. student Tiina Henttu-Aho "Dynamics behind the new budgeting practices: viewpoint of ERPS and controller's changing role". *Annual Doctoral Tutorial of Accounting, Oulu, Finland*. 3-4.6.2010.
- Vaihekoski, M. (2009) Pricing of liquidity risk: Empirical evidence from Finland. *European Financial Management Association (EFMA) 2006 Conference*. Spain, Madrid.
- Vinnari, E. (2010) A three-dimensional roadmap for structuring accounting research: how to locate Actor-Network Theory? *EIASM 7th Conference on New Directions in Management Accounting*, Brussels, Belgium, 15.-17.12.2010.
- Vinnari, E. (2010) The roles of risk management technologies in the public sector. *EIASM 6th International Conference on Accounting, Auditing and Management in Public Sector Reforms*. Copenhagen, Denmark, 1.-3.9.2010.
- Vuorenmaa, E. (2007) The development of trust in the trust and control relationship in the organizational context. *Presented at the 4th EIASM workshop on trust within and between organizations*, Amsterdam, October 2007.
- Vuorenmaa, E. (2008) Imbalance in trust and control relationships: reasons, outcomes and decision-making problems. *Presented at the 6th New Directions of Management Accounting Conference*, Bryssel, December 15-17, 2008.
- Vuorenmaa, E. (2009) Fate as a governance principle: the reasons and outcomes of imbalanced trust and control relationships. *Presented in European Accounting Association Conference* 13-15.5.2009.

3.3 Research in Progress

Niina Ahokas

Niina is working on her doctoral thesis in progress which deals with the institutionalization of internal control system under Sarbanes-Oxley legislation. Her study seeks to shed light on the factors that enables, or on the other hand disturbs the institutionalization of internal control system. The study is con-

ducted via case-study method in a multinational organization that is subject to Sarbanes-Oxley legislation.

Antti Fredriksson

Antti's doctoral thesis was examined in December, 2010. Based on the material of the dissertation several studies are in progress. The ongoing work titled "Asymmetric information, loan pricing and relationship value" studies the differential level of asymmetric information between relationship and financial statement lending technologies. Other studies analyze bank-firm relationships and their importance to private firms. Several other post-doctoral projects will be started on research themes of bank-firm relationships, corporate governance and audit research. Joint work with colleagues will be emphasized.

Markus Granlund

Together with Prof. Kari Lukka (TSE), Markus has a research project (financed by the Academy of Finland) currently entitled "Problematizing the concept of uncertainty in management accounting research". Whereas there is a vast literature trying to explain how uncertainty connects to supply and demand of information for managerial decision making and control, the research results appear to be confusing, even contradictory. Based on fieldwork in the drug development business, the study makes understandable the mixed findings of prior contingency research, which so heavily relies on the standard and abstract notions and measures of perceived environmental uncertainty and task uncertainty. The study thus aims to add an important piece into the puzzle of how we should proceed in theorizing MAS design and use as it shows how important it is to carefully theorize about conceptual constructs and models based on observations of their real-life emergence.

A project entitled "How management control technologies participate in balancing global vs. local tensions" with David Brown (University of Technology Sydney) and Teemu Malmi (Aalto University) extends previous research on the 'balance' or 'balancing effects' of the BSC, as it examines the balancing of tensions between local and global managerial concerns. We know little about the local responses when such managerial technologies, mediating global objectives, enter organizations: how global concerns are translated through hierarchies toward local levels and what kinds of things are localized in various systems in use? And, on the other hand, how local knowledge and experience may be built into management control systems, translating local concerns towards the global level?

Mikko Kepsu

Kepsu's doctoral thesis is in progress under the title: "Earnings management in the process of preparing corporate financial reports". Kepsu uses the case method in his study and he comprehensively analyses earnings management behaviour in the case firm. Generally the study will shed light on how earnings management originates and occurs in practice in the process of preparing corporate financial reports.

For collaboration with Hannu Schadéwitz, see under Hannu Schadéwitz.

Anna-Maija Lantto

Anna-Maija Lantto's doctoral thesis in progress deals with the IFRS adoption and its implications. The thesis consists of four essays. Three of the essays are in progress and one is published paper. The first of the essays is under the working title: "Rising to the challenges of IFRS: A case study of IFRS adoption and its implications on reporting practices" and the second is under the title: "Redefining boundaries of financial reporting". The third essay is a case study of the IFRS adoption and its implications on management control. The essay is written together with Hanna Silvola. In addition to these three essays, Anna-Maija has also research project with Henry Jarva (University of Oulu) examining the information content of IFRS versus domestic accounting standards (evidence from Finland). The research project is under review in an international journal.

