



BUSINESS SCHOOL
Te Kura Pakihi

DEPARTMENT OF ACCOUNTANCY AND FINANCE

2023 (JUNE) PhD WORKSHOP

SEMESTER 1, 2023

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Background

The PhD workshop is designed by Professor Jin Zhang for all PhD students in the Department of Accountancy and Finance at the University of Otago to present their research progress, offer comments and support each other. This is a semi-annually departmental event, which has run since 2015.

The workshop aims to stimulate our research progress and communication. It is a perfect time for postgraduate students to know each other's research interests. All PhD students (including MCom students) are required to attend the workshop. Every presenter is assigned 6 minutes (5 minutes speech plus 1 minute Q&A) for their presentation. The order of the presentations will be based on PhD seniority. Those who join our department earlier will present first.

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2023 June PhD Workshop

Programme

Department of Accountancy and Finance

Otago Business School

10:30 am – 3:00 pm, Wednesday, 7 June 2023

Commerce Boardroom 2.19/2.20*

Organizer: Pakorn (Beam) Aschakulporn

PhD Presentations, 10:30 – 12:00

1. Sandun Fernando

Title: Retail and Institutional Short Selling: evidence from the Taiwanese Equity Market

Supervisor(s): Dr. Olena Onishchenko, A.Prof. Helen Roberts, Dr. Duminda Kuruppuarachchi

2. Disney Kariyawasam

Title: MANAGEMENT CONTROL SYSTEMS AND FOOD WASTE: A CASE STUDY

Supervisor(s): Dr. Sriyalatha Kumarasinghe, Dr. Dinithi Ranasinghe, A.Prof. Ros Whiting

3. Shabana Talpur

Title: The impact of corporate life cycle stage on corporate social responsibility decoupling

Supervisor(s): A.Prof. Helen Roberts, A.Prof. Muhammad Nadeem

4. Xiaojie Yu

Title: Environmental innovations, CEO duality and idiosyncratic risk

Supervisor(s): Dr. Duminda Kuruppuarachchi, Dr. Sriyalatha Kumarasinghe

* Zoom Link: <https://otago.zoom.us/j/95675161098?pwd=aUZCa01ydTFwRTc0dUY3SEYrU3Y4QT09>
Meeting ID: 956 7516 1098
Password: 555555

5. Helen Sadgrove

Title: Governance of work related health and safety in New Zealand public service organisations

Supervisor(s): A.Prof. Helen Roberts, A.Prof. Felicity Lamm

6. Kasun Perera

Title: Firm-level Climate Change Risk and Idiosyncratic Volatility

Supervisor(s): Dr. Duminda Kuruppuarachchi, Dr. Tahir Suleman, Dr. Sriyalatha Kumarasinghe

7. Junxiu Lyu

Title: Corporate political activities and exposure for climate change issues

Supervisor(s): Dr. Hoa Luong, A.Prof. Muhammad Nadeem, Dr. Rashid Zaman

8. Junyu Zhang

Title: The role of risk-neutral moments in forecasting future realised volatility: An international perspective

Supervisor(s): Prof Jin E. Zhang, A.Prof. Xinfeng Ruan

9. Xiaoxu Zhang

Title: Board gender diversity and earnings management: Evidence from UK private firms

Supervisor(s): A.Prof. Helen Roberts, Dr. Pallab Biswas, Dr. Dinithi Ranasinghe

Lunch, 12:00 – 13:00

PhD Presentations, 13:00 – 14:30

10. Ling Liao

Title: The Renewable Energy Certificate Market and Energy Transition in Australia

Supervisor(s): Dr. Duminda Kuruppuarachchi, Prof. Ivan Diaz-Rainey

11. Dhanushika Samarawickrama

Title: Determinants of Audit Report Lag: Evidence from India

Supervisor(s): Dr. Pallab Biswas, A.Prof. Helen Roberts

12. Arung Mayapada

Title: Regulatory Filing Deadline Change and the Financial Reporting Timeliness of UK Charitable Companies

Supervisor(s): Dr. Pallab Biswas, A.Prof. Helen Roberts

13. Weihang Li

Title: An empirical study on the early exercise premium of American options: Evidence from OEX and XEO options.

