

CONFERENCE PROCEEDINGS

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ICAM

*International Conference on
Accounting & Management* | 2019

M a l a y s i a

Bangi Resort Hotel, Bandar Baru Bangi, Selangor

*'Valiant Transformations
toward Sustainable
Development'*



UNIVERSITI
TEKNOLOGI
MARA

Fakulti
Perakaunan



FAKULTAS EKONOMI DAN BISNIS
UNIVERSITAS PADJADJARAN

<https://icam.uilm.edu.my/Malaysia>

**Foreword Dean
Faculty of Accountancy
Universiti Teknologi MARA**



Assalamu'alaikum warahmatullahi wabarakatuh

Alhamdulillah with all His blessings, we are gathered here for the International Conference on Accounting and Management 2019 (ICAM 2019) organised by the Faculty of Accountancy, UiTM Puncak Alam Campus, Selangor. This conference, with the theme “Valiant Transformations Toward Sustainable Development,” will showcase distinguished speakers from the academics and industry who will be sharing their experiences and knowledge on issues pertinent to the sustainability of accounting and management in the current economic landscape.

It is my great pleasure to welcome all local and international participants to ICAM 2019. It is an honour for the Faculty of Accountancy to host all of you at this conference. The ultimate aim of the conference is to offer a strategic platform for participants to share and discuss new and current work on accounting and management. I am genuinely confident that the outcome of the conference will contribute towards knowledge enhancement, provide potential collaboration both in academics and research, and, most importantly, offer an enjoyable experience to all participants.

I want to take this opportunity to congratulate the Organizing Committee for their efforts in organizing ICAM 2019. I would also like to express my gratitude to the Faculty of Economics and Business, Universitas Padjadjaran, Indonesia, as co-host of this conference.

Kind regards,

Prof. Dr. Faizah Darus

Dean
Faculty of Accountancy
Universiti Teknologi MARA
Puncak Alam Campus
Selangor

Foreword Director of ICAM 2019 Faculty of Accountancy Universiti Teknologi MARA

Bismillahirrahmanirrahim
Assalamu'alaikum warahmatullahi wabarakatuh



It gives me great pleasure to welcome our distinguished keynote speakers, presenters and participants to The Second International Conference on Accounting and Management 2019 (ICAM 2019) with the theme “Valiant Transformations Toward Sustainable Development”. ICAM 2019 serves as a place to discuss current emerging topics related to accounting and business activities. This year we raise the theme “Valiant Transformation towards Sustainable Development” as the central topic. Lively brainstorming discussions are to fill up the event, from which network, research and factual ideas, and problem solution can be further deepened and proactively established among participants.

To strengthen the discussion process, we invite participants and stakeholders from practitioners, researchers, regulators, or any organization/individual to join and present based on several selected topics in the conference. We hope that the outcome and conclusion from this event will pave the way for a significant and practical contribution, as well as providing alternative solutions for the accounting and business problems.

The plenary session aims at presenting a talk from various prominent speakers who will deliver talk related to current research and practice in the area of sustainable development and its association with accounting and education. Speakers represent different viewpoints that give the talk stimulating and broad coverage by coupling the perspective from research and practice.

I would like to thank the organising committees from the Faculty of Accountancy, Universiti Teknologi MARA (UiTM), Puncak Alam Campus, Selangor for making this conference a success. To conference participants, I hope you will have an enjoyable time during the conference and a pleasant stay in Bangi, Malaysia.

Kind regards,

Dr. Aida Maria Ismail

Director of ICAM 2019
Faculty of Accountancy
Universiti Teknologi MARA
Puncak Alam Campus
Selangor

Keynote Speaker

Mr. Izzad Shamsudin



Mr. Izzad is a Partner, leading Business Advisory services. His experience spans 10 years in the public accounting practice and across a wide range of multinational and public-listed companies from various industries, including financial institutions and financial markets, manufacturing, retail, media and commerce. He is also a licensed audit partner.

Prior to joining Deloitte, he has held the position of Head of Finance and ICT in a multi-national establishment and Audit Senior Manager with another professional services firm. He was also a manager in an advisory practice specializing in Banking and Capital Market.

Mr. Izzad and his team focus on accounting standards implementation, accounting advisory on corporate proposals, business process improvement, certification and verification exercises and specialised-service engagements for public listed companies, statutory bodies, multinational corporations, large group of companies and private companies.

He obtained his Bsc Accounting, Accounting & Finance from Cardiff University / Prifysgol Caerdydd. Besides that, he is a Chartered Accountant of MIA and Associate Chartered Accountant (ACA) of ICAEW.

Keynote Speaker

Dr. Armand Hermawan PhD Ak CA



Dr. Armand Hermawan is the Director of Strategy and Transformation of PT Angkasa Pura II, which is the largest State-owned Airport company in Indonesia. He has vast experience in the industry as he had held many important positions before in various corporate companies such as auditor, manager, head of departments, CEO, Chief of Controller, Vice president, Senior Vice President and others. Besides that, he also a Certified Public Accountant (CPA), Australia, Chartered Accountant (CA), Indonesia and Certified Management Accountant (CMA), Australia.

He graduated from Padjadjaran University, Indonesia with Bachelors in Accounting and continued his study through a scholarship in Master of Commerce & Management in Financial Econometrics at University of Lincoln, New Zealand. Then, he managed to get another scholarship to pursue his PhD study in Financial Management at University of Newcastle, Australia.

His areas of expertise include Strategy and Business Development, Merger & Acquisition, Corporate Restructuring, People Engagement, Infrastructure and Government Relations, Public Finance, Project Finance and Corporate Finance, Risk & Governance and Investor Relations.

