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1 REVIEW BY THE HEAD OF ACCOUNTING AND FINANCE

During 2013, several important steps forward were made. At the School level, TSE’s strategy work proceeded under the heading of “For the Future. TSE.” Related action plans for research, teaching, and societal interaction were developed to guide the execution of the strategy. At the departmental level, the operations of the Accounting and Finance subject were influential and successful in terms of research, teaching and societal interaction. Accounting and Finance sustained its great popularity as a major subject among the B.Sc. and M.Sc. students of the School. In addition, 49 Master’s degrees were granted and scholars continued their efforts to conduct research of high international quality.

In 2013 several research projects of notable size were continued and new ones were started, too. Professor Kari Lukka continued with his wide, international project funded by the Academy of Finland on “Balancing tensions between the global and the local through management accounting and control”. Scholars of Accounting and Finance published their works in several research journals during 2013, including: Abacus; Accounting, Auditing and Accountability Journal; Accounting and Finance; Critical Perspectives on Accounting; International Journal of Accounting Information Systems; Journal of Management and Governance; and Public Money and Management. In addition, they also contributed to scholarly edited books. During the year, Hanna Pitkänen successfully defended her Ph.D. thesis “Theorizing formal and informal feedback practices in management accounting through three dimensions.”

The faculty of the Department worked within several international scientific organisations in many different ways, the most significant being the European Accounting Association (EAA) 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 Markus Granlund continued as an Associate Editor of the International Journal of Accounting Information Systems, and also served as a member of the Board of the EAA. Professor Kari Lukka was invited to be an Associate Editor of Qualitative Research in Accounting and Management and to the Editorial Board of Critical Perspectives on Accounting. Professor Mika Vaihekoski continued as an Associate Editor of European Journal of Finance. Professor Paul Healy (Harvard Business School, USA) was awarded an Honorary Doctorate by the University of Turku in recognition of his pioneering contribution to financial accounting and corporate governance research.
Typical of the activities of Accounting and Finance were the several international academic visits that it received and paid in 2013. The visitors formed a distinguished and stimulating mixture of scholars from across the spectre of Accounting and Finance and included, besides Professor Paul Healy, John P. Broussard (Rutgers University, School of Business, USA), Professor Jesse Dillard (Portland State University, UK), Professor Johnny Lind (Stockholm School of Economics, Sweden), Associate Professor Frederick Lindahl (The George Washington University, USA), Professor Martin Messner (University of Innsbruck, Austria), Professor Sven Modell (Manchester Business School, UK), and Dr. Lukas Goretzki (University of Innsbruck, Austria). On the other hand, of our faculty Professor Markus Granlund visited University of Technology Sydney (Australia), Professor Kari Lukka Monash University (Australia), Postdoctoral Research Fellow Terhi Chakhovich London School of Economics (UK), and Postdoctoral Research Fellow Antti Fredriksson Shanghai University of Finance and Economics and Fudan University (China). Furthermore, Doctoral Candidate Joonas Hämäläinen started his year-long visit to Princeton University, USA, on August 2013.

The faculty of Accounting and Finance also worked actively on a national level. The Department became a member of the national Graduate School of Finance. In Fall, finance researchers organized GSF’s Winter Research Workshop in Finance for the first time in Turku. A considerable number of departmental research seminars were also arranged during the year. The management accounting discussion group, coordinated by Dr. Eija Vinnari, assembled about once a month. The faculty also engaged in notable cooperation with the business community. This included close cooperation with several companies related to ongoing field research projects. With regard to teaching, the collaboration was most intensive with KPMG, PwC, Nokia, SEB, Amer Sports, Ahlström Capital and the OP-Pohjola Group, while the Financial Supervision Authority of Finland is also deserving of special mention.

Several members of the faculty of Accounting and Finance worked actively in the different managerial and advisory positions and committees of both the School and the University. Professor Granlund continued as the Dean of the School. Professor Lukka contributed to the work of the University Collegiate Council and the Council for Research of the university, continuing as a member of the Board of the School, too. Professor Schadewitz contributed to the evaluation of research output by chairing the Research Evaluation Committee at the TSE. Professor Vaihekoski, who was tenured as Professor of Finance at the beginning of 2013, continued as a Member of Educational Development Committee at the TSE.

It is my pleasure to sincerely and warmly thank the entire personnel of Accounting and Finance for its most productive efforts and contributions during 2013. We have a solid basis to encounter the future challenges.

Hannu Schadewitz
Professor, Head of Accounting and Finance
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. In 2012 he kicked off a wide and international research project, funded by the Academy of Finland, entitled “Balancing tensions between the global and the local through management accounting and control”. Kari’s 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 Schadéwitz
Professor, Ph.D. (Econ. & Bus. Adm.)