Yeng Wai Lau

Yeng's research in progress examines the knowledge structure and knowledge acquisition process of individual auditors. More specifically, the study aims at ascertaining the manner in which individual auditors' knowledge is organized, which determines auditors' orientation, i.e. the extent to which auditors are rules versus principles-oriented. The study also attempts to understand how conducive the current audit exposure and training environment are in facilitating the development of auditors' orientation; towards rules versus principles.

Kari Lukka

Kari has a co-project with Vesa Partanen under the working title "Mission impossible? The role of managerial interventions and ideologies in advancing change". This project is a longitudinal case study in a globally operating company focusing on the implementation of a new business model. It centrally explores, why some organisational change projects succeed, while many, if not most, of them fail and what management can do in order to pull organisational change projects off. While this project examines the use and effects of various

modes of managerial interventions, its main focus is on exploring the possibilities of an ideology change in an organisation.

A joint research project with the working title “Challenges of conducting interventionist research in management accounting: A reflective analysis” with Petri Suomala and Jouni Lyly-Yrjänäinen (Tampere University of Technology) examines the key features of interventionist management accounting research. The paper is based on a thorough reflection on the longitudinal interventionist case research of Jouni Lyly-Yrjänäinen, which formed his doctoral thesis.

Kari’s joint project with Ken Merchant (USC) and Ranjani Krishnan (MSU), under the working title “The Need for Research Diversity in Management Accounting” takes an issue of the far-reaching narrow-mindedness of current management accounting research, which peaks in the North American accounting research community, but risks to be gradually spreading globally. The paper will describe the condition, explore its root causes and likely consequences, and outline potential ways out.

Kari also has co-projects with Markus Granlund and Eija Vinnari, which are presented in the respective sections of those faculty members.

Hanna Pitkänen

Hanna Pitkänen’s doctoral thesis in progress is entitled ”Theorizing feedback in management accounting: the coupling of formal and informal approaches”. By using a qualitative case study method and a review of management theories and literatures acknowledging various aspects of formal and informal feedback, she aims to widen and develop our contemporary theoretical discussion and analyses of feedback in management accounting.

Hannu Schädewitz

Hannu has a co-project with Yuan Ding (China Europe International Business School (CEIBS), Shanghai) and Ole-Kristian Hope (Rotman School of Management, Toronto) focusing on financial disclosure practices of firms from the Baltic states of Estonia, Latvia, and Lithuania. Using two distinct measures of disclosure, this paper assesses the differences in disclosure practices between Baltic firms and a matched sample of firms from the Nordic region (Denmark, Finland, and Sweden). It further investigates the economic consequences of variations in disclosure in these two regions.

Jointly with Frederick Lindahl (George Washington University), Hannu studies the role of international legal systems on accounting quality. A bedrock as-

sumption in financial accounting research studying the quality of accounting in different countries is that common law provides a firmer foundation for good accounting transparency than does civil law. We analyze the design and development of research that use law in accounting studies. We conclude that the use of the civil/common distinction cannot be fully supported.

Jointly with Markku Vieru (University of Lapland), Hannu studies implementation and valuation impacts of transition to International Financial Reporting Standards (IFRS) using sample of Finnish first-time IFRS adopters. This study focuses on the value relevance and market responses of mandatory transition to IFRS using samples of Finnish first-time IFRS adopters. The Finnish data is used since prior research findings suggest large differences between Finnish accounting standards (FAS) and IFRS. Some evidence of value relevance is found in IFRS adjustments on earnings but not with IFRS adjustments in shareholders' equity.

Hannu, jointly with Markku Vieru and Mikko Kepsu, works on a paper about state ownership steering and whether it helps or hinders analysts' forecasting. Our findings support the view that State ownership increases the forecastability of earnings. In addition to that, the special role (special duties) of State in corporate governance executed on supervisory board decreases the forecastability of earnings (higher forecasting error and dispersion).

Hannu, jointly with Mikael Niskala studies means for measuring and communicating corporate responsibility. Specifically, they analyze how to transform the concept of corporate responsibility so that it is recognized and valued accurately in a company's financial reporting and analysis. The study includes also illustrations, developed from actual data, how to communicate corporate responsibility measures in financial reporting.

