

BENJAMIN P. FOSTER

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College of Business and Public Administration
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TEACHING INTERESTS

Managerial accounting, taxation, and not-for-profit accounting.

RESEARCH INTERESTS

Financial distress, cash flow, management accounting innovations, theory of constraints, and tax policy.

EDUCATION

University of Tennessee; Knoxville, TN. Ph.D. in Business Administration, August 1991.
Major area in accounting with a support area in public finance.

Murray State University; Murray, KY. M.B.A., July 1983.

Kentucky Wesleyan College; Owensboro, KY. B.A., May 1980. Major in accounting.

ACADEMIC EXPERIENCE

June 1994-June 1998, Assistant Professor, July 1998-Present, Associate Professor: University of Louisville
School of Accountancy: undergraduate managerial/cost accounting, M.B.A. managerial accounting and health care accounting and finance.

August 1991 -May 1994: Eastern Kentucky University. Assistant Professor of Accounting and
Coordinator of Health Care Administration Program: accounting principles, managerial accounting, health
agency accounting, undergraduate tax, graduate nonprofit accounting for nonbusiness majors.

August 1988-July 1991: University of Tennessee, Knoxville, TN. Graduate teaching assistant:
accounting principles.

January 1988-May 1988: Marshall University, Huntington, WV. Accounting instructor:
accounting principles.

August 1983-May 1985: Kentucky Wesleyan College, Owensboro, KY. Accounting instructor:
accounting principles, managerial accounting, advanced accounting, and undergraduate tax.

August 1982-May 1983: Murray State University, Murray, KY. Graduate teaching assistant:
introduction to economics.

SCHOLARLY WORKS

Publications in Refereed Academic Journals

Foster, B. P., J. N. Karcher, and A. S. Levitan. "CPAs' Two Tracks of AIS Use: Implications for AIS Classes." Accepted for publication in *Academy of Educational Leadership Journal*.

Foster, B. P., J. N. Karcher, and A. S. Levitan. "CPAs' Use of Accounting Information Systems Tools." *The Review of Business Information Systems*, Vol. 5, No. 3, Summer 2001, pp. 7-16.

Ward, T. J. and B. P. Foster. "The Usefulness of Aggregated and Disaggregated Cash Flows in Signaling Financial Distress." *Advances in Quantitative Analysis of Finance and Accounting*, Vol. 9, 2001, pp. 55-80.

Ward, T. J., B. P. Foster, and J. Woodroof. "Explaining Auditors' Going Concern Decisions Using Loan Defaults/Accommodations and Covenant Violations." *Advances in Quantitative Analysis of Finance and Accounting*, Vol. 7, 1999, pp. 43-52.

Foster, B. P., M. Cathy Sullivan, and T. J. Ward. "An Empirical Test of the View of Inventory as a Liability in Explaining Financial Distress: A Reply." *The Journal of Applied Business Research*, Winter, 1998-1999, pp. 35-36.

Zurada, J. M., B. P. Foster, T. J. Ward, and R. M. Barker. "An Empirical Test of the Relative Ability of Neural Networks and Logit Regression Models to Predict Dichotomous and Multi-State Financial Distress Variables." *The Journal of Applied Business Research*, Winter, 1998-1999, pp. 21-29.

#Foster, B. P., T. J. Ward, and J. Woodroof. "An Analysis of the Usefulness of Debt Defaults and Going Concern Opinions in Bankruptcy Risk Assessment." *Journal of Accounting, Auditing, and Finance*, 13:3, Summer 1998, pp. 351-371.

Foster, B. P., M. Cathy Sullivan, and T. J. Ward. "An Empirical Test of the View of Inventory as a Liability in Explaining Financial Distress." *The Journal of Applied Business Research*, 14:2, Spring 1998, pp. 83-94.

Ward, T. J. and B. P. Foster. "A Note on Selecting a Response Measure for Financial Distress," *Journal of Business Finance and Accounting*, 24:6, July 1997, pp. 869-879.