Hannu’s primary areas of research interest include discretionary corporate reporting, international accounting, governance, and accountability. Hannu’s current research analyses how the integration of new members into the European Union affects financial reporting quality in those countries. Another area of focus is the role of international legal systems in accounting quality. Teaching areas include financial accounting theory and financial reporting. Hannu also supervises Master’s and Doctoral theses. Hannu is teacher in charge for the accounting and finance subject, chair of the Research Evaluation Committee at the TSE, and member of the Committee for Research and Doctoral Studies.
Markus Granlund  
Professor, D.Sc. (Econ. & Bus. Adm.), Dean

Markus’ research interests cover a wide range of technical and behavioural issues in management accounting and information systems. His main interests currently concern the relationships between management control, uncertainty and innovativeness, and the interface of modern IT and management control. His teaching focuses on management accounting. Markus is also an active lecturer in several executive training programs. Due to the Deanship, Markus is intensively involved with the administration of TSE and the University of Turku. He is currently a member/chairman of several administrative bodies within the University.

Mika Vaihekoski  
Professor, D.Sc. (Econ.)

Mika’s research interests cover questions related to asset pricing, historical development of financial markets, and the effects of ownership on companies’ financial decisions. His main interests currently include e.g. relationship between market risk premium and variance, long-term equity premium and dividend yields in Finland, short-term expectations in listed firms as well as financial management and internal controls in the NASDAQ OMX listed firms. Teaching areas cover several courses in finance (e.g., corporate finance, asset pricing, financial modelling, and portfolio management). Mika also supervises Master’s and Doctoral theses work.

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.
Antti Fredriksson  
Postdoctoral Research Fellow, 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 supervises Doctoral and Master’s theses.

Eija Vinnari  
Postdoctoral Research Fellow, D.Sc. (Technology), University Research Fellow (from August 2013), Docent (from November 2013)

Eija’s research interests include questions related to public sector accounting as well as social and environmental accounting, auditing and reporting, often examined through the lens of Actor-Network Theory. Eija teaches the course “Accounting and Organizational Control” for third-year students. She also supervises MSc and PhD theses and is involved in the TSE executive training program.

Yeng Wai Lau  
Postdoctoral Research Fellow, Ph.D. (Acctg. & Info. Sys.) (until July 2013)

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.

Terhi Chakhovich  
Postdoctoral Research Fellow, D.Sc. (Econ. & Bus. Adm.)

Terhi’s research interests include corporate governance, managerial time orientation, company targets and values, performance measurement and compensation, as well as accounting research with a sociological or Foucauldian focus. Most of Terhi’s current research projects are methodologically qualitatively oriented. Terhi teaches the course “Research process and qualitative methodology”.

Jan Pfister  
Postdoctoral Research Fellow  
*Jan’s research covers topics related to management accounting, organizational culture, innovation and methodology. His research is based on an interpretive and interdisciplinary approach that considers the institutional, social and organizational contexts in which performance measurement and control systems are designed and operated. Jan teaches management accounting and control at the bachelor and masters levels and supervises dissertations.*

Tuija Virtanen  
Postdoctoral Research Fellow (from August 2013)

Peeter Peda  
Postdoctoral Research Fellow (from August 2013)  
*Peeter’s major research interests include public sector accounting, performance measurement and budgeting in government as well as issues of corporate governance in public enterprises. His current research projects are methodologically qualitatively oriented. Peeter also teaches the course “Public Sector Accounting” for third-year students.*

Hanna Pitkänen (former Karlsson)  
Research Associate (until May 2013), Postdoctoral Research Fellow (from June 2013), D.Sc. (Econ. & Bus. Adm.)  
*Hanna’s research interests are in the area of management accounting control, managerial feedback, and qualitative research methods. Hanna also supervises students’ Bachelor’s theses and teaches courses in Cost Accounting.*
**Vesa Partanen**  
Lecturer, D.Sc.  