Hanna Silvola

Hanna has an on-going research project under the working title "Opening the black box of evaluation of intangible assets: a case of impairment testing" together with Ph.D. Jari Huikku and Prof. Jan Mouritsen. It is a case study which aims to examine on how different actors (investors, analysts, business managers, auditors, supervisors, media and academics) construct their views on goodwill and interpret information given by impairments tests.

The second joint project, together with Professor Alnoor Bhimani (LSE), examines tensions between financial control and sustainability strategy. It is a

case study which examines on how sustainability strategy is delivered on operational level and how it affects (financial) controllability of the organization.

Hanna has an on-going research project on the creation of management control systems in Finnish start-up firms. The main goal of this case study is to analyze how public funding organizations influence on the development of initial management control systems while earlier studies have paid attention to the role of private venture capital investors.

Hanna has also joint project on the interplay between global and local knowledge in the ERP environment with Sirle Bürkland (HEC Paris).

Hanna has also conducted a case research project with Anna-Maija Lantto. The paper about IFRS and management control is currently under review in international journal.

Mika Vaihekoski

Mika is currently collaborating with several researchers on research projects. He is, for example, involved in a research project titled “Financial Management and Control in Listed Firms” and writing several papers with professor Eva Liljeblom (in charge of the project) from Hanken School of Economics and Tor Brunzell from Stockholm University. He is also studying the historical development of the Finnish stock market and equity premium together with Peter Nyberg from the Aalto University School of Economics. In addition, he is writing a paper, e.g., on the role of currency risk on Swedish and Finnish stock markets together with Jan Antell (from Hanken School of Economics) as well as on the profitability of pairs trading strategy in Finland with John Broussard (Rutgers School of Business).

Eija Vinnari

Eija is currently working on a research project funded by Turku Institute of Advanced Studies, titled “Accountability reporting: An analysis from the perspectives of report producers and users in Finnish local government”. The project investigates the reporting of non-financial performance information by public water utilities and the feasibility of those indicators from the perspective of risk management.

Eija is also involved in four joint projects. She collaborates with Prof. Peter Skærbæk (Copenhagen Business School) in the project “The counterperformativity in public sector risk management: A field study of risk management internal audit tools in a Finnish municipality”. Drawing from Actor Network

Theory, the paper examines the evolution and performative effects of a municipal risk management model.

In the second joint project, Eija and Kari Lukka have developed a framework for exploring the interrelationships between the main elements of research, domain theory, method theory and methodology. The research aims to add to the understanding of the structures embedded in published Actor-Network Theory research in management accounting.

Jointly with Prof. Salme Näsi (University of Tampere), Eija investigates aspects of corporate governance in the public sector context. The purpose of the research project is to outline a framework of public sector corporate governance and apply it in the analysis of the role and structure of Boards of Directors serving in semi-autonomous municipal enterprises and companies.

Eija's fourth joint project, together with Dr. Matias Laine (University of Tampere) concerns corporate social responsibility reporting in the case of public water utilities. The recently initiated research project explores the motivation for public sector CSR reporting.

4 INTERNATIONAL ACTIVITIES

4.1 Co-operation

The department is involved in joint research programs and other co-operation particularly with the following universities:

London School of Economics (U.K.), University of Oxford (U.K.), Manchester Business School (U.K.), Michigan State University (USA), University of Alberta (Canada), Copenhagen Business School (Denmark), HEC (France), Instituto de Empresa (Spain), Gothenburg University (Sweden), University of Technology Sydney (Australia), University of Innsbruck (Austria), University of Dundee (U.K.), George Washington University (USA), University of Southern California (USA), and China Europe International Business School (China).

4.2 Foreign Visitors at the Department in 2010

Dr. Frederick Lindahl (George Washington University, USA). He lectured the course LRS4 International Accounting and contributed to joint research project at the department from 23 October to 20 November 2010.

Dr. Florin P. Vasvari (London Business School, UK) presented his joint paper (with Lakshmanan Shivakumar, Oktay Urcan and Li Zhang) entitled “The Debt Market Relevance of Management Earnings Forecasts: Evidence from Before and During the Credit Crisis” at the departmental research seminar on 7 June 2010.

Dr. Yuval Millo (London School of Economics, UK) presented his paper entitled “Dangerous Connections: Hedge Funds, Brokers and the Construction of a Market Crisis” at the departmental research seminar on 7 September 2010.

Dr. Matthew Hall (London School of Economics, UK) visited the department on 17-21 September and presented his joint paper (with Robert Chenhall and David Smith) entitled “Compromising accounts: performance measurement, modes of evaluation and the reconciliation of world-views” at the departmental research seminar on 17 September 2010.

