



saf

afm

cfm

MAcc

MTax

PhD

Mf

School of Accounting and Finance

Annual Report

07





“The new building is a symbolic statement about the School. It will provide us with a physical identity that will create a lasting impact on our students, faculty, the UW community and our supporters.”

Jim Barnett, Director (far right)

L-R: Mike Garvey, SAF incoming Campaign Chair; Ken Coates, Dean of Arts; Ross Walker, Campaign Chair; David Johnston, UW President; David Ha, AFM student; Jim Barnett, SAF Director

Annual Report
07

saf breaks ground for a new home

On an unseasonably warm and sunny day in March, a large and enthusiastic crowd of UW officials, community representatives, faculty, staff, students and donors attended the groundbreaking ceremony for the School of Accounting and Finance's new building.

The \$12.3 million structure will be an addition to the J.G. Hagey Hall of the Humanities building and will increase Hagey Hall's size by almost 50%. The School's new addition will offer 52,000 square feet of space where the latest technology and design will create a dynamic learning environment. The building will be devoted to six new classrooms, a 200-seat lecture hall, offices and a student common area. The classrooms are designed to minimize the distance between the lecturer and the farthest student in the room, and maximize the interaction among students and faculty. The 200-seat lecture hall will ensure that our classes don't get too big and will allow the School to host larger scale meetings and events within our own space. The addition will provide needed space for the School that will translate to a richer learning environment for our students and easier collaboration on research and teaching for our faculty.

While the building is just bricks and mortar, its impact on our students and faculty will last for many years to come. Construction is scheduled to be completed by fall 2008, in time for the School to be welcoming students for the start of classes in September.



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a firm foundation for a bright future

Annual Report

07

It started with a vision. In 1980 Jack Hanna was appointed Chair of the University of Waterloo Accounting Group to begin building his vision of a viable school for accounting education. This school would offer top-flight faculty, a fully professional program, involvement of alumni, and support from professional bodies. This vision eventually resulted in the establishment of the School of Accountancy.

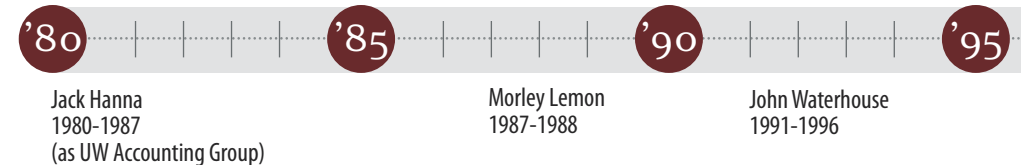
Since then, the dream has changed and evolved to provide the **firm foundation** for today's School. From the efforts and commitment of the School directors, faculty and staff throughout the years, the School has been recognized as one of the best in the country in developing and fostering successful graduates. Through our enhanced programming, research, fundraising and experiential opportunities for our students, the School of Accounting and Finance will continue to build our reputation.

In November 2007, the School of Accountancy became the School of Accounting and Finance – to reflect more appropriately what the School is today. We offer accounting and financial management programs that enable students to develop the competencies, professionalism and practical experience they need to excel in their chosen career. We are proud of our faculty, who contribute insights into key issues across the fields of accounting and finance. In this report, we profile the people committed to building a **bright future** for the School of Accounting and Finance: our students, our faculty, our alumni and our supporters.

saj



School Directors



School of Accounting and Finance at a glance

Our Students

756 Total undergraduate enrolment:
 Accounting and Financial Management
72 Computing and Financial Management
 Math/CA **294**
 Biotech/CA **56**
 Total graduate enrolment:
 MAcc **106**
23 Diploma
 MTax **71**
6 MAcc (Finance)
10 PhD

Our Alumni and Supporters

4,544 alumni working in **30** countries
2 alumni named to the Globe & Mail's Top 40 Under 40
\$7.3 million raised since 2000 to support education, research and our new building

Our Faculty

62% of our faculty have a professional background – CA, CMA, CFA, LLB, JD
 • Number of faculty: **32**
 • New faculty: Kareen Brown, Vic Naiker and Tom Vance

Faculty Honours

- **Jim Barnett:** Distinguished Teacher Award, University of Waterloo, 2006
- **Efrim Boritz:** L.S. Rosen Outstanding Educator Award, Canadian Academic Accounting Association, 2006
- **Efrim Boritz:** Reappointed Ontario Chartered Accountants' Chair in Accounting, effective September 2007
- **Sally Gunz and Darren Charters:** Master Teacher Symposium Award, Academy of Legal Studies in Business, August 2006
- **Ranjini Jha:** Outstanding Performance Award, University of Waterloo, 2006
- **Ranjini Jha:** Received Chartered Financial Analyst (CFA) designation, August 2006
- **Christine Wiedman** and Carol Marquardt (Baruch College, NY); 2007 Best Paper Award, American Accounting Association's Financial Accounting and Reporting Section
- **Christine Wiedman:** Elected CA Fellow (FCA), 2006
- **Tony Atkinson:** IFAC articles of Merit Award, 5 of the past 7 years

Faculty Involvement in Professional Councils:

- **Jim Barnett:** ICAO Council 2003-present; UFE taxation coordinator and lecturer 1999-present
- **Efrim Boritz:** IT Advisory Council, CICA 2006-present; Accounting Standards Oversight Committee, CICA 2000-2008; IT Alliance, CICA 2000-present
- **Patricia O'Brien:** Academic Advisory Council, CICA 2005-present
- **Grant Russell:** Strategic Performance Measures Review Committee, SMAC 2000-2006
- **Christine Wiedman:** Academic Advisory Council, CICA 2005-present

Morley Lemon
1998-2002

Jim Barnett
2006-present

'00

'05

present

Howard Armitage
1996-1997

Alister Mason
2002-2006

Jim Barnett, FCA

Director



This past year has been a time of endings and beginnings for our School. I'd like to share a few highlights and a couple of developments that are too recent to have been included in this report.