*Vesa is responsible for the introductory courses in cost accounting and management accounting. He is also teaching intellectual capital measurement and management and supervises students’ research work. His research interests are in the area of management accounting and organizational change. He is an active lecturer in several executive training programs.*

**Mikko Kepsu**  
Lecturer, D.Sc. (Econ. & Bus. Adm.)  

*Kepsu teaches courses in finance, investment analysis and management accounting. He also supervises students’ Bachelor’s, Master’s and Doctoral theses work. Kepsu’s research interests are in the area of financial accounting.*

**Johanna Rämö**  
Doctoral Candidate, M.Sc. (Soc. Sc.)  

*Johanna’s research interests include issues related to management control, organizational learning, intellectual capital and employee motivation. She is currently working with her doctoral dissertation and supervises Bachelor’s and Master’s theses work. Johanna teaches a course concerning qualitative research methods (YSM) and is also involved in the TSE executive training program.*

**Mika Hannula**  
Doctoral Candidate, M.Sc. (from August 2013)  

*Mika’s research interests are in the area of asset pricing, Bayesian modelling, market anomalies, and investor heterogeneity. He is currently working on his doctoral dissertation, supervises students’ Master’s theses, and is responsible for various exercise groups in intermediate and advanced level Finance courses.*
Joonas Hämäläinen
Doctoral Candidate, M.Sc. (Econ. & Bus. Adm.) (on leave from August 2013 to December 2013)

Joonas’ research interests are in the area of asset pricing, investment management, and time series forecasting. He is working on his doctoral dissertation and teaches in various intermediate and advanced level Finance courses. Joonas also supervises Bachelor’s thesis seminars. From August 2013, he is visiting Princeton University to conduct research for his dissertation.

Tommi Sjöblom
Doctoral Candidate, M.Sc. (Econ. & Bus. Adm.) (until April 2013)

Tommi’s research interests are in the area of asset pricing, time series forecasting and modelling dependence structures in the financial markets. He is currently working with his doctoral dissertation and supervises students’ Master’s theses as well as teaches courses in accounting and finance.

Katja Aalto
Doctoral Candidate (from August 2013)

Katja’s research interests include issues related to the effectiveness of public services, organizational change and stability, the New Public Management, and the role of accounting information in the local public sector. In her doctoral dissertation, she is applying the institutional theory. Katja teaches a business-oriented course for first-year students (TEVY) and supervises Master’s theses work.

Peter Agyemang-Mintah
Doctoral Candidate (from August 2013)
Noora Kedonperä
Departmental Coordinator, M.Phil. M.Ed.

*Noora deals with general-, staff- and educational tasks in the department.*

Ilona Karkulehto
Education and Research Secretary

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

Lauri Kunttu
Research Assistant

Antti Seppänen
Research Assistant (until May 2013)

Severi Nordberg
Research Assistant (from September 2013)
3 RESEARCH ACTIVITIES

3.1 Publications 2009–2013

3.1.1 Articles in Refereed International Journals or Edited Books


3.1.2 Articles in Finnish Journals


### 3.1.3 Publications in the Series of the Turku School of Economics


3.1.4 Other Publications


### 3.2 Conference Presentations


Fredriksson, A. (2011) Asymmetric information, loan pricing and relationship value in SME lending. 34th EAA Annual Congress, Rome, Italy.


Lukka, K. (2009c) 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), Finland, October 12, 2009.


Lukka, K. (2012d) The contribution of causal thinking in interpretive management accounting research, Plenary speech at the GMARS conference, Copenhagen, Denmark, 22 June 2012.


Lukka, K. (2013a) Discussant on the paper “When strategy loses control. Economic value added in Chinese enterprises” by Al Bhimani (LSE), Narisa Dai (UIBE), Guliang Tang (UIBE) and Pingli Li (Middlesex University) at the Management Accounting from the Field, AOS & JMAS Conference, Beijing, China, 6-8 June 2013.

Lukka, K. (2013b) Panelist in the Panel on field methods (together with Shannon Anderson and Jan Mouritsen) at the Management Accounting from the Field, AOS & JMAS Conference, Beijing, China, 6-8 June 2013.

Lukka, K. (2013c) There and back again: Doing interventionist research in management accounting. Plenary speech at the Japan Management Accounting Association annual meeting, Ritsumeikan University, Japan, 14 September 2013.


3.3 Research in Progress

Terhi Chakhovich

Some of Terhi’s projects are based on an extensive data set out of which a part was included in her dissertation and a part has been gathered afterwards. This data set includes interviews and archival data in five companies, two listed and three non-listed, concerning the time orientation of the companies and management therein, as well as performance measurement and compensation in the companies. The projects based on these data include the analysis of problems with long-term orientation, as well as the analysis of the differences between targets that appear to alter when time passes and targets that are set as stable for a certain period of time. Terhi also investigates how research relying on the notion of the time line can be implemented with qualitative methodology in the sphere of accounting and what the implications of using a unidirectional time line in accounting research are.

