Coles Seminar Series
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Kennesaw State University
Coles College of Business

AUGUST 22ND, 2014

Dennis J. Chambers and Marcus L. Caylor

Kennesaw State University

Topic: *The Use and Usefulness of Accrual and Cash Flow Associated MD&A Disclosures.*

SEPTEMBER 12TH, 2014

Peter Demerjian

University of Washington

Topic: *Earnings Smoothing: For Good or Evil?*

OCTOBER 3RD, 2014

Stefano Mazzotta

Kennesaw State University

Topic: *International Intertemporal Asset Pricing*

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Manpreet Hora

Georgia Institute of Technology

Topic: *The influence of supply network structure on firm innovation*

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George E. Nakos

Clayton State University

Topic: *Balancing Research with Classroom and Service Responsibilities at a Public Teaching-Oriented Institution*

NOVEMBER 7TH, 2014

Victor B. Marshall

Kennesaw State University

Topic: *Measuring a Firm's Degree of Globalization*

AUGUST 22ND, 2014

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The Use and Usefulness of Accrual and Cash Flow Associated MD&A Disclosures

ABSTRACT

We introduce a textual analysis method that allows for the creation of continuous variables that quantify the qualitative information in MD&A about particular reported accounting numbers. With this method we generate accrual- and cash flow-associated MD&A variables and use them to address a number of issues regarding the predictive value, pricing bias, and analyst forecast bias related to accruals and cash flows. We find that both accrual- and cash flow-associated MD&A text have predictive value for earnings, but that investors overestimate the predictive value of accrual-associated MD&A disclosures. We also find that analysts use the predictive value of accrual- and cash flow-associated MD&A disclosures when forecasting earnings. Finally, we find that when firms provide accrual-associated MD&A information, analysts use it to correct their usual accrual-related overestimation bias.

SEPTEMBER 12TH, 2014

Peter Demerjian
Assistant Professor of Accounting
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Earnings Smoothing: For Good or Evil?

ABSTRACT

We investigate whether better managers are more likely to smooth earnings, and if so, whether the primary benefit accrues to shareholders or to the manager. We find that earnings are smoother in firm-years led by the best managers relative to firm-years led by lower-ability managers, and we confirm that the smoother earnings are, at least partially, achieved via reporting discretion. To determine whether the smoothing benefits the shareholders or the manager, we examine whether smoothing activity increases in response to firm-level or manager-level incentives, and if the costs of smoothing are lower when undertaken by the best managers, which would suggest managers are acting on behalf of shareholders. We find that smoothing activity increases in response to firm-level incentives (e.g., avoiding debt covenant violations), but not in response to manager-level incentives (e.g., informed trade) and that the costs of smoothing are lower for the best managers. Thus, high-ability managers engage in greater smoothing and this appears to benefit shareholders. Our findings provide insights into the mixed evidence on earnings smoothing, which has been characterized both as beneficial (e.g., Subramanyam 1996; Tucker and Zarowin 2006; Badertscher, Collins, and Lys 2012) and detrimental (e.g., Levitt 1998; Leuz, Nanda, and Wysocki 2003); our evidence suggests that the earnings smoothing undertaken by the best managers benefits shareholders.

OCTOBER 3RD, 2014

Stefano Mazzotta
Associate Professor of Finance
Coles College of Business, Kennesaw State University

Multi-horizon International Intertemporal Investments

ABSTRACT

We investigate the significance of intertemporal risk for international assets. We test an international asset-pricing model with currency risk and time-varying investment opportunities over multiple horizons. In this talk I will presents some preliminary results and some of the challenges ahead.

OCTOBER 17TH, 2014

Manpreet Hora
Assistant Professor, Operations Management
Scheller College of Business, Georgia Institute of Technology

The influence of supply network structure on firm innovation

ABSTRACT

In this study, we examine the structural characteristics of supply networks and investigate the relationship between a firm's supply network accessibility and interconnectedness and its innovation output. We also examine potential moderating effects of absorptive capacity and supply network partner innovativeness on innovation output. We hypothesize that firms will experience greater innovation output from (1) higher levels of supply network accessibility and supply network interconnectedness, (2) the interaction between the levels of these two structural characteristics, (3) the moderating role of absorptive capacity on supply network accessibility and the moderating role of supply network partner innovativeness on supply network interconnectedness. Supply network partner relationships are drawn in the context of the electronics industry using data from multiple sources. We use social network analysis to create measures for each supply network structural characteristic. Using regression techniques to test the relationship between these structural characteristics and firm innovation for a sample of 390 firms, our findings suggest that supply network accessibility has a significant association with a firm's innovation output. The results also indicate that interconnected supply networks strengthen the association between supply network accessibility and innovation output. Moreover, the influence of the two structural characteristics on innovation output can be enhanced by a firm's absorptive capacity and level of supply network partner innovativeness. By addressing the need for deeper structural analysis, this study contributes to supply chain research by accounting for the embedded nature of ties in supply networks, and showing how these structural characteristics influence the knowledge and information flows residing within a firm's supply network.

Keywords: innovation; supply networks; structural analysis; negative binomial regression.

OCTOBER 31ST, 2014

George E. Nakos
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Balancing Research with Classroom and Service Responsibilities at a Public Teaching-Oriented Institution

ABSTRACT

Balancing an active research agenda with classroom and service responsibilities is a challenge for every academic. This challenge increases in public teaching oriented schools. In such schools high teaching loads and extensive service responsibilities do not allow time for research. In addition, the absence of a research "culture" in many teaching oriented schools and the lack of incentives do not create an appropriate environment for producing quality publications. This lecture will outline some strategies that may lead to balancing excessive teaching and service responsibilities with an active research agenda.

NOVEMBER 7TH, 2014

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Measuring a Firm's Degree of Globalization

ABSTRACT

How do scholars measure a firm's level of globalization? Prior attempts first used categorical and then continuous measures. Here we offer a new measure, the degree of globalization (DOG) that is mathematically equivalent to the continuous measure but uses more commonly reported geographic segment data, is not region-bound and produces a continuous ratio variable ranging from zero (a domestic firm) to one (a global firm). Implications and future research are discussed.

Keywords: Globalization, Semiglobalization, Global Strategy, Multinational Corporations (MNCs) and Enterprises (MNEs), Asmussen, Rugman.