Over the past five years our Capital Campaign team has achieved amazing results. The Campaign team has raised \$1.1 million (over \$2.0 million with matching) for undergraduate and graduate scholarships to help attract and support outstanding students. Over \$1.6 million has been raised for our various centres at the School to support the research efforts of our faculty. Finally, the Campaign team raised \$4.3 million to provide the support needed to start construction on our 52,000 square foot addition. Thank you to Ross Walker and the team of dedicated volunteers for providing such strong leadership during the campaign. And thanks to Mike Garvey for agreeing to become chair of the next phase of the campaign. Their success will make a huge difference to the School over many years to come.

In addition to six new classrooms and a lecture hall, the School will have a dedicated space for our students. With space for group meetings, quiet study and not so quiet social space, there will be new opportunities for students to gather together to learn and grow. For our faculty and students, this new space will mean a richer learning environment where we can try new ideas that were not previously possible. With new office spaces, we will be able to have all our faculty in close proximity for easier collaboration on research and teaching.

This building is also a statement about the School. We have a research reputation throughout North America, but this building will give us a physical identity, both off and on campus. It will build a sense of place and community among our students, our faculty and our alumni. We are looking forward to starting classes in the fall of 2008 in our new space.

The goal of our undergraduate and graduate programs is to help our students develop the competencies, professionalism and practical experience they need to excel in their chosen careers. In this report we highlight the Living-Learning Community, the Professional Futures Conference and the BDO WATCase as examples of some unique ways we develop our students into young professionals. Our MAcc students have applied their financial skills to help two leading community organizations assess funding proposals. Our MTax program celebrated its 10th anniversary of partnership with the Toronto tax community to deliver outstanding tax professionals. And, our alumni have demonstrated their excellence by winning the Arts Alumni Award, the University's 50th Anniversary Awards and top Canadian awards like the Globe & Mail's Top 40 Under 40.

Our faculty contribute insights into key issues across the fields of accounting and finance. This is demonstrated by the publication of articles in 18 refereed journals as well as six books and monographs. Two highlights are Christine Wiedman's 2007 Best Paper Award from the American Accounting Association and Efrim Boritz's contribution to the Capital Markets Leadership Task Force through his major discussion paper. There are many other stories I can share with you about how our faculty contribute to the greater body of knowledge in accounting and finance, and with continued support, we will maintain this tradition of excellence in research.

The end of 2007 marks probably the most significant changes to the School since it began. In November 2007 we changed our name from the School of Accountancy to the School of Accounting and Finance to better reflect our future direction. As we move forward we will continue to produce outstanding graduates who go on to become Chartered Accountants and Certified Management Accountants. But our growth will come from our unique ability to integrate our strength in accounting with our strength in finance. This will result in graduates from our accounting stream who are strong in finance, and likewise students from our finance stream who are strong in accounting. In December, the Dean and Provost announced that we can hire an additional 20 faculty members to enhance our ability to deliver fully prepared graduates who can easily transition to the professional phase of their careers. Our new faculty will complement our existing team while broadening and building our research reputation.

We are excited and energized about the future possibilities for the School, and I look forward to telling you all about it next year.



BDO Dunwoody WATCase Competition

In September 2007, BDO Dunwoody became the primary sponsor of the annual WATCase Competition. The BDO Dunwoody WATCase Competition is an integrated accounting and finance practical case for upper-year students, designed to develop case preparation and presentation skills, introduce additional breadth and integration of materials into their senior year of the School's program, and further develop group work skills.



2006 CMA Case Competition

Competing with 37 other student teams across Ontario, Waterloo's Blue Balance team (L-R: Sarah Lau, Edmond Li, Melissa Lai, and Michael Tang) won the first annual CMA Case Competition.



Lunch with the Prime Minister

18 winners of the 2007 Professional Futures Conference were treated to a luncheon at the Canadian Club, where Prime Minister Stephen Harper was the keynote speaker.

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saf highlights

Jim Barnett, Rod Barr's wife Alison Knight, Rod Barr, and Bob Kerton, former Dean of Arts



Rod Barr, BA '69, FCA – 2007 Arts Alumni Award Recipient

Rod, a founding member of the UW Accounting Alumni Association, is the National Securities Partner for Deloitte & Touche. His generous contribution to the Waterloo Capital Campaign has resulted in the establishment of the Barr Family Entrance Scholarship, awarded annually to an outstanding student entering first year of the Accounting and Financial Management program.



AFM Fellowship student Grace Lam answers student life questions from an inquiring parent.

Recruiting Students with Potential

The Accounting and Financial Management Admissions Assignment is a supervised, written test used in conjunction with a student's academic record to aid the School in admitting well-rounded and academically strong students. The School takes the lead in being the first and only professional school in Canada to implement an admissions tool of this kind.

accounting and financial management

Grant Russell, FCMA

Director



Throughout the School's history, the undergraduate program has continually evolved to stay abreast of the educational needs of the accounting professions. The Accounting and Financial Management (AFM) program was introduced in 2003 to combine Financial Management (FM) – management accounting and finance streams – with our outstanding public accounting (PA) stream. The enhancement of the undergraduate program also saw the introduction of a number of initiatives to improve the learning experience for our students.