Terhi cooperates with Professor Elton G. McGoun, from Bucknell University, in a study on how grids in the landscape parallel accounting grids and how both can have deep-seated psychological grounds for their usage. Moreover, Terhi is involved in an early-stage project with Professor Juhani Vaivio, Aalto University, on the interface between the professional identities of accountants, designers and technology experts. Furthermore, Terhi cooperates with Professors Seppo Ikäheimo and Tomi Seppälä, Aalto University, in a survey study implemented with a quantitative methodology, investigating the time orientations of listed company executives, performance measurement and compensation systems, and company ownership. Finally, Terhi cooperates with Tytti Niiva from Aalto University in showing how share price cannot always be seen as long-term oriented, and with Tuija Virtanen from Aalto University in the crossroads between accountability and sustainability in companies.

Antti Fredriksson

Fredriksson works on collaboration with several colleagues. The first research theme is bank-firm relationships. The joint research collaboration includes five researchers from three countries. The research project is focused on investigating the role of trust in financing relationships and more specifically whether loan managers’ trust in entrepreneurs can helps both banks and SMEs in their relationships. The added value of the research is to investigate trust’s role in financial relationships at European level by collecting data from four countries with different cultural background.
The second research theme examines the interlocking networks of board members and auditors and how the networks are intertwined with the financial accounting outcomes. To understand board composition and especially the requirements of board independence we need to scrutinize the social structure made up of individuals, which are connected by specific types of interdependency. Prior literature of board independence is limited to noisy measures and the “real” independence of firm and its shareholders is highly unexplored.

**Markus Granlund**

Together with Prof. Kari Lukka (TSE), Markus has a research project currently entitled "Taking contingency theory seriously: Towards contingency based management accounting research from the emic perspective". This study represents essentially a critique of the overly mechanistic employment of contingency theory in management accounting research. It asks how contingency research in management accounting would look like, if it took the emic perspective seriously into consideration, hence moving its focus from the generic constructs and measurements of the etic domain towards the emic one.

Together with Teemu Malmi and Katja Kolehmainen (Aalto University) Markus has recently launched a study examining the management of uncertainties with different management control systems. In particular, the study digs into the effects of organizational designs and incentive systems on decision making under high uncertainty in a global innovation context.

Together with Jani Taipaleenmäki (TSE, KnowIT) and Marko Järvenpää (University of Jyväskylä) Markus has started a research project examining the relationship of management accounting and business intelligence. The study aims to map the current and future (radical) technology-driven changes that are relevant regarding the systems and profession of management accounting. Scenarios for the future are built based on hybridization trends, IT-driven business intelligence trends as well as consolidation trends occurring in the technology market.

**Joonas Hämäläinen**

Joonas is working on his doctoral dissertation, which focuses on topics in the field of asset pricing and investment management especially. Current work in progress deals with optimal equity portfolio construction; how quantitative techniques and time series forecasting can be utilized in order to build a more efficient investment portfolio.
Mikko Kepsu
Kepsu’s research deals with earnings management and it is based on his doctoral thesis “Earnings management in the process of preparing corporate financial reports”.

For collaboration with Hannu Schadéwitz, see under Hannu Schadéwitz.

Yeng Wai Lau
Yeng’s research in progress, a joint effort with Antti Fredriksson, examines the effects of knowledge structure and accounting standards on auditors’ perception and performance. The study is a field experiment, with a working title “Rules versus Principles-Based Standards: Influence of Knowledge Structure”. More specifically, the study aims at ascertaining the manner in which individual auditors’ knowledge is structured, which in turn, determines auditors’ perception and performance, i.e. the extent to which the rules and principles within the accounting standards are perceived as salient. The study also attempts to understand how knowledge of individual auditors at various stages of their career is structured for a better understanding of whether reforms, such as the move towards more principles-based IFRS, are necessary for better accounting and auditing practices.

Another research, with the working title “Feasibility of Consistent Principles and Principles-Based Standards”, which is also a joint effort with Antti Fredriksson, critically assesses the accounting principles underlying the recent version of FASB and IASB’s conceptual framework. The accounting principles underlying the conceptual framework constitutes the foundation towards more principles-based standards as well as future convergence of accounting standards. Continuous efforts in improving the accounting conceptual framework as well as standards have not appease on-going criticisms for the framework and standards’ inadequacies. This study aims at critically assessing the fundamental accounting principles and their relationships underlying the conceptual framework for a better understanding of the accounting conceptual framework as well as resultant standards’ consistent failure in living up to expectations.

Kari Lukka
Continuing his research interest in research methodologies and the philosophy of science, Kari is working on a paper titled “Exploring the possibilities for causal explanation in interpretive research”, inspired by his GMARS plenary presentation of June 2012.
In 2012 was also kicked off the study, included in the wider project funded by the Academy of Finland, titled “Managing global and local demands in the finance and accounting function: an empirical study”. This is a joint work with Martin Messner and Lukas Goretzki from the University of Innsbruck, Austria.