Supervisor(s): Prof. Jin E. Zhang, A.Prof. Xinfeng Ruan, Dr. Pakorn (Beam) Aschakulporn

14. Andre Poyser

Title: Empirical Essays in Indigenous Sustainable Finance

Supervisor(s): Dr. Sebastian Gehricke, Dr. Katharina Ruckstuhl

15. Abdullahi Ado

Title: Audit Committee Attributes and Cosmetic Accounting Practice in Nigerian listed Companies: The Moderating Effect of Political Connection

Supervisor(s): Dr. Mariela Carvajal, A.Prof. Muhammad Nadeem

16. Duminda Karunarathne

Title: ESG disclosure and investor behaviour: A systematic literature review

Supervisor(s): Dr. Hoa Luong, Dr. Duminda Kuruppuarachchi

17. Amelia Limijaya

Title: The Role of Professional Accountancy Bodies (PABs) in Indonesia's Accounting Education Development

Supervisor(s): Dr. Nicola Beatson, Prof. Ralph Adler

18. Tan Do

Title: Post-offering financial performance of successful equity crowdfunding campaigns

Supervisor(s): Dr. Muhammad Cheema

19. Wen Xu

Title: Modeling and Forecasting the CBOE VIX with the TVP-HAR Model

Supervisor(s): Prof. Jin E. Zhang, Dr. Pakorn (Beam) Aschakulporn

20. Christopher Alderson

Title: The impact of health and safety capacity on firm value

Supervisor(s): A.Prof. Helen Roberts, Assoc. Prof. Felicity Lamm

21. Indira Venkatraman

Title: Localization of the UN SDGs: an Accounting Perspective

Supervisor(s): Prof. Ralph Adler

Introductions, 14:30 – 15:00

22. Yaseen Hezam

23. Abrar Hussain

24. Ruizi Hu

25. Mesfin Yemer

26. TBC

Absences

Submitting/submitted

27. Max Yap

Supervisor(s): Dr. Frederico Botafogo, Prof. Ralph Adler

28. Thilini Galwalagama Arachchige

Supervisor(s): Prof. Ralph Adler, A.Prof. Ros Whiting

29. Siamak Ansari

Supervisor(s): Prof. Ralph Adler, Dr. Sriyalatha Kumarasinghe, Dr. Konan Seny Kan

30. Iki Uele

Supervisor(s): Dr. Dinithi Ranasinghe, Dr. Sriyalatha Kumarasinghe, A.Prof. Ros Whiting

31. Chang Liu

Supervisor(s): Prof. David Lont, Dr. Yongxian Tan

32. Jungah Yoon

Supervisor(s): Prof Jin E. Zhang, A.Prof. Xinfeng Ruan

33. Jianhui Li

Supervisor(s): Prof Jin E. Zhang, A.Prof. Xinfeng Ruan

Deferred

34. Umaid Sheikh

Supervisor(s): Dr. Tahir Suleman, A.Prof. Xinfeng Ruan

35. Hiruni Rathwatta

Supervisor(s): Dr. Sriyalatha Kumarasinghe

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Abstracts

1. Sandun Fernando

Title: Retail and Institutional Short Selling: evidence from the Taiwanese Equity Market

Supervisor(s): Dr. Olena Onishchenko, A.Prof. Helen Roberts, Dr. Duminda Kuruppuarachchi

Abstract: Using unique data with short seller type, we provide evidence that institutional, and retail short selling predicts negative stock returns in Taiwanese equities. A portfolio that mimics retail (institutional) shorting earns an annualized risk-adjusted return of 8% (18%). We also find that today's short selling of retail and institutional investors is highly positively correlated with contemporaneous buy-order imbalances. This result indicates that they step in as voluntary liquidity providers on days of elevated buying pressure. Overall, our results indicate that retail and institutional short sellers are skilled.