Professor Jan Mouritsen (Copenhagen Business School, Denmark) contributed to joint research project at the department 29-30 November 2010.

Professor Allan Hansen (Copenhagen Business School, Denmark) contributed to joint research project at the department 29-30 November 2010.

Dr. Silvana Revellino (Copenhagen Business School, Denmark) contributed to joint research project at the department 29-30 November 2010.

4.3 Visits to Foreign Institutes in 2010

Markus Granlund

* University of Technology Sydney, February 2010.

Kari Lukka

* CEIPS, Shanghai, China 10-15 November 2010.

Hanna Silvola

* London School of Economics and Political Science, 5-23 July, 14-23 October, 28-30 October, 4-13 November 2010.

4.4 Participation in International Conferences 2010

Antti Fredriksson

* 33rd Annual Congress of the EAA, Istanbul, Turkey, 19-21 May 2010

Kari Lukka

* AAA/MAS Midyear Meeting, Seattle, Washington, USA, 7-9 January 2010.

* 33rd Annual Congress of the EAA, Istanbul, Turkey, 18-21 May 2010.

* MAR 2010 – Interdisciplinary research in cost, profitability and performance management in manufacturing, logistics and service operations. Ghent, Belgium, 21-23 June 2010.

* 6th Annual Conference at the University of Economics entitled “Through crisis reflection to performance enhancement”, Prague, Czech, 15 September 2010.

* 7th EIASM Conference on “New Directions in Management Accounting: Innovations in Practice and Research” (jointly with Michael Shields). Brussels, Belgium, 15-17 December 2010.

Hanna Silvola

* 33rd Annual Congress of the European Accounting Association, Istanbul, Turkey. 2010.

* Annual Doctoral Tutorial of Accounting, Oulu, Finland. 2010.

Mika Vaihekoski

* 6th Portuguese Finance Network 2010 Conference, Azores, 30 June - 4 July 2010.

* EFMA 2010 Annual Meeting, Aarhus, Denmark, 23-26 June 2010.

Eija Vinnari

* EIASM 7th Conference on New Directions in Management Accounting, Brussels, Belgium, 15-17 December 2010.

* 10th Biennial CIGAR Workshop, Tampere, Finland, 16-17 September 2010.

* EIASM 6th International Conference on Accounting, Auditing and Management in Public Sector Reforms. Copenhagen, Denmark, 1-3 September 2010.

5 PROFESSIONAL AND COMMUNITY RELATIONS

5.1 Faculty

Professor Kari Lukka

European Accounting Association

- * Chair of the Publications Committee (until October 2010)
- * Member of the Board (until October 2010)

American Accounting Association, Management Accounting Section

- * Chair of the Publications Committee (until August 2010)
- * Member of the Executive Committee (until August 2010)

European Institute for Advanced Studies in Management (EIASM)

- * Professor
- * Organiser and chair (jointly with Mike Shields) of the biannual conference on “New directions in management accounting”
- * Coordinator and faculty member of the biannual EDEN doctoral course on “Case-based research in management accounting”

Turku School of Economics

- * Member of the Board
- * Head of the Department of Accounting and Finance

The University of Turku

- * Member of the University Collegium
- * Member of the Research Council

Editorial Board memberships

- * *Accounting, Organizations and Society*
- * *European Accounting Review*
- * *British Accounting Review*
- * *Spanish Accounting Review*

Reviewer for several accounting research journals including *Management Accounting Research*, *Accounting History*, *Journal of Accounting and Public Policy*, *Critical Perspectives on Accounting* and *The Finnish Journal of Business Economics*.

Professor Hannu Schädewitz

European Accounting Association

* Member of the Scientific Committee 2009-2010

Editorial Review Boards

* *The International Journal of Accounting*

* *Corporate Governance: An International Review*

* *Business Quest*

Reviewer, including

**Abacus, Accounting, Auditing and Accountability Journal, European Accounting Review, The European Journal of Finance, The International Journal of Accounting, Journal of Banking and Finance, International Journal of Accounting, Journal of International Accounting Research, The British Accounting Review, Corporate Governance: An International Review, Scandinavian Journal of Management.*

Turku School of Economics

*Member of the Committee for Research and Doctoral Studies

* Member of the Working Group for the Annual Crediting of Publications

Professor Markus Granlund

European Accounting Review

* Associate Editor

International Journal of Accounting Information Systems

* Associate Editor

Management Accounting Research

* Member of the Editorial Board

Turku School of Economics

* Vice-Director (Research and Doctoral Studies)