A joint research project with the working title “Battlefield around interventions: A reflective analysis of conducting interventionist research in management accounting” 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.

A joint research project with Jari Huikku (Aalto University) was started in 2013 on the post-completion auditing practices, focusing on explaining the nature and role of their self-assessment aspect, not self-evident from typical theoretical starting points.

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

**Vesa Partanen**

Vesa’s research deals with cost management. The theme of the project is to analyze the nature and dynamics of various cost management techniques and organizational learning processes.

**Jan Pfister**

Jointly with Kari Lukka (Turku), Jan is currently working on a longitudinal field study of a large US technology company which concerns the implementation of a new performance measurement system. This project has been in process for several years and is part of the Academy-funded project “Balancing local and global in management accounting and control”.

In collaboration with Solomon Darwin (Berkeley) and Sarah Jack (Lancaster), Jan has ongoing research in the area of institutional logics and performance indicators for innovation. This cross-sectional field project is supported by the Berkeley Innovation Forum and builds on empirics from several large multinational companies.

Jan is collaborating with Chris Ford (Lancaster) and David Otley (Lancaster) on a longitudinal project addressing the theoretical notion of ‘collaborative ac-
countability’, thereby discussing field research of a charity fund raising event called The Shard Abseil which involved the collaboration of several parties including the UK royal family.

In addition, Jan is collaborating on two other case study projects. Together with Gaia Bassani and Christiana Cattaneo (both Bergamo), he is analysing different perceptions of a control system by subcultures in an Italian construction company. Together with Lukas Goretzki (Innsbruck), he is focusing on the influences of leadership style on control systems in a German Case company.

Jan is also contributing a chapter for a forthcoming book by the Management Control Association entitled ‘Management Control and Uncertainty’ which is edited by David Otley and Kim Soin. His chapter entitled ‘Controlling Creativity and Innovation: Paradox or Necessity?’ presents two short cases from field research with IBM and Standard Chartered bank.

**Hanna Pitkänen**

Hanna Pitkänen’s doctoral thesis uses a qualitative case study method and focuses on a variety of feedback practices among middle and senior managers in corporations. Instead of dichotomous approaches, she suggests a three-dimensional analytical framework of formal and informal feedback and calls for more interpretive research about feedback practices in management accounting along with the contemporary cybernetic analyses.

**Peeter Peda**

Peeter is currently working on a longitudinal research project studying the behaviour of small catching-up EU countries in planning and conducting performance management developments by indicating why they have resulted in various implementation successes thus far. In particular, the research focuses on the features of institutional structures, decision-making processes, the roles and characteristics of key reform actors and the setup and use of applied management tools influencing the outcome of performance management initiatives in the central governments.

Jointly with Giuseppe Grossi (Kristianstad University), Peeter is developing a paper entitled “International harmonization as a stimulus to change public sector accounting” that examines the adoption of typical private-sector accounting practices (such as accrual accounting and consolidated financial statements) in the public context of Estonia.
Together with Daniela Argento (Kristianstad University), Peeter is studying the role of trust in influencing control and performance of externalized public service provision. The project is based on a collection of empirical data that was partly included in his doctoral dissertation.

**Johanna Rämö**
In her doctoral thesis in progress Johanna Rämö studies how (and if) local middle managers practice glocalization with the help of various accounting and performance measurement technologies. The thesis is a sub-project in a larger project entitled “Balancing tensions between the global and local through management accounting and control” financed by the Academia of Finland. Johanna also participates in a Tekes project exploring how MCSs support employees’ reflective practices along with organisational learning and innovations.

**Hannu Schadéwitz**
Jointly with Frederick Lindahl (George Washington University), Hannu studies the role of international legal systems on accounting quality. Currently Hannu and Fred analyses the development of financial reporting quality in Eastern European Union countries in the aftermath of communism.

Hannu, jointly with Markku Vieru and Mikko Kepsu, has a co-project “State ownership steering: what, why, and how?” Overall aim for the project is to gain insight on the means and consequences of State steering. So far 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 Salla Laasonen and Harri Terho has recently started a project on accounting for stakeholders. They try to gain understanding how firms are engaging with their stakeholders. The role of dialogue as an accountability mechanism is on focus.