2. Disney Kariyawasam

Title: MANAGEMENT CONTROL SYSTEMS AND FOOD WASTE: A CASE STUDY

Supervisor(s): Dr. Sriyalatha Kumarasinghe, Dr. Dinithi Ranasinghe, A.Prof. Ros Whiting

Abstract: Over the last 30 years, research on waste management predominantly examined environmental and sustainability accounting reporting and disclosures. Empirical research on sustainability-linked management control practices is very limited. Thus, the research aims to investigate an organisation's strategies and management control activities in food waste management. It examines the pressures and logics contributing to strategising and diffusing procedures to reduce food waste. To achieve this, qualitative data is collected through a case study, specifically focusing on two residential colleges affiliated with a prominent New Zealand university referred to as "Alpha" hereafter. The research utilises semi-structured interviews and document analysis to gain insights into the food waste reduction hierarchy implemented within the residential colleges. The analysis draws on neo-institutional theory, incorporating the concepts of loose coupling and multiple logics, along with Malmi and Brown's (2008) management control system framework, to interpret the findings from the case study. The findings reveal that while the organisation demonstrated a high level of initiatives in managing tool waste, it lacks specific measures targeting

food waste reduction. The empirical evidence highlights the impact of loose coupling, where different management control mechanisms operate at various hierarchical levels within the organisation. Furthermore, the findings illustrate how the loosely coupled management control system gives rise to the coexistence or occasional conflict between commercial and sustainability logics with the case organisation.

3. Shabana Talpur

Title: The impact of corporate life cycle stage on corporate social responsibility decoupling

Supervisor(s): A.Prof. Helen Roberts, A.Prof. Muhammad Nadeem

Abstract: Firms in their early life cycle stage (LCS) possess limited resources to invest in CSR activities, leading firms to engage in corporate social responsibility decoupling (CSR D). Drawing on the resource-based theory, we analyse the association between corporate life cycle and CSR D. Using cashflow patterns for calculating LCS, we find supportive evidence that due to limited resources and competitive advantages, firms in the introductory stage are involved in CSR D. However, as firms transit into the growth stage of their life cycle, they demonstrate significant reduction in CSR D. Our findings are robust when considering alternative life cycle measurements.

4. Xiaojie Yu

Title: Environmental innovations, CEO duality and idiosyncratic risk

Supervisor(s): Dr. Duminda Kuruppuarachchi, Dr. Sriyalatha Kumarasinghe

Abstract: This study investigates the impact of environmental innovations and CEO duality on the idiosyncratic risk of firms in 1,639 U.S. firms during 2008-2021. CEO duality represents the situation where a single person holds both CEO and Chairmanship. First, we find that CEO duality significantly reduces the idiosyncratic risk of firms, but environmental innovations do not. However, when the CEO duality is present, the environmental innovations contribute towards the reduction of idiosyncratic risk. Altogether, the findings of this study highlight the importance of CEO duality in making environmental innovations affective in reducing firm-level risks.

5. Helen Sadgrove

Title: Governance of work related health and safety in New Zealand public service organisations

Supervisor(s): A.Prof. Helen Roberts, A.Prof. Felicity Lamm

Abstract: The study aims to identify the characteristics of effective governance of work related health and safety (WHS). Using data gathered from a series of semi-structured interviews, observations and document reviews the first stage of the analysis has identified key characteristics that have been combined with insights from governance and team effectiveness literature to inform the development of a conceptual framework. From this, a survey instrument will be used to test for the presence or absence of governance characteristics across the New Zealand Public Service.

6. Kasun Perera

Title: Firm-level Climate Change Risk and Idiosyncratic Volatility

Supervisor(s): Dr. Duminda Kuruppuarachchi, Dr. Tahir Suleman, Dr. Sriyalatha Kumarasinghe

Abstract: We study the impact of firm-level exposure to climate change risk (FECCR) on the idiosyncratic volatility (IdVol) of U.S. firms over 18 years from 2003 to 2020. We employ FECCR data developed by Sautner et al. (2020) and reveal robust evidence of a statistically and economically significant negative impact of FECCR on firms' IdVol. This finding is prominent for firms in polluting and non-high-tech industries and those operating in highly regulated states. We find that the ESG practices of these firms moderate the impact of FECCR on firms' IdVol by reducing the size of the negative impact. In the view of managerial opportunism theory, our findings suggest a potential agency conflict over corporate investing in reducing FECCR. These agency issues hinder firms from realizing opportunities arising from climate-related changes, implying a potential exposure of firms to climate transition risk. We further document that cash flow uncertainty is a channel in explaining the impact of FECCR on firms' IdVol while showing the evidence of weak climate-related regulatory enforcement and an insignificant effect of climate-related physical shocks in determining firms' IdVol. Overall, our findings suggest that climate change risk implications of firms' IdVol are worth considering in policy decisions by relevant stakeholders.

