Asian JOURNAL of ACCOUNTING Perspectives

Volume 10, Issue 1, 2017
ISSN 1985-7136 / E–ISSN 0128-0384

Content

Published by
Faculty of Business & Accountancy
University of Malaya

Available online at
ajap.um.edu.my

Ajap **is included in** MyJurnal

EDITORIAL NOTE

Dear readers,

We are pleased to present you our 2017 issue; volume 10 of the Asian Journal of Accounting Perspectives (AJAP). In this issue, we include a total of six articles covering various perspectives in accounting; namely, corporate social responsibility, financial literacy, net capital expenditure cash outflows, and ethical judgment. The authors are from Malaysia, Bosnia & Herzegovina, India, and Bangladesh.

The first paper by Musallam and Muniandy (2017) provides interesting evidence concerning the impact of Government-Linked Investment Companies (GLICs) and state ownership on corporate social responsibility (CSR) disclosure. The study uses a sample of 190 Malaysian public listed companies over the period 2009 to 2014, and they discover that GLICs and state ownership negatively and significantly influence CSR disclosure. This suggests that companies with higher GLICs and state ownership disclose less CSR despite the government supporting and promoting GLICs to integrate and implement CSR. The findings are beneficial to the stakeholders, especially to the government because the findings of the study might indicate a need to enhance the role of GLICs and the state to improve CSR disclosure in Malaysia.

The second paper, by Zainal (2017), provides more evidence concerning CSR in Malaysia. The study examines the determinants of corporate social responsibility reporting (CSRR) quality under two different reporting regimes; namely, voluntary and mandatory reporting regimes. Using a sample of 180 public companies listed on Bursa Malaysia, for year 2005 and 2009, the study documents that different types of corporate ownership structure (e.g., family, and foreign and government ownership) and several company-specific characteristics (e.g., company size, profitability, and Shariah status) have a different impact on the quality of CSRR during the voluntary and mandatory reporting regimes. The study also notes that, to a certain extent, high-quality CSRR indicates the strong commitment of companies towards sustainability.

The third paper, by Norziation, Susela Devi, and Chan (2017), discusses the impact on the audit fees for PCON companies from the implementation of internal governance mechanisms post-BMLR 2008. This study involves interviews with regulators, external auditors, and heads of internal auditors to elicit their perceptions concerning the revised BMLR 2008 on audit committee (AC) characteristics and internal audit function (IAF) attributes, and their implications for audit fees. The interview findings suggest that PCON companies have been complying with the listing requirements, specifically in relation to AC characteristics and IAF attributes. The study also highlights that PCON companies engage in a greater level of internal monitoring through the use of internal audit. Overall, this study suggests that PCON companies have been effectively implementing good corporate governance practices.

The fourth paper, which is by Kamboj and Chaoudry (2017), discusses the financial literacy and its determinants in Haryana, India. The authors argue that in a complex and globalised marketplace, it is imperative for individuals to be well equipped with financial knowledge so that they can use their financial resources in an optimal way. Using a questionnaire developed by the Organisation for Economic Cooperation and Development (OECD) and a sample of 500 respondents, the study documents that only one-third of the total sample exhibit higher financial literacy. The study also suggests that there is a relatively large proportion of people with average financial literacy class. With regards to the determinants, the study suggests that low levels of income, income instability, and age are contributing factors to the lower level of financial literacy.

The fifth paper is by Abedin, Sen, and Akter (2017), who identify the key determinants of net capital expenditure outflows of 14 listed pharmaceutical companies in Bangladesh. Using data from the annual reports from 2003 to 2015, the study documents that the previous year net capital expenditure outflows, age of the company, size of the company, leverage of the company, business risk of the company, and independent directors on the board of directors' panel are the key determinants of net capital expenditure outflows. The paper also suggests that potential investors should consider the company's future growth opportunities when making investment decisions in pharmaceutical companies.

The final paper is by Ismail (2017) who focuses on the ethical judgement and ethical ideology of accountants and accounting students in Malaysia. Given the numerous cases of ethical misconduct by accountants recently, the paper should be of interest to various stakeholders, especially accounting regulators and professional bodies. The paper shows that accounting students are significantly more ethical than accounting practitioners in overall situations and in illegal situations. With regards to ethical ideology, it is found that there are significant differences in the idealism ethical ideology between accounting practitioners and accounting students. Overall, the findings of this study imply that the future accountants possess a higher ethical level than accounting practitioners, which should be of concern to the accounting regulatory bodies in Malaysia.

Last but not least, we would like to extend our gratitude to the authors, reviewers, the editorial and advisory board, and others who are directly or indirectly involved in the publication of this 2017 issue. A special appreciation is also extended to the editorial board of the faculty's sister journal, the Asian Journal of Business and Accounting (AJBA), to the management of the Faculty of Business & Accountancy, and all the members of the accounting department for their continuous support and encouragement for AJAP. A very big and warm thank you from all of us.

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