The demand for the AFM program continues to grow, attracting students from farther afield and increasing applications by 250% over the last five years. A total of 1,905 students applied for admission in 2006, with applications increasing by 168% to 3,209 in 2007. The increase in interest and applications makes the AFM program the highest demand program at Waterloo and one of the highest in the country. Over 95% of those accepted into the AFM program in 2006 received an entrance scholarship, with similar numbers of the 2007 entering class receiving at least one entrance scholarship.

To ensure that we are admitting the best students, we introduced an additional admission step – the Accounting and Financial Management Admissions Assignment – for the cohort admitted in Fall 2007. This new admissions tool is used in conjunction with an applicant's academic record to identify and admit students who have the potential to acquire the competencies and professional skills that employers are looking for.

To enhance the development of competencies and professionalism, our students can now participate in a range of initiatives, including the SAF Fellowship Program, the Professional Futures Conference, and the Living-Learning Community. These initiatives complement the development opportunities provided through an increasingly broad range of co-op work term positions.

The SAF Fellowship Program is a combination of scholarship and extra-curricular involvement, giving stellar students a way to further build their professional and leadership skills while being involved in meaningful academic experiences. To date, 78 AFM students have been named Fellows. The SAF Fellowship program aims to provide 10% of each incoming class with this unique scholarship and learning opportunity.

100%

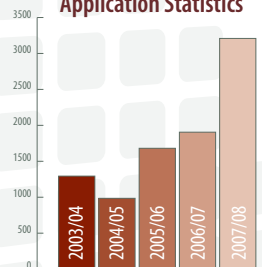
- co-op employment rate
- employment after 6 months of graduation

Co-op Employment Statistics

Winter 2006, PA:
58% in national CA firms; 22% in non-national CA firms; 20% in business/industry roles

Winter 2006, FM:
28% in accounting firms; 12% in banks/investment firms; 9% public sector; 28% manufacturing; 20% consulting firms; 3% other

Application Statistics



Winter 2007, PA:
60% in national CA firms; 29% in non-national CA firms; 11% in business/industry roles

Winter 2007, FM:
29% in accounting firms; 23% in banks/investment firms; 14% public sector; 10% manufacturing; 9% consulting firms; 15% other

afm highlights



Living-Learning Community Eases Transition from High School

Introduced for the fall 2006 class, the Living-Learning Community provides an enhanced environment where accounting and financial management students from Arts, Math and Science live and study together. Special events and activities help first-year students grow both socially and academically, easing the transition from high school to university.



Sarah Tyrer Presents Paper at ALSB Conference

In August 2007 Sarah Tyrer, a 3B AFM-FM student, presented her paper at the 82nd annual conference of the Academy of Legal Studies in Business, held in Indianapolis and hosted by Butler University. Sarah's study – "Withholding Tax and Its Effects on Canadians' Tax Liability: Is There a Better Way?" – was one of only two undergraduate papers selected for presentation.

www.afm.uwaterloo.ca

Futures Conference Creates Awareness of Professionalism

Thirty-eight accounting and financial management students from eight teams won prizes at "Investing in Human Capital," the School of Accounting and Finance's comprehensive competitive workshop, the 2007 Professional Futures Conference.

More than 200 second-year students participated in the second annual two-day conference, which featured personal image workshops, sessions on business etiquette, practice interviews, presentations to "investors," and advice on networking. The conference also initiated the development of a statement of core values that will guide the behaviour of this cohort of students during their years at Waterloo.



Five PFC winners breakfasted with Jim Balsillie, Co-CEO of RIM, Brian Bidulka, Chief Accounting Officer, Roger Witteveen, VP, Taxation (MAcc '93), and Tim Rollins, Director, Corporate Taxation (MAcc '96). The RIM executives spoke of their personal experiences and provided insights on how they moved through their career and professional paths.



Conference winners, senior AFM students and Fellowship students attended a luncheon at the Canadian Club featuring a speech by Prime Minister Stephen Harper. The group was hosted by the ICAO, represented by alumnus Brian Leader (BA '75) and Chris May.



Two winning PFC teams developed their leadership, team and communication skills at the Chicopee Leadership Retreat. The team members strategized on how best to work together and communicate effectively as they maneuvered their way through rock climbing, a military obstacle course and mountain biking activities.



Four PFC winners and a senior AFM student had a memorable afternoon speaking and lunching with UW President David Johnston.

computing and financial management



Duane Kennedy

PhD (Cornell), FCMA

Co-Director

The Computing and Financial Management (CFM) program, developed in response to rapidly changing needs in the financial services industry, welcomed its first cohort of 45 students in September 2006. Enrolment in fall 2007 stands at 72.

This new undergraduate program is a collaborative effort of the School of Accounting and Finance in the Faculty of Arts, and the David R. Cheriton School of Computer Science in the Faculty of Mathematics.

The initial class will graduate in 2011, with a unique Bachelor of Computing and Financial Management (BCFM) degree. Graduates will enter the financial services industry with expertise gained from successfully taking an equal number of required courses in computer science and mathematics, and in accounting and financial management.

