



Ecole de gestion

**TELFER**  
School of Management

LIÉE au  
LINKED with

**LEADERSHIP**

## **CPA-Canada Accounting and Governance Research Centre and the AF Section**

### **DISTINGUISHED SPEAKER SERIES**

***Professor Tony Kang***

***DeGroote School of Business, McMaster University***



Dr. Kang is a Professor of Accounting at the DeGroote School of Business at McMaster University. His primary research interest is international capital markets. In recent years, his projects have focused on financial accounting, auditing, cross-listing, and cultural issues in capital markets around the world. He has published numerous research articles in journals such as *The Accounting Review*, *Journal of International Business Studies*, *Accounting Horizons*, *Journal of Accounting, Auditing and Finance*, *European Accounting Review*, *Journal of Business Finance and Accounting*, *Journal of Accounting and Public Policy*, *Management International Review*, *Journal of International Accounting Research*.

Dr. Kang served as President of the International Accounting Section of the American Accounting Association (2011-2012) and a Vice-President of International Association for Accounting Researchers and Educators (2010-2012). He serves on several editorial boards of academic journals and is an Associate Editor of the *Journal of International Accounting Research* (a Section Journal of the American Accounting Association). He has also served on and chaired a number of committees at the American Accounting Association as well as various committees at the University, College, and Department levels. He holds a Ph.D. in accounting from the University of Illinois, Urbana-Champaign.

***Topic: «Does the Mandatory Adoption of IFRS Improve the Mapping of Accruals to Cash Flows?: Evidence from Accounting Estimates ».***

#### ***Abstract:***

We study the effect of mandatory International Financial Reporting Standards (IFRS) adoption in the European Union (EU) on the mapping of accruals to future cash flows, a key concept of accounting quality within the IASB framework. Our focus is on accounting estimates, the portion of accruals that are most subjective to managerial assumptions and projections. We find that the mapping improves with the IFRS adoption, largely due to the recurring portion of accounting estimates. There is little evidence that the mapping improves for the other components of accruals. These results are concentrated in firms from countries with stronger legal infrastructure. Taken together, our analysis suggests that managers in countries with strong legal infrastructure use the reporting discretion permitted under high quality, principle-based reporting standards to signal future cash flows through current period accounting estimates.