



UNIVERSITÉ D'OTTAWA
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FACULTÉ D'ADMINISTRATION
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**CGA Accounting Research Centre and The AFI Section
DISTINGUISHED SPEAKER SERIES**

Dr. ALAN J. RICHARDSON
**Director, CGA Ontario International Business Research
Centre**
Queen's University

Topic: ***«The Canadian Audit Market in the
First Half of the Twentieth Century»***

Abstract:

This paper explores the Canadian audit market between 1901 and 1941 based on a sample of 3661 financial statements from 956 firms. Using the literature on the relationship between industry structure and economic performance as a base line, three aspects of the market are examined: (1) the degree of market concentration, (2) the existence of market segmentation, and (3) ease of entry to and exit from the market (auditor switching). In addition, a specific concern of the paper is to analyse competition between domestic accounting firms and the international accounting firms leading to the disappearance of major independent Canadian firms after World War Two. The data show a pattern of increasing concentration during the period among a small set of domestic and international firms. The data identify both a national market and a series of regional markets for audit services. There is also evidence of market segmentation by industry and stock exchange listing. The evidence on auditor switching suggests that firms could freely enter and exit the market. Overall, the evidence suggests that the early Canadian audit market was competitive but fragmented into a series of niche markets. Domestic firms were able to compete with the international firms but the market was becoming increasingly concentrated.

Professor Richardson has agreed to include in his presentation comments on conducting accounting history research, using this paper as an illustration.

TIME: **11:30 a.m., FRIDAY, December 15, 2000**
PLACE: **VANIER HALL, Room 137**
Luncheon to follow.

**Copies of Professor Richardson's paper as well as other information are
available from: Dr. Merridee Bujaki (4757)**