* Member of the Executive Group

* Chair of the Committee for Research and Doctoral Studies

* Vice-Chair of the Board

The University of Turku

* Member of the Management Committee, Turku Institute for Advanced Studies

* Member of the Management Committee, Doctoral Graduate School

* Member of the Quality Assurance Committee

The Finnish Doctoral Program in Business Studies (Academy of Finland)

* Member of the Board

Reviewer for several journals including *Accounting, Auditing and Accountability Journal*, *Accounting and Business Research*, *British Accounting Review*, *Financial Accountability & Management*, *Journal of Management Accounting Research*, and *Scandinavian Journal of Management*.

Professor Mika Vaihekoski

European Journal of Finance

* Associate Editor

Reviewer 8/2008–

* *Emerging Markets Finance & Trade*, *European Journal of Finance*, *the Financial Review*, *Finnish Economic Papers*, *Finnish Journal of Business Economics*, *International Review of Economics and Finance*, *Journal of Banking & Finance*.

External Reviewer for the Appointment of Professors

* University of Vaasa, Professorship (tenure) in Business Studies, Accounting (specialty Financial Markets), 2009.

External Reviewer for a Doctoral Dissertation and Opponent at the Defence

* Hanken School of Economics, 2010.

Assistant Professor Hanna Silvola

Turku School of Economics

* Member of the Committee for Research and Doctoral Studies

Reviewer 8/2009–

* *European Accounting Review*, *International Journal of Accounting Information Systems*

Assistant Professor Erkki Vuorenmaa

Turku School of Economics

* Member of the Council of Teaching and Research

* Member of the Publication Committee

Lecturer Ulla-Maarit Valve

Turku School of Economics

* Member of the Working Group for the Development of Education

Research Associate Hanna Pitkänen

Turku School of Economics

* Coordinator for the course Business and Teamwork (YLY) from May 2009 –

5.2 The Department

The Department of Accounting and Finance has created many important connections with auditing firms, like PwC and KPMG, for example. It has also established good relationships with Finland's Financial Supervision. In addition to these connections it has formed tight associations with several well-known Finnish corporations including Nokia, Metso, ABB, Leaf, OP-Pohjola Group, Cargotec, Orion, Ahlström Capital, Rautaruukki and Raisio group, just to name a few.

6 ADMINISTRATION

The Subject Committee of Accounting and Finance in 2010:

Kari Lukka, Chairman
Markus Granlund
Hannu Schadéwitz
Mika Vaihekoski
Erkki Vuorenmaa
Matti Niinikoski
Mikko Kepsu
Katri Hänninen
Iida Jaatinen
Joonas Rauhamäki

Riina Karskela, secretary

The Board of Turku School of Economics:

Kari Lukka, Member of the Board
(Markus Granlund, Vice-Chair, not authorized to vote)

7 TEACHING PROGRAMS

7.1 Students of Accounting and Finance (last 10 years)

Year	A&F as major subject	Total number of students having started on the year
2000	70	240
2001	57	240
2002	55	240
2003	59	240
2004	57	240
2005	57	240
2006	57	240
2007	60	240
2008	58	240
2009	64	240

Table 1- Accounting and Finance as students' major subject over time

7.2 Courses Offered

The Department offers courses for the following degrees:

- * Bachelor of Science, B.Sc. (Econ. & Bus. Adm.)
- * Master of Science, M.Sc. (Econ. & Bus. Adm.)
- * Licentiate of Science, Lic.Sc. (Econ. & Bus. Adm.)
- * Doctor of Science, Ph.D. (Econ. & Bus. Adm.)

7.2.1 Bachelor's Degree (basic and intermediate studies)

(Course code changed (LT→LR) starting from the fall 2010)

CODE	COURSE TITLE
LRYA	Bookkeeping (parts I and II)
LRYB	Cost Accounting
LR01A	Financial Accounts and Tax Planning for SME's
LR01B	Special Questions of Bookkeeping and Financial Accounts
LR02	Foundations of Management Accounting
LR03	Basic Corporation Finance
LR04	Accounting and Organizational Decision-making
LR05	Intermediate Finance
LR06	Accounting and Organizational Control
LR07	Special Courses in Accounting
LR07, 1	Accounting of the Public Sector
LR07, 2	Financial Analysis
LR07, 3	Cost Management
LR07, 4	Corporate Responsibility Reporting
LR07, 5	Corporate Restructuring
LR07, 6	IAS/IFRS-financial Analysis Standards
LR09	Accounting Information Systems
LR10	Consolidated Accounts
LR11	The Foundations of Auditing
LRK	Bachelor's Thesis