The demand on the part of banks, investment firms and insurance companies for people with such knowledge and skills is demonstrated in the wide range of student placements in the program's first co-op term, in spring 2007. These placements saw CFM students working in the United States, Qatar, and China, as well as Canada.

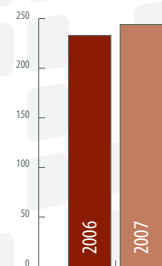
Interest in the program is high. The total of 233 students applying for admission in 2006 was surpassed in 2007, when 244 applied. Over 85% of those accepted into CFM in fall 2006 received an entrance scholarship, and a similar percentage of students received an entrance scholarship for fall 2007.

David R. Cheriton School of Computer Science

Peter Forsyth, PhD (UWO)

Co-Director

Application Statistics



First class of CFM students will graduate in **2011**
over 40% of the Class of 2011 had four or more interviews for their first co-op work term
over 75% of CFM students are involved in extra-curricular activities – clubs, societies, volunteerism, work





cfm highlights

CFM Student Experiences the Big Apple

Claire Rong, a 2A CFM student, was hired by Bloomberg NY for her first co-op work term in 2007. "I worked as a programmer for the Internal Systems Department at Bloomberg for the summer. I developed a testing tool which was used to test the correctness of the XML files. It was a great opportunity for me to see how IT has enhanced the level of proficiency in the financial world. I had also learned a lot about finance during my co-op experience!"

Bloomberg NY Develops Position for CFM Student

Bloomberg NY, an information services business, was very impressed with the competencies the CFM program is developing in students and created a junior position for one of the first-year CFM students. Bloomberg NY recruiters were so pleased with the skills Claire had gained from the CFM program (see above story) that they returned to recruit for the Winter 2008 term. Bloomberg made 12 positions available to UW students and hired five CFM students.

www.cfm.uwaterloo.ca

master of accounting program



Donna Psutka, CA

Director

Established in 1985 with an initial class of 11 students, the Master of Accounting (MAcc) program is an essential component of the School of Accounting and Finance. The program boasts more than 850 alumni, employed in a wide variety of settings in Canada and around the world. Enrolment for the 2007 academic year is 106, up from 93 in 2006.

The MAcc program offers students a wide choice of career opportunities, a dynamic learning environment led by top faculty, and a strong connection to alumni. The program is designed for qualified UW undergraduates seeking to become professional accountants/financial managers, whether in public practice, industry or government.

MAcc students combine their career interests with preparation for professional exams. They can select courses that will give them a competitive advantage in various practice areas such as forensics, valuations, and information technology.

The program faculty is a collaborative team of PhDs and professionals who offer both a strong research environment and practical experience.

In 2006, the School established a Learning Task Force to ensure that MAcc students encounter a significant learning environment at UW. The task force is surveying MAcc alumni for career and skills information that will be used in updating and enhancing the curriculum.

In 2007, MAcc students partnered with the Kitchener-Waterloo Community Foundation and the Lyle S. Hallman Foundation, creating a Financial Statement Review Team to provide confidential financial statement analysis and interpretation of grant applications. This unique initiative will now be a regular activity of the program.

Career Exposure

The MAcc program offers a unique opportunity for our students. Selected courses enable our students to gain **exposure** to career specializations and provides them with an early insight into a variety of professional areas.

- CMA** "The Performance Measurement courses gave me a better insight into an 'industry' job. I now know that there are many more options for me to choose from."
CA
CA.CISA
CA.IT
CA.IFA
CA.CBV
CBV
- MAcc grad, 2007**
- "I am now considering pursuing my CBV after taking Valuations. The professors are excellent and provided us with exposure to professional areas."
MAcc grad, 2007

MAcc



MAcc Students Lend Their Expertise to Community

In 2007, David Carter, a retired faculty member, launched a community service initiative that enabled MAcc students to participate in a Financial Statement Review Team. The student team, under his direction, volunteered their expertise in analysing financial statements for funding proposals submitted to the Kitchener-Waterloo Community Foundation and the Lyle S. Hallman Foundation. The reviews were used by the granting committees to assist in their grant selection process. Reports indicate that the initiative is already benefiting these foundations.

“Their review provided us with consistent sound information about...an agency’s capacity to manage a project,” reports Hulene Montgomery, executive director of the Hallman Foundation. “I was especially impressed with the students’ questions, which often enabled me to identify important information.”

“The students provided a consistent, professional assessment of all the financials received,” adds Linda Zensner, grant services manager for the K-W Community Foundation, “and the information they provided [was] an integral part of the overall evaluation of a grant application.”

Two Alumni Named to Top 40 Under 40

Samir Manji (MAcc '92) and Paul Langill (MAcc '91) were named to the “Top 40 Under 40” list announced by the Globe & Mail’s *Report on Business* magazine in May 2007.

Samir serves as chair, president and CEO of Amica Mature Lifestyles Inc., an owner and operator of independent senior housing with facilities in BC and Ontario.

Paul is the Senior Vice President of Trading Risk and Trading Risk Operations of TD Bank Financial Group in Toronto. Paul was also this year’s distinguished speaker for the annual lecture sponsored by ASEC, the Accounting Students Education Contribution.