**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 professors Eva Liljeblom (in charge of the project) and Anders Löflund from Hanken School of Economics and Tor Brunzell from Stockholm University. He is also studying the historical development of the Finnish stock market with Peter
Nyberg from the Aalto University School of Economics. He is also continuing collaboration with Associate Professor Jan Antell from Hanken School of Economics on MIDAS-models and the relationship between risk premium and variance. In addition, he is planning a paper, e.g., on multiple classes of stock series together with Prof. John Broussard (Rutgers School of Business).

**Eija Vinnari**

As a part of the Academy-funded project “Balancing local and global in management accounting and control” led by professor Kari Lukka, Eija is working on a case study concerning innovative sustainability measures implemented by multinational companies.

Eija is also involved in several joint projects. In collaboration with Professor Jesse Dillard (Victoria University - Wellington), Eija examines the potential of combining the principles of dialogic/polylogic accounting with the process envisioned by Bruno Latour for the democratization of expert systems. The aim is not only to develop a theoretical framework but to illustrate how more democratic forms of accounting could be operationalized in political decision-making processes.

Together with Kari Lukka, Eija has developed a framework for exploring the interrelationships between domain theory and method theory in published Actor-Network Theory (ANT) research in management accounting. In another joint project, Eija and Kari investigate the present state and future potential of combining ANT and interventionist research.

Jointly with Prof. Salme Näsi (University of Tampere), Eija investigates the power of municipal boards of directors in financial decision-making. Based on survey material and drawing from managerial hegemony theory, the study contrasts the power-related views of water utility board members with those of the utilities’ CEOs.

Finally, Eija’s recently initiated joint projects concern counter-accounts of animal production (together with Dr. Matias Laine from the University of Tampere) and the assurance of corporate sustainability reports (with Assistant Professor Hanna Silvola from Aalto University).
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.), Bucknell University (USA), Michigan State University (USA), University of Alberta (Canada), Monash University (Australia), Copenhagen Business School (Denmark), HEC Paris (France), Stockholm School of Economics (Sweden), Gothenburg University (Sweden), HEC Lausanne (Switzerland), University of Technology Sydney (Australia), Macquarie University (Australia), University of Innsbruck (Austria), University of Dundee (U.K.), George Washington University (USA), University of Southern California (USA), China Europe International Business School (China), Aalto University (Finland), University of Lapland (Finland), Lancaster University (U.K.) and University of California at Berkeley (USA).

4.2 Foreign Visitors at the Department in 2013

Professor John P. Broussard (Rutgers University, School of Business, USA) visited the department from January 2 to 26. Professor Broussard lectured the course LRS32 Special Topics in Corporate Valuation and collaborated to a research project.

Professor Frederick Lindahl (The George Washington University, USA) visited the department from March 4 to April 1. He collaborated to a joint research project with Professor Hannu Schadéwitz and lectured the course LRS4 International Accounting.

Professor Johnny Lind (Stockholm School of Economics, Sweden) visited the department from March 15 to 16.

Professor Jesse Dillard (Portland State University, UK) visited the department from April 24 to 27. He collaborated to a research project with University Research Fellow Eija Vinnari.

Professor Martin Messner (University of Innsbruck, Austria) visited the department from May 21 to 24. He attended to a research seminar.
Professor Sven Modell (Manchester Business School, UK) visited the department from May 21 to 23. He attended to a research seminar.

Dr. Lukas Goretzki (University of Innsbruck, Austria) visited the department from May 21 to 24. He attended to a research seminar.

Professor Paul Healy (Harvard Business School, USA) visited the department from May 30 to June 3. During his stay he was awarded an Honorary Doctorate by the University of Turku. He also spoke at the departmental research seminar.

4.3 Visits to Foreign Institutes in 2013

Terhi Chakhovich
*London School of Economics, 20 March, 2013

Antti Fredriksson
*Shanghai University of Finance and Economics & Fudan University, 3–16 March, 2013.

Markus Granlund
*University of Technology Sydney, 15–28 February, 2013.

Joonas Hämäläinen

Kari Lukka

4.4 Participation in International Conferences 2013

Terhi Chakhovich

Antti Fredriksson

Markus Granlund
* ENROAC conference, Jyväskylä, June 5-7, 2013.
Kari Lukka
* Management Accounting from the Field, AOS & JMAS Conference, Beijing, China, 6-8 June 2013.
* Japan Management Accounting Association annual meeting, Ritsumeikan University, Japan, 14-15 September 2013.
* MONFORMA conference, Melbourne, Australia, 27-29 November 2013.

Jan Pfister

Mika Vaihekoski
* 23th Annual Conference of the European Financial Management Association 2013, Reading, UK
* 20th Annual Conference of the Multinational Finance Society 2013, Izmir, Turkey.