7. Junxiu Lyu

Title: Corporate political activities and exposure for climate change issues

Supervisor(s): Dr. Hoa Luong, A.Prof. Muhammad Nadeem, Dr. Rashid Zaman

Abstract: In the recent past, the world has witnessed increased frequency and intensity of natural disasters, and climate change is blamed as the top reason of such catastrophes, which are pushing companies under enormous pressure to mitigate their environmental footprints. However, top corporations actually undermine their pledges to lower emissions through spending significant amounts in political activities. The purpose of this study is to investigate the relationship between corporate political activities and climate change disclosures. Using political expenditures data from OpenSecrets and climate change issues exposed in earnings conference calls, we find that more corporate political spendings are likely to result in higher level of climate change exposure, climate change overall sentiment and positive sentiment exposure, while they may reduce the extent of climate change negative sentiment exposure. We also find that analyst following and institutional ownership positively moderate above relations. In addition, liberal-leaning companies may advance these exposures. We check the robustness of our results in several ways. The findings of this study will inform the regulators and stakeholders concerning companies' double standards towards environmental degradations.

8. Junyu Zhang

Title: The role of risk-neutral moments in forecasting future realised volatility: An international perspective

Supervisor(s): Prof Jin E. Zhang, A.Prof. Xinfeng Ruan

Abstract: This paper estimates the predictability of future realised volatility on US-listed proxy ETFs of eight stock markets by using their risk-neutral standard deviation, skewness, and excess kurtosis. Our evidence shows that the risk-neutral standard deviation and skewness have a positive relationship with future realised volatility, while excess kurtosis has a negative relationship with future realised volatility. Results from different statistical tests for model comparison show that incorporating higher risk-neutral moments from specific market proxies and aggregated moments among market proxies into the HAR-RV model can improve the predictability of future realised volatility, and that higher-order

risk-neutral moments, especially excess kurtosis, can significantly contribute to forecasting power.

9. Xiaoxu Zhang

Title: Board gender diversity and earnings management: Evidence from UK private firms

Supervisor(s): A.Prof. Helen Roberts, Dr. Pallab Biswas, Dr. Dinithi Ranasinghe

Abstract: This paper aims to study the effects of board gender diversity on earnings management for private firms using a sample of UK private firms from 2006 to 2021. The study provides robust empirical evidence indicating a significant negative association between board gender diversity and earnings management. This finding demonstrates that women members on the boards may demonstrate higher risk aversion in financial decision-making. Our research contributes to the literature linking earnings management to board gender diversity. Our findings also support that board gender diversity plays a significant role in shaping earnings quality.

10. Ling Liao

Title: The Renewable Energy Certificate Market and Energy Transition in Australia

Supervisor(s): Dr. Duminda Kuruppuarachchi, Prof. Ivan Diaz-Rainey

Abstract: To examine how effective the REC market is in promoting energy transition, we found a positive effect on the LGC returns from changes in emissions and emissions intensity before the Carbon Pricing Mechanism (CPM) in a monthly relationship and during and after the CPM in a weekly relationship, suggesting that the CPM potentially accelerated the LGC market's response to the underlying drivers. For all the subperiods, we also identified a negative effect of the LGC returns on the emission but not on the emissions intensity, suggesting that LGC pricing mechanism is limited in mitigating the emissions intensity.