MAcc highlights

2006 Scholarship Recipients

Catherine Wong, Bonnie Ho Memorial Scholarship
Cindy Law, John M. Harper & William J. Harper Scholarship
Krysta Chapman and Carol Wong, Tax Executives Institute Scholarship

2007 Scholarship Recipients

Kelly Russell, Bonnie Ho Memorial Scholarship
Jayne Ho, John M. Harper & William J. Harper Scholarship
Mandy Law, Cynthia Lo and Kelly Russell; Tax Executives Institute Scholarship

UFE Results

2007 first-time writers pass rate 85%
Compared with the Ontario rate 74.5% and National rate 80.5%

2006 first-time writers pass rate 88%
Compared with the Ontario rate 79% and National rate 84.3%

UFE Honour Roll **2** MAcc graduates listed on the 2007 Ontario Honour Roll

4 MAcc graduates listed on the 2006 Ontario Honour Roll

master of taxation program

The Master of Taxation (MTax) program, widely regarded as a key provider of top quality tax professionals, celebrated its 10th anniversary in 2007. The teaching faculty comprises of four School of Accounting and Finance professors and 11 tax practitioners.

The MTax program receives strong support from the national tax leaders of Canada's largest accounting firms, and from associated individuals and organizations. Since 1997 the program has produced 164 graduates, who are employed across Canada, in Switzerland, Mexico and the UK, occupying high-level tax positions in accounting firms, law firms, government and industry.

The demand for tax professionals is unending, and MTax enrolment continues to increase. In 2006-07, 125 prospective students, generally with a strong business or law background, applied. Admission is based on academic achievement, tax-related work experience, and genuine interest in a long-term career in taxation.

In order to meet students' diverse needs, the program is offered both full-time and part-time. A total of 38 students enrolled for winter 2007 and 33 for fall 2007. Students attend classes in Toronto, held at the offices of the Institute of Chartered Accountants of Ontario.

The program is constantly evolving to keep pace with the market, and it benefits from the valuable input provided by the MTax Advisory Council on market needs and course design.

In 2006, a tax risk management course was added to the curriculum, joining regular offerings in statutory interpretation, tax research, international tax, business structuring, owner-managed business, estate and retirement planning, and business valuations.

In 2006-07, 100% of MTax students obtained tax positions during their work terms, either with large and mid-sized accounting firms or with high-profile industry employers. And almost 100% assumed tax positions upon graduation.

Lori Clements

MTax (Waterloo), CA, MTax

Director



Julie Robson

MAcc (Waterloo), CA, CPA

Associate Director





MTax celebrates 10 years

September 2007 marked the 10th anniversary of the MTax program, which now boasts 164 graduates. Originally developed to meet the demand for practitioners specializing in tax, the MTax program has built an enviable reputation in tax education. The program has evolved over the last 10 years to keep pace with the current market, but much of the core and mandate remain the same. The program continues to emphasize developing the skills, both technical and otherwise, that today's tax practitioners require.



Far left: photo of Lori Clements, fourth from the left, with a few of her peers from the first graduating MTax Class of 1999.

Together again, celebrating the MTax 10th Anniversary. L-R: Jonathan Eckler, Ling Chu, Lori Clements (Director, MTax program), Helen Hung, Raymond Hui

2007 awards to practitioner faculty

MTax highlights

- MTax alumni teach tax courses at several Canadian universities: UBC, UW, WLU and York
- MTax students benefit from:
 - the Larry James Tax Scholarship (KPMG),
 - the MTax Graduate Scholarship, established in 2006,
 - the Donald and Geraldine Beam Award, and
 - the Canadian Tax Foundation Scholar Award

10-year award

Hugh Chasmar (Deloitte & Touche)

5-year award

Tony Ancimer (Deloitte & Touche),
Mike Vantil (Ernst & Young),
Rainer Vietze (KPMG)

special recognition

Greg Boehmer (Ernst & Young),
Robin MacKnight (Wilson Vukelich)

master of accounting/ finance program

Adam Kolkiewicz

PhD (Waterloo) Associate Chair,
Department of Statistics and
Actuarial Science

Associate Director

The Master of Accounting/Finance program, co-ordinated by the Centre for Advanced Studies in Finance (CASF), is a collaborative offering in quantitative finance. Students who register through the School of Accounting and Finance graduate with a MAcc (Finance) degree.

Established in 1995, the 16-month program focuses on the fundamental disciplines of mathematics, statistics, economics and finance that provide the analytical tools to solve practical problems. Faculty members from the School of Accounting and Finance and from the Department of Statistics and Actuarial Science collaborate in delivering the program.

The program now boasts 98 alumni, of whom 23 are MAcc (Finance) graduates from the School of Accounting and Finance. These graduates are working in Canada, the US and the UK.

In September 2007, 27 students from both the Faculties of Arts and Mathematics – the largest class ever – were admitted from over 200 qualified applicants who participated in the program's rigorous screening process. Thirteen students are currently in the second year of the program. Six of the current students are MAcc (Finance) students.

In 2006-07 the Institute for Quantitative Finance and Insurance, based at UW, continued to provide both program funding and an enriched learning experience through special seminars and conferences.

Curriculum refinements in 2007 include a reduction in the number of required courses, the inclusion of financial econometrics as a required course, and the addition of a thesis option. The first two refinements will help students focus their energy and time effectively. The thesis option is directed to those interested in pursuing academic careers.

Every year CASF's financial econometrics conference brings leading scholars, researchers, and practitioners to the UW campus. The theme for the 2007 event, attended by 115 professors and students from Waterloo and elsewhere, was "Hedge Funds and Associated Risks."

In 2007 Professor Adam Kolkiewicz was appointed Director of CASF. Professor Ken Vetzal of the School of Accounting and Finance is the faculty advisor for students in the MAcc (Finance) program.