Workshop Speaker

Dr. Othman Talib



Dr. Othman Talib is a Senior Lecturer of Department of Science and Technical Education, Faculty of Educational Studies, Universiti Putra Malaysia. His expertise is on multidisciplinary areas such as Pedagogy, Development of Multimedia Content in Science Education and Research Methodology. He has been invited as a speaker and trainer at both the national and international levels, specializing in thesis writing, reference managing using Mendeley and research methodology. These trainings have been conducted mainly for postgraduate students; at Japan (Khusyu, Meiji), UK (York, Manchester, London) and Denmark (Copenhagen).

Besides students, he has also trained researchers at the National Institute for Occupational Safety and Health, Institute of Leadership & Quality Management, The Malaysian Islamic Judiciary and the People's Trust Council. He is also appointed as an official representative and trainer of the Mendeley and Atlas.ti software in Malaysia.

Dr. Othman Talib completed his first degree in Chemistry from UKM in 1986. A year later, he was appointed as a Chemistry teacher at the Matriculation Centre, University Putra Malaysia (UPM). He completed his Master in Pedagogy from UPM in 1999 and then in February 2000, was appointed as a lecturer with the Faculty of Educational Studies, UPM. Then, he obtained the Doctor of Education (EdD) degree from the University of Adelaide, Australia in 2007.

About the Conference

The Faculty of Accountancy, Universiti Teknologi MARA, Malaysia and the Faculty of Economics and Business, Universitas Padjadjaran, Bandung, Indonesia are delighted to announce the 2nd International Conference on Accounting and Management (ICAM) 2019 with the theme **“Valiant Transformations Toward Sustainable Development”**. This conference will be held in Bangi Resort Hotel, Bandar Baru Bangi, Selangor, Malaysia

The ICAM 2019 will present participants with an ambiance to communicate and share their research findings, ideas and approaches with other researchers and leading academics, practitioners and doctoral students, within the broad field of accounting. The conference sessions include expert key-note addresses, panel discussions, and research presentations.

Themes

Academics and researchers worldwide are invited to submit research papers in the broad areas of accounting and management that are empirical, purely theoretical, qualitative in nature, policy related or in-depth literature reviews for the International Conference on Accounting and Management 2019 (ICAM 2019) for the suggested topics included but not limited to:

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| <ul style="list-style-type: none">◆ Accountability and Integrity◆ Accounting Information System◆ Auditing and Assurance◆ Business◆ Business Model◆ Corporate Sustainability◆ Culture and Politics◆ Education Strategy◆ Entrepreneurship◆ Finance◆ Financial Reporting and Communication◆ Forensic Accounting◆ Islamic Accounting | <ul style="list-style-type: none">◆ Islamic Banking◆ Islamic Capital Market◆ Management Accounting◆ Operation Management◆ Public and Corporate Governance◆ Public Sector Accounting◆ Stakeholders Management◆ Strategic Management◆ Takaful◆ Taxation Management◆ Accounting Education◆ and other related topics |
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Workshop

In conjunction with ICAM 2019, Graduate Accounting Department (GAD), Faculty of Accountancy, Universiti Teknologi MARA (UiTM) Selangor is organising a one-day workshop on **Qualitative & Quantitative Research Methods: Which one is better?** This workshop aims to provide an opportunity for postgraduate students in accounting and other relevant fields to gain knowledge and having discussion related to qualitative and quantitative method from distinguished Dr Othman Talib or better known as Dr OT.

Abstracts

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Camouflaging Financial Distress with Earnings Management: A Case of Industrial Product Sector Of Malaysian Bourse

Siti Sarah Binti Khazalle, Mohamad Ezrien Bin Mohamad Kamal

Faculty of Accountancy, Universiti Teknologi MARA Selangor, Kampus Puncak Alam,
Selangor, Malaysia.

ABSTRACT

Earnings Management is prevalent among corporations, resulting to misleading information disclosed on financial statements. By adopting agency theory argument, in line with fulfilling shareholders expectations on financial performance while securing their position and interest within the company, management may be influenced to engage earnings management when the actual financial outcome is in financial distress. Hence, this study attempts to identify whether companies listed on Industrial Product sector of Malaysian Bourse experienced financial distress condition and embark on earnings management. It also examines potential relationship between financial distress conditions and earnings management within the context of companies listed within Industrial Product sector of Malaysian Bourse in 2016 and 2017. Industrial Product sector was chosen as focus of this study due to its critical position in nation's transformation to become developed country and as the main contributor to the nation's GDP with largest market capitalization value in local bourse. Financial distress was proxied by Altman Z score and earnings management by discretionary accruals as per Kothari (2005). The study was conducted using the quantitative statistical method by running multiple regressions in SPSS version 23. The study also included three control variables, such as firm size, financial leverage and free cash flow from operation. The sample of this study comprised of 454 firms of Industrial Products Sector, listed on Malaysian Bourse from 2016 to 2017. The result revealed significant negative relationship between financial distress and earnings management by companies within Industrial Product sector. Financial leverage and free cash flow from operation have inverse relationship with earnings management, while firm size has a positive relationship with earnings management. This also means management of Industrial Product Sector companies engage earnings management when their financial condition is not in distress, hence they are not using earnings management to conceal financial distress condition. Instead they may use earnings management to leverage on their non-distress financial condition to attain better share price performance and financing arrangement.

Keywords: Discretionary Accruals, Earnings Management, Financial Distress, Financial Leverage, Firm's Size, Free Cash Flow from Operation.

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