Eija Vinnari
*25th International Congress on Social and Environmental Accounting Research, University of St Andrews, Scotland, September 3-5 2013.
*11th Nordic Environmental Social Science Conference, Frederiksberg, Denmark, June 11-13 2013.
5 PROFESSIONAL AND COMMUNITY RELATIONS

5.1 Faculty

Professor Kari Lukka
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 Collegiate Council
* Member of the Research Council

Associate Editor
*Qualitative Research in Accounting and Management

Editorial Board memberships
* Accounting, Organizations and Society
* Accounting and Business Research
* British Accounting Review
* Critical Perspectives on Accounting
* Journal of Management Accounting Studies (China)
* Spanish Accounting Review


Professor Hannu Schadéwitz
Editorial Review Boards
* The International Journal of Accounting
* Corporate Governance: An International Review
* Business Quest

Reviewer, including

Turku School of Economics
* Member of the Committee for Research and Doctoral Studies
* Chair of the Research Evaluation Committee
* Chair of the Subject Committee of Accounting and Finance
The University of Turku
* Member of the Evaluation Group for Applications for Completing a Doctoral Degree

Professor Markus Granlund
Associate Editor
International Journal of Accounting Information Systems

Editorial Board memberships
European Accounting Review
Management Accounting Research

Turku School of Economics
* Dean
* Chair of the Board of TSE
The University of Turku
* Member of the Management Group
* Member of the Management Committee, Turku Institute for Advanced Studies

Association of Business Schools Finland
* Member of the Board
The Finnish Doctoral Program in Business Studies
* Member of the Board
Centrum Balticum Foundation
* Member of the Board

European Accounting Association, Member of the Board (National Coordinator of Finland), 2011-2014
Reviewer for several journals including *Accounting, Auditing and Accountability Journal; Accounting, Organizations and Society; Accounting and Business Research; Management Accounting Research; European Accounting Review*.

**Professor Mika Vaihekoski**  
*European Journal of Finance*  
*Associate Editor*  
*Invited Guest Editor (special issue 5-6/2011).*  
*International Journal of Portfolio Analysis & Management*  
*Member of the Editorial Board*

Reviewer 8/2008–

External Evaluator for University Programmes
* Member of international team set by the Centre for Quality Assessment in Higher Education (SKVC) to audit and evaluate Finance Programmes in three Lithuanian Universities, April 2013.

External Reviewer for the Appointment of Professors
* Auckland University of Technology, Professorship (tenure) in Finance, 2012.  
* University of Vaasa, Professorship (tenure) in Business Studies, Accounting (speciality Financial Markets), 2009.

External Reviewer for the Appointment of Associate Professors
* University of Vaasa, Associate Professorship (tenure) in Business Studies, Accounting, 2011.

External Reviewer for a Doctoral Dissertation (R) and Opponent at the Defence (O)
* Aalto University, School of Business, 2012. (R)  
* Hanken School of Economics, 2010 (R & O) and 2013 (R)  
* University of Jyväskylä, School of Business, 2013. (R)

Turku School of Economics  
* Member of the Educational Development Committee 9/2012–.*
Assistant Professor Antti Fredriksson

Lecturer Ulla-Maarit Valve
Turku School of Economics
* Member of the Working Group for the Development of Education

Lecturer Mikko Kepsu
Turku School of Economics
* Coordinator for the Business Competence study module (LTO)

Lecturer Vesa Partanen

University Research Fellow Jan Pfister

University Research Fellow Eija Vinnari

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, ABB, Amer Sports, 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 2013:

Hannu Schadewitz, Chairman
Kari Lukka
Mika Vaihekoski
Antti Fredriksson
Matti Niinikoski
Tommi Sjöblom
Lauri Kunttu
Pauliina Hartikainen
Emma Kolkka

Noora Kedonperä, secretary

The Board of Turku School of Economics:

Markus Granlund, Chair (from 1.8.2012)
Kari Lukka, Member of the Board
7 TEACHING PROGRAMS