L-R: Edgar Cheung, Jiaqi Zhang, Magno Yu, Hao Chen, Catherine Zhang, Steven Young, Gary Ling. Seated: Desmond Lee.

A total of 38 teams from Canada, the US and the UK participated in the 2006 Rotman International Trading Competition, hosted by the Rotman School of Management at the University of Toronto. The majority of the teams who participated were MBA students from various business schools. Gary Ling, a UW team member, noted, "Although we faced many challenges and a lot of time and effort was spent preparing for the competition, in retrospect, we agreed that it was all worth the effort and necessary to achieve such excellent results." UW entered two teams, with one placing second out of 38 schools in the computer trading portion of the competition, and ranked fifth and sixth in overall results.

MAcc (Finance) students place in the top 10 in 2006 and 2007

A team of four MAcc (Finance) students placed ninth overall among 33 teams competing in the 2007 Rotman International Trading Competition. The competition draws students from many North American universities as well as international schools. "I found acting as a trader an enjoyable experience," says Kristian Bauer, a UW team member. "It gave me perspective on the aggression necessary in the world of trading. It was also interesting to note the inefficiencies generated when the market drove the future prices out of line with the spot prices. Fortunately, my team quickly noticed the arbitrage opportunity and capitalized on it. I found the Rotman trading competition very enjoyable and I highly recommend it to anyone interested in trading as a future career."



L-R: Matthew Black, Ted Huang, Kristian Bauer. Absent: Steven Postma.

www.saf.uwaterloo.ca/finance

doctor of philosophy (PhD) program

The PhD program in accounting offered by the School of Accounting and Finance is the largest such program in Canada. Twenty-two students have graduated since the program was launched in 1988. Almost all graduates have university positions: 18 in Canada, two in the US, and one in Scotland – see **grads in academia** to the right.

In 2006-07 several students moved closer to completing their studies. Yao Tian, who presented her thesis proposal in 2006, is investigating whether managers' manipulation of accounting numbers impairs investors' valuations of public companies. She expects to receive her degree in 2008, and is now on the faculty of the University of Alberta.

Three students presented thesis proposals in 2007 and two will enter the job market in 2008. Two new students entered the program in September 2007.

Our PhD students are strongly supported by professional bodies, with seven of the current 10 students receiving funding – six from the Institute of Chartered Accountants of Ontario and one from the Society of Management Accountants of Canada (SMAC). In addition, students are guaranteed School funding for four years (\$25,000 annually), subject to achieving satisfactory progress in their studies.

Opportunities for graduates continue to be plentiful. The main limitation on the size of the PhD program is the number of keen students willing to engage in such demanding studies.

Alan Macnaughton

PhD (UBC)

Co-Director



Christine Wiedman

PhD (Cornell), FCA

Co-Director





grads in academia

Ping Zhang, PhD '94, University of Toronto
Suzanne Paquette, PhD '94, Université Laval
Robert Mathieu, PhD '95, Wilfrid Laurier University
Glenn Feltham, PhD '95, University of Manitoba
Amin Mawani, PhD '95, York University
Paul André, PhD '96, University of Edinburgh, Scotland
John Jermias, PhD '96, Simon Fraser University
Theresa Libby, PhD '96, Wilfrid Laurier University
Raymond Morissette, PhD '97, HEC, Université de Montréal
Susan McCracken, PhD '98, McMaster University
Shane Dikolli, PhD '98, Duke University
Kate Bewley, PhD '99, York University
Dean Smith, PhD '99, Partner, Grant Thornton, Toronto
Steve Fortin, PhD '00, McGill University
Jeff Pittman, PhD '01, Memorial University
Marie-Josée Ledoux, PhD '01, Université du Québec à Montréal
Thomas Matthews, PhD '02, University of Alberta
Sandy Hilton, PhD '03, UBC Okanagan
Flora Niu, PhD '04, Wilfrid Laurier University
Greg Berberich, PhD '05, Wilfrid Laurier University
Guoping Liu, PhD '06, Ryerson University
Devan Mescall, PhD '07, University of Hawaii at Manoa



PhD Grad Receives Honours

Theresa Libby (PhD '96), one of the School of Accounting and Finance's outstanding doctoral program graduates, received two high honours this past year. An associate professor at the School of Business and Economics at Wilfrid Laurier University, Theresa was named to the UW Faculty of Arts "Arts in Academics" honour roll in September. This new honour roll recognizes the achievements of Arts alumni who have gone into academia as teachers and researchers.

A few weeks later, she was named editor of a leading academic journal, *Behavioral Research in Accounting*, published by the American Accounting Association (AAA). "I am very proud of this accomplishment," she says, "especially given [that] I am only the second non-American academic to be selected as editor of an AAA journal."

www.saf.uwaterloo.ca/phd

PhD highlights

A Place in the Sun

The program's latest graduate, Devan Mescall (PhD '07), is now teaching and conducting research at the University of Hawaii in Manoa. His thesis focused on the effect of tax and financial reporting policies on cross-border mergers and acquisitions. Using a large sample of mergers and acquisitions from 27 countries over a 16-year period, Devan found that firms pay a premium to reduce the tax risk associated with strict transfer pricing rules. Examining the structure of acquisitions, he concluded that higher-quality financial reporting reduces information asymmetry and improves the tax efficiency of the acquisition structure.

our faculty contribute

insights into key issues across the fields

research

Research is a key element of the School of Accounting and Finance. Our faculty research strives to contribute insights into key issues across the fields of accounting and finance. From the establishment of a Centre for Accounting Research and Education (CARE) in 1981 and continuing into the present, research conducted within the School seeks to expand the boundaries of knowledge, meet the needs of practitioners, and further the educational experience of students.