11. Dhanushika Samarawickrama

Title: Determinants of Audit Report Lag: Evidence from India

Supervisor(s): Dr. Pallab Biswas, A.Prof. Helen Roberts

Abstract: This research investigates the factors influencing Audit Report Lag (ARL) in India. The dataset comprises 11,361 BSE-listed firm-year observations (986 unique firms) from 2008 to 2021. We find that effective audit committees

characterized by an independent chair, female representation, absence of promoters, financial expertise, meeting frequency augmented by high attendance, and auditor engagement with industry specialization are associated with reduced ARL. Further, audit report lags tend to be longer for state-owned firms and comparatively shorter for business groups and foreign firms. The research contributes valuable insights into enhancing audit efficiency and understanding the dynamics of financial reporting timeliness in India.

12. Arung Mayapada

Title: Regulatory Filing Deadline Change and the Financial Reporting Timeliness of UK Charitable Companies

Supervisor(s): Dr. Pallab Biswas, A.Prof. Helen Roberts

Abstract: On 6th April 2008, the UK Companies Act 2006 shortened the UK charitable companies' annual accounts filing deadline from ten months to nine months. Given this exogenous change, we investigate financial reporting timeliness among UK charitable companies around the regulatory change period between 2007 and 2015 and its consequence. The results show that a regulatory filing deadline is an essential driver for charitable companies in publishing timely accounts. We reveal that reducing report lags after the regulatory deadline change has a significant impact on earnings quality and audit fees and no significant impact on credit scores. This study contributes to the literature on financial reporting in the charity sector.

13. Weihan Li

Title: An empirical study on the early exercise premium of American options: Evidence from OEX and XEO options.

Supervisor(s): Prof. Jin E. Zhang, A.Prof. Xinfeng Ruan, Dr. Pakorn (Beam) Aschakulporn

Abstract: Since the S&P 100 Index trades both American (OEX) and European (XEO) options, the value of the early-exercise premium of American options can be directly observed. We find that the mid-quote of a XEO option can be higher than that of an otherwise identical OEX option, and liquidity can explain this overpricing phenomenon of European options. Based on the panel regression results, illiquid options are significantly overpriced in the S&P 100 Index options market. This finding indicates that an illiquid option can be overvalued with a higher market offer price, which is the requirement of market makers for compensation to provide the liquidity.

14. Andre Poyser

Title: Empirical Essays in Indigenous Sustainable Finance

Supervisor(s): Dr. Sebastian Gehricke, Dr. Katharina Ruckstuhl

Abstract: Through a survey and conjoint analysis of decision makers in Māori Asset Holding Institutions, this thesis examines sustainable investment decision making within an indigenous context. The results make contributions to the literature on institutional ownership, cultural finance, corporate culture and sustainable finance.

15. Abdullahi Ado

Title: Audit Committee Attributes and Cosmetic Accounting Practice in Nigerian listed Companies: The Moderating Effect of Political Connection

Supervisor(s): Dr. Mariela Carvajal, A.Prof. Muhammad Nadeem

Abstract: This study explores the influence of audit committee attributes on cosmetic accounting practices (CAP) in the Nigerian context, with focus on the role of political connections. Analyzing data from 980 firms listed on the Nigerian Exchange Group between 2011 and 2020, the results reveal that audit committee size and audit committee co-option (audit committee legal expertise, female audit committee member and audit chairperson) has a significantly positive (negative) relationship with CAP. Moreover, we also find that female audit committee members and audit committee chairperson (co-opted committees) reduce (increase) CAP when its directors are politically connected. Our findings are robust to alternative measures and controlling for endogeneity bias, and are relevant to stakeholders, policymakers, and regulators.

16. Duminda Karunaratne

Title: ESG disclosure and investor behaviour: A systematic literature review

Supervisor(s): Dr. Hoa Luong, Dr. Duminda Kuruppuarachchi

Abstract: Considering the critical role corporate environmental social and governance (ESG) information plays in investors' decisions and the increasing demand for ESG disclosure, companies must ensure that not only they provide more information but also that the information is relevant, timely and of high quality. The extant literature has focused on ESG disclosure and investor behaviour in individual strands. This study fills an important gap in the existing literature

by mapping ESG disclosure and investor behaviour aspects to highlight their association, the drivers and the channels through which they make an influence. We perform a systematic literature review of 111 journal articles published between 2000 and 2022 and document that the ESG disclosure-investor behaviour nexus has been under-examined. We set up an agenda for future research with the identified set of direct and indirect factors. This study is policy-driven while delivering practical implications for businesses and investors alike.

