

# Coles Seminar Series Fall 2024



**AUGUST 16, 2024**

**Manpreet Singh**

Assistant Professor of Finance  
Scheller College of Business,  
Georgia Institute of Technology

**Topic:** *Tax Incentives, Small Businesses, and  
Physical Capital Reallocation*

**SEPTEMBER 6, 2024**

**Abhra Roy**

Associate Professor of Economics  
Coles College of Business, Kennesaw State University

**Topic:** *The Effect of Media Bias on Conflict and the  
Provision of a Public Good in a Model  
Location Choice*

**SEPTEMBER 27, 2024**

**Kelly Ha**

Assistant Professor of Accounting  
Coles College of Business, Kennesaw State University

**Topic:** *The Power of Accounting: Capitalization of  
Cloud Computing for Utilities*

**OCTOBER 11, 2024**

**Zhifeng Yang**

Associate Professor of Accounting  
Stony Brook University

**Topic:** *Knowledge Transfer Within International  
Accounting Associations and Networks: Evidence  
from PCAOB Inspections*

**OCTOBER 25, 2024**

**Melih Madanoglu**

Michael A. Leven Endowed Chair and Professor  
in Hospitality Management  
Coles College of Business, Kennesaw State University

**Topic:** *Agency Theory Explanations of Firm Exit  
in Hospitality and Tourism: The Role of Family  
Ownership and Franchising*

**NOVEMBER 8, 2024**

**Randall Upchurch**

Professor, School of Resort and Hospitality Management  
Florida Gulf Coast University

**Topic:** *Flourishing in the Caribbean: Stakeholder  
Conduct, Social Responsibility and Ethical Business  
Practices: The Case of Curaçao*

**NOVEMBER 20, 2024**

**IT'S ABOUT CENTERS DAY**

*Center for Professional Selling*

**AUGUST 16, 2024**

**Manpreet Singh**

Assistant Professor of Finance, Scheller College of Business  
Georgia Institute of Technology

## **Tax Incentives, Small Businesses, and Physical Capital Reallocation**

### **ABSTRACT**

We provide new evidence on the spillover effect of temporary federal tax incentives. Using granular data on equipment purchases, we find that tax subsidies on new equipment investment via accelerated depreciation increase small business investment in used capital by 9.2%. This spillover effect arises as some direct beneficiaries replace their used capital with new capital, causing a reduction in the prices of old equipment. This further enables small businesses entry, adoption of new technology, and accelerated growth. Our empirical results underscore how tax incentives driving investment in new capital goods foster the reallocation of used capital goods within the economy during recessions

SEPTEMBER 6, 2024

**Abhra Roy**

Associate Professor of Economics

Coles College of Business, Kennesaw State University

## **The Effect of Media Bias on Conflict and the Provision of a Public Good in a Model of Location Choice**

### **ABSTRACT**

We analyze a model of conflict between an insurgency and a government. The median voter chooses an equilibrium tax rate and the government chooses how much tax revenue to allocate to defense. The rest of the tax revenue is used to provide a public good that benefits the minority who may join the insurgency. There is a single media outlet that is assumed to report on the value of the public good. In this context, we determine how the location of the attack and its probability changes when the media outlet is captured by the elites vis-a-vis when it is independent. Further, we analyze the likelihood of capture when inequality changes and investigate how that affects both the location of attack and its probability. Finally, we show whether or not the governments concern for providing more security has any bearing on the likelihood of capture and its impact on both the location and probability of an attack when the media has a left-wing bias as opposed to a right-wing bias.

SEPTEMBER 27, 2024

**Kelly Ha**

Assistant Professor of Accounting

Coles College of Business, Kennesaw State University

## **The Power of Accounting: Capitalization of Cloud Computing for Utilities**

### **ABSTRACT**

This study investigates the real effects of accounting among utilities. Approval from a state public service commission to capitalize costs and include them in the rate base allows utilities to earn a rate of return on those costs. Following changes in U.S. GAAP related to the accounting for cloud computing costs, some utilities received approval from their state public service commission to include cloud computing costs in their rate base while other utilities made no such request. Using a difference-in-difference design, we find utilities with approval to include cloud computing costs in their rate base increase their investment in cloud computing, generate greater revenue per kilowatt hour from their customers, receive fewer and lower regulatory penalties, and have less frequent power outages for customers. Increased investment in cloud computing and greater operational benefits are magnified in states with more experienced public service commissioners while these changes are less costly to customers. Our results provide evidence of the impact of accounting on both investment decisions as well as operational outcomes.

OCTOBER 11, 2024

**Zhifeng Yang**

Associate Professor of Accounting  
Stony Brook University

## **Knowledge Transfer Within International Accounting Associations and Networks: Evidence from PCAOB Inspections**

### **ABSTRACT**

We examine the benefit to the non-inspected member audit firms in non-Big 4 international accounting associations and networks (AANs) when one member is inspected by the PCAOB. We find that both audit quality and market shares of non-inspected members increase after the first member in the AAN undergoes the initial PCAOB inspection. The results are stronger for non-inspected members with similar client industry profiles as, or geographically closer to the inspected members. Subsequently inspected members also receive fewer inspection deficiencies than the first inspected members. Cross-sectional analyses suggest that the results are more pronounced when the non-inspected members have stronger incentives to improve audit quality, when the first inspected members are more influential in the AANs, or when they experience more audit quality improvement following inspections. Overall, our findings highlight the effect of PCAOB inspections on the non-inspected auditors and the benefits of AANs to members possibly through knowledge transfers.

OCTOBER 25, 2024

**Melih Madanoglu**

Michael A. Leven Endowed Chair and Professor in Hospitality Management  
Coles College of Business, Kennesaw State University

## **Agency Theory Explanations of Firm Exit in Hospitality and Tourism: The Role of Family Ownership and Franchising**

### **ABSTRACT**

There is a scarcity of research pertaining to hospitality and tourism firms' reasons for success (and failure). Given the prominence family firms and franchises in this industry, we draw upon Agency Theory to explain how family ownership and franchising can influence firm exit. We hypothesize that both family firms and franchise form of organization will reduce the likelihood of firm exit in hospitality and tourism. Moreover, franchise form of enterprise is hypothesized to increase the propensity to exit among family firms in this industry. We test our hypotheses on a sample of more than 41,000 hospitality and tourism firms. Results of our analyses support posited hypotheses. We conclude that both family ownership and franchising help reduce agency cost, which in turn increases the probability of staying in business.

NOVEMBER 8, 2024

**Randall Upchurch**

Professor, School of Resort and Hospitality Management  
Florida Gulf Coast University

## **Flourishing in the Caribbean: Stakeholder Conduct, Social Responsibility and Ethical Business Practices: The Case of Curaçao**

### **ABSTRACT**

There is a rich body of knowledge concerning the role of direct and indirect drivers which surround a developed country's trade; however, an emphasis upon the influence of social responsibility and ethical practices of internal stakeholders upon such attainment of a geographically remote, and developing, country's economic growth is diminutive in comparison. In testing the influence of stakeholder application of social responsibility (SR) and ethical climate (EC) practices concerning Curaçao's trade outreach, the researchers determined that a) the attainment of annualized strategic goals as assigned to private and public business units are influenced by internal stakeholders adhering to a set combination of EC and SR practices as influenced by organizational policies, and secondly b) the process of sustaining longer term strategic alliance goals was principally driven by a heightened emphasis upon SR practices with a reduced emphasis upon certain EC practices thus accentuating the importance as to what policies and practices an internal stakeholder communicates EC and SR practices to external stakeholders.

Keywords: developing economy, ethical practices, island country, social responsibility practices, strategic goals