In 2006-07, faculty members received a total of \$1,373,600 to support their research, and produced more than 30 textbooks, books, monographs and articles in refereed journals – see **published books and monographs** to the right.

With our research, the School strives to become a top research unit in the areas of accounting, tax and finance. Our centres also play a vital role in providing focus to our research mandates. One example of activities recently conducted by the Centres is the fifth biennial research symposium of UWCISA, held in Toronto in 2007. This conference is unique in bringing both practitioners and academics together in an interactive environment, fostering collegiality and intellectual engagement on information systems assurance issues.

In addition to research conducted by individuals, the School boasts six research centres: CARE, Accounting Ethics, UWCISA (University of Waterloo Centre for Information Systems Assurance), Deloitte Centre for Tax Education and Research, and GH Cowperthwaite Centre for Accounting. In addition, faculty members, along with those in other faculties, are involved with UW research groups such as CASF (Centre for Advanced Studies in Finance). Each has a different mandate, but all share the common goal of fostering leading-edge research that is relevant to academics and practitioners as well as to our communities and students.

Patricia O'Brien

PhD (Chicago)

Associate Director



Current Grants Held by Faculty

SSHRC: \$301,000

NSERC: \$135,000

CAAA: \$33,600

Industry: \$717,000

Other Granting Agencies: \$187,000

Total: \$1,373,600

research highlights

UW Professor Receives International Honour

Professor Christine Wiedman is a co-recipient of the 2007 Best Paper Award of the American Accounting Association's Financial Accounting and Reporting Section. Wiedman and a colleague examined the financial reporting effects of contingent convertible bonds ("COCOs") and showed that firms' decisions to issue COCOs exploited a loophole in the accounting standard for reporting diluted earnings per share. Scott Taub, former Deputy Chief Accountant at the Securities and Exchange Commission, noted that "the research contributed directly to an improvement in financial reporting [and] it convinced us at the SEC that we should look to the academic community more often in seeking to solve financial reporting problems."

Boritz Produces Discussion Paper on Canadian Capital Markets

Professor Efrim Boritz recently produced a major discussion paper entitled "Maintaining Quality of Capital Markets through Quality Information" for the Capital Markets Leadership Task Force (CMLTF). CMLTF is an initiative of major CA firms and the CA profession in response to the rapidly changing capital market reporting environment.

Boritz's paper, now in circulation, outlines the present environment, delves into key issues, and offers 44 propositions to improve reporting in Canada's capital markets, including costs and benefits. "The overall thrust of the propositions," Boritz explains, "is to focus the attention of standard setters and regulators on the importance of reliable interim financial information and other continuous disclosures."

www.saf.uwaterloo.ca/research

Published Books and Monographs

- **Armitage, H.M.**, and C. Scholey (2007), *Using Strategy Maps to Guide Performance, Management Accounting Guideline*, Society of Management Accountants of Canada.
- **Armitage, H.M.**, and R.B. McNaughton (2006), *Breaking the MBA Mould: Business Education for a High Technology World, in New Visions of Graduate Management Education*, a book in the series Research In Management Education and Development.
- **Atkinson, A.**, R.S. Kaplan, E.M. Matsumura, and S.M. Young (2007), *Management Accounting* (5th edition), Prentice Hall.
- **Beam, R.E., Laiken, S.N., and Barnett, J.J.** (2007), *An Introduction to Federal Income Taxation in Canada*, CCH Canadian Limited.
- **Boritz, J. E.** (2006), *Maintaining Quality of Capital Markets through Quality Information*, Capital Markets Leadership Task Force.
- **Boritz, J. E.** (2006), *Information Systems Assurance and Computer-Assisted Auditing*, University of Waterloo Centre for Information Systems Assurance.

Published Articles

- **Contemporary Accounting Research:** S. Bandyopadhyay, A. Webb
- **Review of Accounting Studies:** C.Wiedman
- **Review of Financial Studies:** A. Douglas
- **Accounting Horizons:** C.Wiedman
- **Financial Review:** R. Jha (née Sivakumar)
- **Issues in Accounting Education:** A. Webb
- **Journal of Banking and Finance:** K.R. Vetzal
- **Journal of Empirical Finance:** D. Kennedy, R. Jha (née Sivakumar), K.R. Vetzal
- **Accounting Perspectives:** J.E. Boritz, D. Charters, S. Gunz, D. Kennedy, A. Webb
- **Managerial Finance:** S. Bandyopadhyay, A. Douglas
- **CMA Management:** A. Atkinson
- **European Journal of Operational Research:** K.R. Vetzal
- **Journal of Business Ethics:** D. Charters, S. Gunz
- **Journal of Forecasting:** R. Jha (née Sivakumar)
- **Journal of Pacific and Asian Communication Association (PACA):** J.H. Lim
- **Planning for Higher Education:** H.M. Armitage
- **The Chinese Economy:** A. Huang

* For a complete list of articles visit www.saf.uwaterloo.ca/faculty.php

our alumni and supporters



Frances Houston

Alumni and Development Officer

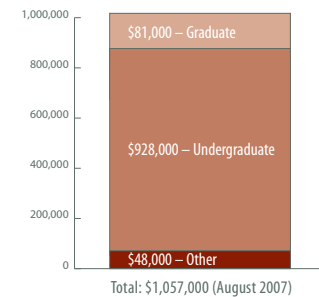
As the University of Waterloo celebrated its 50th anniversary in 2007, the School of Accounting and Finance also marked some milestones of its own. In 2006-07, alumni outreach and development took a more prominent place on the School's agenda than ever before.