7.1 Students of Accounting and Finance (statistics, last 10 years)

<table>
<thead>
<tr>
<th>Year</th>
<th>A&amp;F as major subject</th>
<th>Total number of students having started on the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>59</td>
<td>240</td>
</tr>
<tr>
<td>2004</td>
<td>57</td>
<td>240</td>
</tr>
<tr>
<td>2005</td>
<td>57</td>
<td>240</td>
</tr>
<tr>
<td>2006</td>
<td>57</td>
<td>240</td>
</tr>
<tr>
<td>2007</td>
<td>60</td>
<td>240</td>
</tr>
<tr>
<td>2008</td>
<td>58</td>
<td>240</td>
</tr>
<tr>
<td>2009</td>
<td>64</td>
<td>240</td>
</tr>
<tr>
<td>2010</td>
<td>80</td>
<td>240</td>
</tr>
<tr>
<td>2011</td>
<td>81</td>
<td>240</td>
</tr>
<tr>
<td>2012</td>
<td>75</td>
<td>240</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>CODE</th>
<th>COURSE TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LRYA</td>
<td>Bookkeeping (parts I and II)</td>
</tr>
<tr>
<td>LRYB</td>
<td>Cost Accounting</td>
</tr>
<tr>
<td>LR01A</td>
<td>Financial Accounts and Tax Planning</td>
</tr>
<tr>
<td>LR01B</td>
<td>Special Questions of Bookkeeping and Financial Accounts</td>
</tr>
<tr>
<td>LR02</td>
<td>Foundations of Management Accounting</td>
</tr>
<tr>
<td>LR03</td>
<td>Basic Corporation Finance</td>
</tr>
<tr>
<td>LR04</td>
<td>Accounting and Organizational Decision-making</td>
</tr>
<tr>
<td>LR05</td>
<td>Intermediate Finance</td>
</tr>
<tr>
<td>LR06</td>
<td>Accounting and Organizational Control</td>
</tr>
<tr>
<td>LR07</td>
<td>Special Courses in Accounting</td>
</tr>
<tr>
<td>LR07, 2</td>
<td>Financial Analysis</td>
</tr>
<tr>
<td>LR07, 3</td>
<td>Cost Management</td>
</tr>
<tr>
<td>LR07, 4</td>
<td>Corporate Responsibility Reporting</td>
</tr>
<tr>
<td>LR07, 5</td>
<td>Corporate Restructuring</td>
</tr>
<tr>
<td>LR07, 6</td>
<td>IAS/IFRS-financial reporting standards</td>
</tr>
<tr>
<td>LR07, 7</td>
<td>The Economics of Money</td>
</tr>
<tr>
<td>LR07, 8</td>
<td>Real Estate Investments</td>
</tr>
<tr>
<td>LR07, 9</td>
<td>Mathematic Methods in Economics</td>
</tr>
<tr>
<td>LR09</td>
<td>Accounting Information Systems</td>
</tr>
<tr>
<td>LR10</td>
<td>Consolidated Accounts</td>
</tr>
<tr>
<td>LR11</td>
<td>Foundations of Auditing</td>
</tr>
<tr>
<td>LR15</td>
<td>Investor Relations</td>
</tr>
<tr>
<td>LRK</td>
<td>Bachelor’s Thesis</td>
</tr>
</tbody>
</table>

Table 2 - Courses of Bachelor’s Degree in 2013

7.2.2 Master’s Degree (advanced studies)

<table>
<thead>
<tr>
<th>CODE</th>
<th>COURSE TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LRS1</td>
<td>Advanced Financial Accounting</td>
</tr>
<tr>
<td>LRS2</td>
<td>Advanced Management Accounting</td>
</tr>
<tr>
<td>LRS3</td>
<td>Special Questions in Accounting and Finance</td>
</tr>
<tr>
<td>LRS4</td>
<td>International Accounting</td>
</tr>
<tr>
<td>LRS5</td>
<td>Advanced Financial Statement Analysis</td>
</tr>
<tr>
<td>LRS6</td>
<td>Advanced Auditing</td>
</tr>
<tr>
<td>LRS8</td>
<td>Continuous Auditing and Auditing of Information Systems</td>
</tr>
<tr>
<td>LRS10</td>
<td>Financial Risk Management</td>
</tr>
</tbody>
</table>

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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

<table>
<thead>
<tr>
<th>CODE</th>
<th>COURSE TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LRJ1</td>
<td>Accounting Methodology, Research Tradition and History (parts I and II)</td>
</tr>
<tr>
<td>LRJ2</td>
<td>Financial Accounting and Finance or Management Accounting</td>
</tr>
<tr>
<td>LRJ3</td>
<td>Special Courses</td>
</tr>
<tr>
<td></td>
<td>Optional advanced studies (not included in one’s Master’s degree)</td>
</tr>
<tr>
<td>LRV</td>
<td>Doctoral Dissertation</td>
</tr>
</tbody>
</table>

Table 4 - Courses for doctoral studies in 2013

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 1994–2013

Average number of Master’s theses completed (1994–2013) per year: 48.2

Students of Accounting and Finance have completed their Master’s theses as follows:

![Completed Master's theses 1994–2013](chart.png)

Figure 1 – Completed Master’s theses 1994–2013