

The Research Centre of the Faculty of Economics
cordially invites you to a research seminar
on **Friday, 25th May 2018**
at **1 p.m.** in room **P-201**
at the **Faculty of Economics, University of Ljubljana**

Author:

Prof. Dr. Wolfgang Schultze,
Faculty of Business and Economics - University of Augsburg

will present the article:

“Conservatism and Endogenous Preferences”

“Literature suggests that individuals have endogenous preferences for accounting conservatism due to intrinsic loss aversion. However, no empirical evidence for this claim exists. This paper provides first experimental insights on individuals’ endogenous preferences for conservative compared to neutral accounting. Findings suggest that in a judgment context based on innate loss aversion, individuals value conservatism more highly than neutrality in accounting. We further investigate if individuals also show explicit preferences for conservative vs. neutral accounting by implementing a choice setting. Our results provide evidence that individuals do prefer conservative accounting when presented with both options. The study contributes to the ongoing discussion on accounting conservatism by establishing that a disregard for peoples’ endogenous preferences for conservatism associated with neutral accounting can have detrimental economic consequences, such as a lower willingness to invest.”

Author:

Prof. Dr. Tami Dinh,

Institute of Accounting, Control and Auditing - University of St.Gallen

will present the article:

“The effect of bonus deferral and bonus recovery on managers’ self-interest: An experimental examination of effort provision”

“We examine the impact of bonus deferral and bonus recovery on managers’ self-interest. Deferred bonuses and bonus recovery provisions are an important element of a “bonus bank” scheme designed to motivate managers to act in the best interest of the firm. Consistent with construal level theory from psychology, we expect to find that bonus deferral and bonus recovery work as complements and encourage managers to place greater importance on advancing their company’s long-term interests. We conduct a computerized laboratory experiment to examine this proposition and analyze managers’ willingness to exert personally costly effort to advance their company’s interests. Our study contributes to the debate on effective managerial compensation by showing that a simple deferral of bonus payments can help to converge managerial interest with firm goals. Bonus recovery provisions can complement the effect of bonus deferral and reduce the agency conflict between the manager and the firm by increasing managers’ willingness to provide personally costly resources to achieve performance targets.”

You can register for the free seminar by phone (01) 58-92-490, or via e-mail: research.seminars@ef.uni-lj.si by Thursday, 24th May 2018.

You can find all information regarding future research seminars on following link: http://www.ef.uni-lj.si/raziskovanje/seminarji_in_konference

We look forward to seeing you!

