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Editor

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7. Taru publications, India

DATE : July, 07 2018, Saturday

LOCATION : Room A713

Fukuoka University, Fukuoka, Japan

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	2. 18R-150: An Overview on Contracting Theory & Agency Theory: Determinants of Voluntary Public Accounting Firms Switching	Retna Safriliana Indonesia
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	4. 18R-179: Measuring Selectivity and Market Timing Performance of Mutual Funds in Indonesia Using Single and Dual Beta Models	V. Santi Paramita Indonesia
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	2. 18R-241: The Development of Customer Value in the Small Medium Enterprises (SMES)	Estik Hari Prastiwi Indonesia
	3. 18R-195: Social Entrepreneur: A "Coin" Fundraising Model for Social Organizations	M. Yusuf Azwar Anas, Indonesia
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	6. 18R-189: Lecturer Performance: Leadership, Organizational Culture, Work Motivation, and Work Behavior	Sri Langgeng Ratnasari Indonesia
17 : 30	Welcoming Dinner	

An Overview on Contracting Theory & Agency Theory: Determinants of Voluntary Public Accounting Firms Switching

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Abstract

The objective of this literature study is to explore factors affecting voluntary Public Accounting Firm (PAF) switching according to contract theory associated and agency theory of Watts & Zimmerman (1986). PAF switching may occur due to regulations that require a company to do PAF switching, called as mandatory replacement, and due to the company's own wishes, called as voluntary PAF switching. The result of this study shows that 23.9% of companies voluntarily changes their PAF because of managerial changes, financial distress, PAF Size, changes on Return on Assets, client size, and auditor's opinion. Contracting theory may explain researches in the field of auditing practices, such as auditor or PAF, related to auditor's reputation, professionalism, auditor environment, PAF size, and industry specialization. Large PAF has a brand image of having a better reputation than small PAF (Watts & Zimmerman, 1986). This is also supported by De Angelo (1981), who stated that large PAFs are preferred by clients because they are considered to be more independent than small PAFs. Agency Theory is often used in research in the field of auditing because information asymmetry is information gap between the interests of agents and principals. Therefore, an independent third party is needed, and the role of the auditor is only as the monitoring party.

Keywords: contracting theory, agency theory, Public Accounting Firm switching

Creative Economic Development Strategy in Malang City

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Abstract

Creative economy is a growing concept based on creative assets that potentially generate economic growth and progress. It contributes significantly to the economic growth of Malang City. The main purpose of this research was to develop the strategy of creative economy development in Malang City. The other purpose also updated the sub-sector creative economic data, identifying the challenging problems in development of creative economy. This research method used descriptive qualitative approach with SWOT analysis. The populations of this research were MSMEs (UMKM) which was engaged in creative economy. The results represented that from 1100 MSMEs in Malang City, 620 were engaged in the creative economy. Other research results indicated that the challenging problems in development of creative economy between sub-sectors somewhat varied. In general, among others, business model of creative industry has not yet been optimal, lack of appreciation to local creativity, limited marketing distribution, the susceptible creative industry institutions, and limited capital development. Given these shortcomings, this research has succeeded in formulating general development and each sector strategies.

Keywords: Creative Economy, Creative Industry, UMKM, SWOT Analysis, Malang City