17. Amelia Limijaya

Title: The Role of Professional Accountancy Bodies (PABs) in Indonesia's Accounting Education Development

Supervisor(s): Dr. Nicola Beatson, Prof. Ralph Adler

Abstract: This study aims to investigate the role of PABs in accounting education development in Indonesia. Specifically, it will examine the dynamics between national and foreign PABs, the practice of PABs accreditation, and PABs membership. Both the Indonesian-specific factors and the scant body of literature in the area motivate the current research. This present study will employ a qualitative approach by utilising interviews as the data collection method. Interview participants consist of major stakeholders in accounting education: national and foreign PABs, accounting undergraduate program providers, accounting professionals, employers, and accounting undergraduate students.

18. Tan Do

Title: Post-offering financial performance of successful equity crowdfunding campaigns

Supervisor(s): Dr. Muhammad Cheema

Abstract: This study investigates the post-fundraising financial performance of successful equity crowdfunding campaigns backed by lead investors (i.e., business angels and venture capitalists) relative to non-backed firms. The thesis intends to utilize qualitative and quantitative approaches with data collected from questionnaires, semi-structured interviews, secondary data from the Orbis database, equity crowdfunding platforms and other sources. The primary contribution of the thesis is to extend the literature on the long-term financial performance of equity crowdfunding campaigns and the competitiveness of equity crowdfunding firms backed by lead investors compared to non-backed firms.

19. Wen Xu

Title: Modeling and Forecasting the CBOE VIX with the TVP-HAR Model

Supervisor(s): Prof. Jin E. Zhang, Dr. Pakorn (Beam) Aschakulporn

Abstract: This study proposes the use of a heterogeneous autoregressive model with time-varying parameters (TVP-HAR) to model and forecast the Chicago Board Options Exchange (CBOE) volatility index (VIX). To demonstrate the superiority of the TVP-HAR model, we consider six variations of the model with different bandwidths and smoothing variables and include the constant-coefficient HAR model as a benchmark for comparison. Overall, the TVP-HAR models could beat the HAR model with constant coefficients in modeling and forecasting VIX. The VIX futures-driven coefficients TVP-HAR model with the rule-of-thumb bandwidth obtain the optimal result for investors in forecasting market risks and shaping their hedging strategies.

20. Christopher Alderson

Title: The impact of health and safety capacity on firm value

Supervisor(s): A.Prof. Helen Roberts, Assoc. Prof. Felicity Lamm

Abstract: The purpose of this study is to examine if traditional financial concepts can be used to represent the nature of firm Health Safety and Wellbeing (HSW) capacity in the financial statements. Investment in HSW is typically only reflected in financial accounts as a cost and not seen as an increase in firm value or capacity to prevent future expenditure associated with poor health and safety outcomes. A mixed methods approach is used to determine if and how consumers of financial and HSW information may better interpret and value HSW as a component of firm value.

21. Indira Venkatraman

Title: Localization of the UN SDGs: an Accounting Perspective

Supervisor(s): Prof. Ralph Adler

Abstract: The UN SDGs are high-level, overarching, global, intergovernmental policies, expectations and implementation how-to's that can be both overwhelming and discouraging to local, communal level climate actions and aspirations. This has contributed to either the avoidance of the SDGs or in a more positive trend, localization of the UN SDGs. Just the diversity in geographical, cultural and

economic structures between countries, even regions within a country, calls for localization. In New Zealand, there is a rising interest in Localising UN SDGs to custom fit the local climate change narrative.

The nexus between accounting, accountability, and governance in particular raises questions of the suitability of global or international standards in a localized setting. This gap becomes further acute in the accounting, measurement and management of GHG emissions and how this affects the performance indicators. From an accounting perspective, localization of data allows for the information to be succinct, deliberate and faithfully represented while permitting risk regulation and climate perceptions to be unified, as they are local.