

Accounting Research Workshop (ARW) - WT2016/2017

- Speaker:** Tami Dinh
- University:** Professor of Accounting, Institute of Accounting, Control and Auditing University of St. Gallen
- Research:** IFRS adoption, intangible assets, incentive contract choices, international accounting, conservatism
- Date:** January 17, 2017
- Topic:** "Hedge Accounting During Times of Crises: Evidence from the European Banking Industry"
- Abstract:** "This paper provides an in-depth analysis on financial information related to hedge accounting of European banks from 2005-2014. We investigate whether hedge accounting can be used to improve the information environment in the form of decreased information asymmetry and additional explanatory power for market values. We find hedge accounting to have the intended effect of earnings smoothing, which works as a mechanism for the improved information environment. The estimation results show that both hedge accounting quantity and quality are significantly associated with current market value of equity with the effects being even stronger during years of financial instability. The findings of this study on the relevance of hedge accounting are particularly important in view of the IASB's envisaged increased application of hedge accounting under IFRS 9."



We are very pleased that we had the possibility to take part in the interesting presentation of Prof. Dinh who we invited in our Accounting Research Workshop. We wish her all the best for her current and future research projects.