Table 2 - Courses of Bachelor's Degree in 2010

7.2.2 Master's Degree (advanced studies)

CODE	COURSE TITLE
LRS1	Advanced Corporate Finance and Financial Accounting
LRS2	Advanced Management Accounting
LRS3	Special questions in Accounting and Finance
LRS4	International Accounting
LRS5	Advanced Financial Accounting
LRS6	Advanced Auditing
LRS8	Continuous Auditing and IT
LRS11	Derivatives Contracts
LRS12	Advanced Strategic Management Accounting

LRS14	Intellectual Capital Measurement and Management
LRS25	Financial modeling and simulation
LRPG	Master's Thesis

Table 3 - Courses of Master's Degree in 2010

A student can concentrate on Financial Accounting courses, on Finance courses or on Management Accounting Courses depending on one's interests.

7.2.3 Doctoral studies

CODE	COURSE TITLE
LRJ1	Accounting Methodology, Research Tradition and History (parts I and II)
LRJ2	Financial Accounting and Finance or Management Accounting
LRJ3	Special Courses
	Optional advanced studies (not included in one's Master's degree)
LRV	Doctoral Dissertation

Table 4 - Courses for doctoral studies in 2010

The major part of studies for postgraduate students concentrated on Finance, are consisted of the courses offered by the Graduate School of Finance, GSF.

8 THESES COMPLETED

8.1 Master's Theses Completed 1992–2010

Average number of Master's theses completed (1992–2010) per year: 50

Students of Accounting and Finance have completed their master's theses as follows:

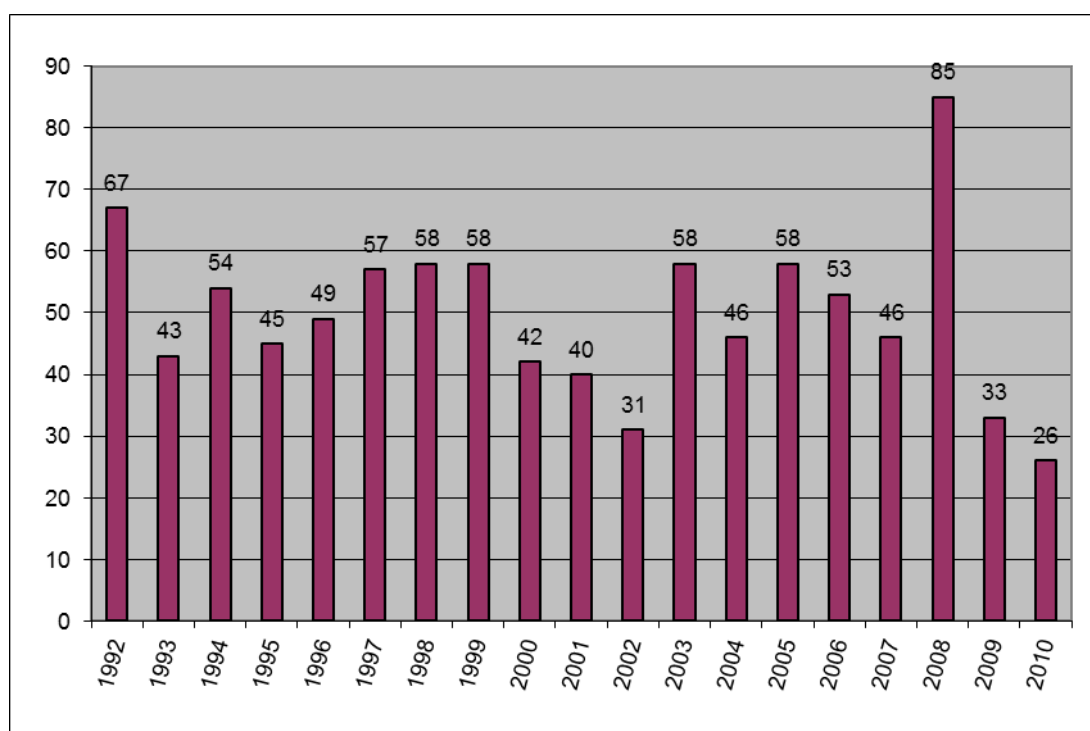


Figure 1 – Completed Master's theses 1992-2010