Foster, B. P. and T. J. Ward. "Financial Health or Insolvency? Watch Trends and Interactions in Your Cash Flows," *Journal of the Academy of Accounting and Financial Studies*, Vol. 1, No. 1, 1997, pp. 33-37.

#Ward, T. J. and B. P. Foster. "An Empirical Analysis of Thomas's Financial Accounting Allocation Fallacy Theory in a Financial Distress Context," *Accounting and Business Research*, Spring 1996, pp. 137-152.

#Awarded highest quality ranking by ANBAR Electronic Intelligence.

SCHOLARLY WORKS

Publications in Refereed Academic Journals -continued

Payne, J. E., B. P. Foster, and R. R. Sharp. "Did the Tax Reform Act of 1986 Adversely Affect Yearling Prices? An Empirical Note," *Kentucky Journal of Economics and Business*, 1995, pp. 75-80.

Foster, B. P., O. L. Feltus, and M. C. Sullivan. "An Empirical Analysis of the Propriety of Tax Exemptions for Florida's Nonprofit Nursing Homes," *Southern Business and Economic Journal*, July 1995, pp. 238-251.

Foster, B. P. and T. J. Ward. "Theory of Perpetual Management Accounting Innovation Lag in Hierarchical Organizations," *Accounting, Organizations & Society*, Volume 19, No. 2, 1994, pp. 111-126.

Foster, B. P. "Nonprofit Hospitals' Tax Subsidies: Indeterminate Beneficiaries and Higher Property Tax Rates," *Journal of Business and Economic Perspectives*, Spring 1993, pp. 121-126.

Foster, B. P. "An Empirical Analysis of Exempt Hospitals' Tax Status," *Advances in Taxation*, Volume 5, 1993, pp. 81-102.

Chapters in Scholarly Volumes

Zurada, J. M., B. P. Foster, T. J. Ward. "Artificial Neural Networks in Predicting a Dichotomous Level of Financial Distress for Uneven Training and Testing Samples," in *Contemporary Trends in System Development*, (New York, NY: Plenum Press, 2000), forthcoming.

Zurada, J. M., B. P. Foster, and T. J. Ward. "Investigation of Neural Networks for Classifying Levels of Financial Distress of Firms: The Case of an Unbalanced Training Sample," in *Knowledge Discovery for Business Information Systems*, W. Abramowicz and J. M. Zurada (Eds.), (Norwell, MA: Kluwer Academic Publishers, 2001) pp. 397-424.

Zurada, J. M., B. P. Foster, T. J. Ward, and R. M. Barker. "A Comparison of the Ability of Neural Networks and Logit Regression Models to Predict Levels of Financial Distress," in *System Development Methods for the Next Century*, G. Wojtlewski and W. Wojtlewski (Eds.), (New York, NY: Plenum Press, 1997), pp. 291-295.

SCHOLARLY WORKS

Publications in Practitioner Journals

Foster, B. P., A. S. Levitan, and J. N. Karcher. "Gender and Accountants' Use of Technology," *The CPA Journal*, February 2003, pp. 68-69.

Foster, B. P. "A Tax Fairness/Relief Election." *Tax Notes*, April 16, 2001, pp. 507-509.

Foster, B. P. "Time For a VAT: Violence Added Tax." *Tax Notes*, July 12, 1999, pp. 295-297.

Foster, B. P. and T. J. Ward. "Improving the Odds of Successfully Adopting Accounting Innovations." *Journal of Cost Management*, 12:3, May/June 1998, pp. 27-31. (Re-printed in *Emerging Practices in Cost Management, 1999 ed.* Edited by J. B. Edwards. Boston, MA: WG&L/RIA Group. pp. M6-1 to M6-5.)

Foster, B. P. and T. J. Ward. "Using Cash Flow Trends to Identify Risks of Bankruptcy," *The CPA Journal*, September 1997, pp. 60-61.

Foster, B. P. and E. Jones. "A Net-Present-Cost Analysis of Home Mortgage Options," *Personal Financial Planning*, November/December 1996, pp. 29-34.