Alumni are reaping honours for their achievements, both from the wider community and from their alma mater. They are also maintaining their connection to the School by offering their time, insights and experiences through volunteer opportunities such as the Professional Futures Conference; BDO Dunwoody WATCase Competition; UW Accounting Conference; speaker events; and CA Nights and CMA events.

Alumni Awards

- Globe & Mail's 2007 Top 40 Under 40: **Paul Langill**, MAcc '91, Sr. VP, Trading Risk, TD Bank Financial Group, **Samir Manji**, MAcc '92, CEO, Amica Mature Lifestyles Inc.
- **Paul Langill**, MAcc '91 - 2007 ASEC Distinguished Speaker
- **Rod Barr**, BA '69 - 2007 Arts Alumni Award
- 50th Anniversary Awards – established to mark UW's 50th anniversary, these awards honour alumni for their outstanding commitment to the University:
 - **Cindy Ditner** (MAcc '86), former president of the UW Accounting Alumni Association; national assurance standards partner, BDO Dunwoody LLP, Toronto
 - **Mike Garvey** (BA '69), founding member of the UW Accounting Alumni Association; partner, PricewaterhouseCoopers (retired)
 - **Robert Harding** (BMath '80), chair, UW Board of Governors; chair, Campaign Waterloo; chair, Brookfield Asset Management Inc.
 - **Tim Jackson** (BA '92), member, UW Board of Governors; founder of Tech Capital Partners Inc.

Scholarship Funds Raised



2006 - 2007 Overview

over 175 alumni in executive-level positions
over \$7.3 million raised for building, scholarships and research
over \$4 million raised for the new building project

Scholarships

- Bonnie Ho Memorial Award, worth \$2,000 annually, in the MAcc program was established in loving memory of Bonnie Ho, a Bachelor of Arts and Master of Accounting graduate in 2002 and 2003, respectively. Bonnie earned her Chartered Accountancy (CA) designation in 2005.
- Nine new undergraduate and graduate scholarships were established

supporter highlights

Our School Supporters

The talent and the generosity of the School's many supporters, volunteers and donors are why \$7.3 million has been raised since 2000 to support the School's education and research programs, as well as its new building. Friends and alumni have recognized the need to give back to the School that gave them the skills to succeed, and through their generous support they have established nine new scholarships, matching gift programs, and a legacy planned giving program.

The \$12.3 million new building project has been in development for years, and we are very excited to finally reach the construction phase. The new space is focused on creating an enriched learning environment, offering state-of-the-art classrooms, a lecture theatre, student common rooms and an environmentally conscious green roof. Construction began in March 2007 and is on target to be completed by fall 2008.

Two long time supporters of the School, ICAO and CMA-Ontario/Canada, made substantial donations in support of the School's building fund. ICAO, the largest donor to the fund, will be recognized through a naming opportunity for the new building's 200-seat, technologically advanced lecture theatre. CMA-Ontario and Canada will also be recognized in the naming of the accounting and finance student lounge. Major spaces, including the green roof, have been named in recognition of the support received from:

- BDO Dunwoody
- BMO
- Deloitte & Touche
- Ernst & Young
- Chris (MAcc '93) and Claire Govan
- KPMG
- PricewaterhouseCoopers
- Scotiabank
- TD Canada Trust

campaign statement

Thanks to the support of alumni, faculty, staff, students and firms in the accounting and finance fields, we have raised over \$7.3 million dollars for the School of Accounting and Finance, including \$4.3 million for the new building, \$600,000 for the Centre for Accounting Research and Education and \$500,000 for the Centre of Advanced Studies in Finance. The School's campaign contributed to the success of the overall university campaign, Campaign Waterloo: Building a Talent Trust which has raised over \$400M. Of this amount, there was a 139% increase in student awards offered. In the School of Accounting and Finance, this represents \$900,000 in endowed scholarships and \$200,000 in scholarships in trust, made available to students at various levels of the program. On behalf of the campaign committee and the School of Accounting and Finance, I would like to offer my sincere gratitude to all donors, volunteers, staff and students who helped generate this level of success.

UW Accounting Alumni Association

- Geoff Hayes, MAcc '04 - President
- Jessica Chiu, MAcc '04 - Treasurer
- Juli-Ann Kapsa, MAcc '03 - Secretary

SAF Campaign Committee

- Ross Walker
- Mike Garvey, BA '69, Incoming Chair
- Steve Aldersley, PhD '78
- Don Craig, BMath '74
- Cindy Ditner, MAcc '86
- Andrew Dunn, MAcc '87
- Keith Farlinger, BMath '77
- Peter Held, BMath '79
- Doug McPhie, BES '78
- Chuck Ormrod, BMath '82
- David Rozee, BMath '88
- Dinh Tran, MAcc '94
- Scott Wetmore, BMath '78
- Jerry Whelan, BMath '76

Mike Garvey

Incoming Chair, School of Accounting and Finance Campaign Committee





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