2012

Website intangibles disclosure and corporate growth reputation of small businesses

Indra Abeysekera

University of Wollongong, indraa@uow.edu.au

Publication Details
Website intangibles disclosure and corporate growth reputation of small businesses

Abstract

Keywords
disclosure, corporate, website, growth, reputation, intangibles, businesses, small

Disciplines
Business

Publication Details

This conference paper is available at Research Online: http://ro.uow.edu.au/buspapers/215
**FR.RF.79**

**Website Intangibles Disclosure And Corporate Growth Reputation Of Small Businesses**

*Indra Abeysekera (Wollongong University)*

Voluntary disclosure studies have paid considerable attention to the relative importance of what has been disclosed, but how it has been disclosed has received much less attention. Identifying disclosure communication signals as narrative, visual, and numerical, and measuring them using two methods, this paper investigates the relationship between intangibles disclosure signals and future period corporate-growth reputation of the fastest growing small companies in Australia over a continuous three-year period. Using insights from resource-based theory and signaling theories, and generating data using content analysis from 276 companies, we find that disclosure signals when combined rather than in isolation are predictors of future period corporate-growth reputation. We provide additional support that current period corporate-growth reputation mediates intangible disclosure signals in predicting future period corporate-growth reputation.

**Research Method AM**

**ABSTRACT ID. 15504**

**FR.RF.80**

**An Inquiry Into The Nature Of Negative Goodwill And Its Accounting Treatment Based On Evidence From Japan**

*Clemence Garcia (Rikkyo University)*

Unlike in most Western countries, acquisitions in Japan often result in the recognition of negative goodwill. This trend has been reinforced by the 2008 accounting reform (effective in 2010) that suppressed the pooling-of-interests method and changed the recognition of negative goodwill as a liability into extraordinary gain. Based on recent evidence in Japanese acquisitions, negative goodwill appears to have the same nature as positive goodwill, and to arise in comparable circumstances. Therefore, it should be accounted for symmetrically with positive goodwill. Rather than being mixed up with realized gains in the income statement, it could be retained as a long-term item: either as a provision or capital surplus.

**Research Method AM**

**ABSTRACT ID. 17339**

**FR.RF.81**

**High Versus Low Goodwill-Intensive Companies And The Discretion In Goodwill Write-Offs: An Examination Of IFRS 3**

*Philipp Huber (Wuerzburg University)*

The IFRS 3 impairment regime has replaced amortization of goodwill. In the light of unverifiable fair value estimates, this study examines earnings management in goodwill write-offs by comparing high with low goodwill-intensive companies. Goodwill intensity is defined as the ratio between goodwill and total assets. In a sample of German stock-listed companies, this study shows evidence that in a situation in which management can make believe that goodwill is not impaired companies with high goodwill intensity exhibit stronger earnings management in goodwill write-offs than companies with low goodwill intensity. This finding is in accordance with the intuitive conjecture that the economic impact of a goodwill write-off is greater for high goodwill-intensive companies. To identify the IFRS 3-effect on goodwill write-offs, the following paper analyzes goodwill accounting of high and low goodwill-intensive companies before and after the adoption of IFRS 3. The study shows that earnings management in goodwill write-offs significantly increases after the adoption of IFRS 3 for high goodwill-intensive companies.

**Research Method EA**

**ABSTRACT ID. 16388**

**FR.RF.82**

**Ifrs Adoption In Australia: The Case Of Reporting For Goodwill And Identifiable Intangible Assets**

*Wolfgang Schultze (Augsburg University)*

Co-author: Tami Dinh Thi, Helen Kang, Richard Morris

This paper investigates the impact of Australian IFRS (AIFRS) adoption on the accounting for, and disclosure of, goodwill and identifiable intangible assets (IIA) using a matched sample of 100 Australian listed companies for 2000 and 2006. Based on positive accounting theory and prior evidence, we expect accounting for goodwill and IIA under AIFRS to be related to improvements of a firm’s equity/debt ratio and future performance. We find evidence consistent with both expectations. The proportion of goodwill relative to IIA reverses under AIFRS with a larger weight on goodwill, likely in order...