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ervina_alfan@um.edu.my mazni@um.edu.my

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EDITORIAL NOTE

Dear readers,

This year, we are pleased to present you our 2019 issue; volume 12 of the Asian Journal of Accounting Perspectives (AJAP), issue 2. Beginning this year, we are publishing two issues per year, and hence, AJAP is now a bi-annual journal. In this 2019 issue, we present a total of five articles that cover a broad spectrum of accounting fields, namely earnings management, disclosure, tax compliance issues, whistleblowing and budgeting systems. The authors in this issue are from Malaysia, Bangladesh and Qatar, Iran and Yemen.

The first paper by Abdul Rahman and Mansor (2019) discusses the issue of earnings management with a particular focus on family businesses in Malaysia. They use the Real Earnings Management (REM) approach, which focuses on the manipulation of earnings through the direct effect on the firms' cashflows. The authors assert that the REM approach provides a more meaningful analysis compared to the Accrual Earnings Management (AEM), which centres on manipulation activities through income smoothing and accounting estimations that do not affect cash flows. Gathering data from 2006 to 2015, the authors conclude that there is a positive effect of size and structure of the firms on REM, while family firms appear to be managing the production costs downward. The results support agency theory, especially on the entrenchment effect that arises from the Type II agency problem. Hence, the authors conclude that family firms have a higher tendency to manage earnings, which may adversely affect minority shareholders.

The second paper by Dey and Faruq (2019) moves on to the topic of intellectual capital (IC) disclosure in the context of Bangladesh. Intellectual capital, which includes, among other skills, knowledge, copyright, is crucial in any business because intellectual capital is an essential determinant for firms to achieve competitive advantage over its competitors. Despite its importance, IC is not well-researched, especially in the context of a developing country, warranting the authors to undertake this study in the context of a developing nation. Gathering the data from the top thirty companies in the Dhaka Stock Exchange (DSE) which encompass 51% of DSE market capitalisation, the authors seek to ascertain the level of intellectual capital disclosure (ICD) and the firm determinants that influence ICD. The authors find that the level of ICD reduces with the inclusion of female directors.

Meanwhile, financial related determinants like profitability and leverage do not have a significant impact on ICD. On the contrary, the existence of independent directors has a significant positive effect on the level of ICD. Based on these findings, the authors opine that strong governance would lead to an improved quality of ICD.

Quality is essential not only for disclosure purposes, but also for revenue collection. Closely related to the theme of quality in taxation is compliance issues. The collection of revenue under the taxation system depends on tax compliance. With regards to this issue, the third paper by Mas'ud, Manaf and Saad (2019) analyses two important attributes in tax compliance, which are trust in authority and power of authority as advocated by the "slippery slope" framework. Gathering data from 41 Asian countries, the authors find that trust has a significant influence on tax compliance, whilst the power of authority has a much weaker effect. The implication of the findings is that trust plays an important role in enhancing compliance. The taxpayers pay taxes and anticipate equal or better quality of public services in exchange. It is through this element of trust that the quality of compliance is enhanced.

The fourth paper by Belaja, Mohamed and Rozzani (2019) discusses the whistleblowers' role in the Malaysian education sector. This paper offers insights into whistleblowing through a review of the literature. From their review, the authors find that whistleblowing in Malaysia is confined to the private sector. Furthermore, the "potential" whistleblower faces a challenging ethical dilemma, and possible threats against them are common factors that restrain people from reporting fraudulent activities. The authors conclude by asserting that more empirical research needs to be conducted, especially in the higher education institution context where several cases of fraudulent activities occur. Such research, according to the authors, would assist in curbing unlawful and illegal activities.

The fifth paper by Bybordi, Ousama and Shreim (2019) discusses the budgeting system in the context of the automotive manufacturing industry in Iran. Using a case study approach, the authors conducted semi-structured interviews with the Chief Executive Officer (CEO) and the department managers in the company. The findings indicate that the company is suffering from budget limitations, which cause a marked difference of budgeted and actual performance. Not only was the gap between the budgeted and actual performance troublesome, at it appears that there was an evident lack of planning, coordination and control in the automotive company. The authors propose that a

budget committee be set up and a cash budgeting system implemented to ease the current budgeting distress. To gain a better understanding, the authors proposed that future researchers conduct the triangulation process to enhance the insights obtained from the case.

The five articles are written from the perspectives of diverse accounting fields and provide interesting insights into current accounting issues and developments across Asia.

We conclude this humble note by extending our gratitude to the authors, reviewers, the editorial and advisory board, and others who are directly or indirectly involved in the publication of this 2019 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 members of the accounting department for their continuous support and encouragement for AJAP. A very big and warm thank you from all of us.

Associate Professor Datin Dr Rusnah Muhamad
Dr Ervina Alfan
Dr Mazni Abdullah