Foster, B. P. and E. Jones, "Repeal of the Home Mortgage Interest Deduction: The Cost to Homeowners," *Tax Notes*, March 20, 1995, pp. 1873-1874. (Re-printed in *Insights: Readings in Federal Taxation, 1997 ed.* Edited by K. E. Murphy, R. L. Crosser, and M. Higgins. New York: West Publishing Company. pp. 127-128.)

Foster, B. P. "Give Residents Tax Facts that Save Them Money," *Journal of Long-Term Care Administration* (22: 1) Spring 1994, pp. 19-20.

Foster, B. P., R. B. Wulleumier and B. E. Mullins. "A Sin Tax on On-screen Violence," *Tax Notes*, November 29, 1993, pp. 1117-1118.

Foster, B. P. "Cash Flow: Surviving a Business Slump," *Kentucky Business Advisor*, 1992, pp. 7-8.

Published Educational Materials

Foster, B.P. "Main Denominational Church--Part I: Budgeting, Control, and Organizational Issues and a Not-for-Profit Entity." *Journal of the International Academy for Case Studies*, Vol. 7, No. 2, 2001, pp.39-48. (Instructor' Notes in *Journal of the International Academy for Case Studies*, Vol. 7, No. 5, 2001, pp.55-62.)

Foster, B. P., and C. R. King. "Foster Supply Incorporated," Case No. 96-09, *1996 AICPA Professor/Practitioner Cases*, AICPA, 1997.

Works in Revision, Under Review, or Near Completion

Ward, T. J. and B. P. Foster. "Estimated Operating Cash Flow, Reported Cash Flow from Operating Activities, and Financial Distress." In revision process for the *Journal of Accounting Research*.

SCHOLARLY WORKS

Dissertation

Foster, B. P. "Testing the Appropriateness of Nonprofit Hospitals' Tax Exemptions with Logistic Regression Analyses of Hospital Financial Data." Successfully defended July 1991. Committee chaired by Kenneth E. Anderson.

Papers and Cases Presented at National and International Academic Meetings

Foster, B. P. "Applying Theory of Constraints Concepts to College-Level Accounting Classes," at Allied Academy's National Conference, Las Vegas, NV, October 10, 2001.

Foster, B. P. "Integration of Performance Measures for Projects and Decentralized Operations," at Allied Academy's International Conference, Nashville, TN, April 6, 2001.

Foster, B.P. "Main Denominational Church--Part I: Budgeting, Control, and Organizational Issues and a Not-for-Profit Entity," at Allied Academy's International Conference, Nashville, TN, April 6, 2001.

Foster, B.P. "Main Denominational Church--Part II: The Balanced Scorecard and Performance Evaluation Criteria for Staff," at Allied Academy's International Conference, Nashville, TN, April 6, 2001.

Foster, B. P. "Traditional and Modern Performance Evaluation Measures: Implications for Management/Cost Accounting Courses," at Academy of Business Disciplines annual meeting, Fort Myers Beach, FL, November 10, 2000.

Zurada, J. M., B. P. Foster, T. J. Ward. "Artificial Neural Networks in Predicting a Dichotomous Level of Financial Distress for Uneven Training and Testing Samples," at 9th International Conference on Information Systems Development, Norway, August 14, 2000. (Presented by co-author.)

Ward, T. J., B. P. Foster, and J. Woodroof. "The Impact Of Loan Defaults And Covenant Violations On Bankruptcy Risk Assessment Models," at JAAF-KPMG Financial Accounting Research Conference, Montvale, NJ, September 4, 1997.

Zurada, J. M., B. P. Foster, T. J. Ward, and R. M. Barker. "An Empirical Comparison of the Ability of Neural Networks and Ordinal Logit Regression Models to Predict Levels of Financial Distress," at 6th International Conference on Information Systems Development, Boise, ID, August 13, 1997. (Presented by co-author.)

Foster, B. P. and T. J. Ward. "Financial Health or Insolvency? Watch Trends and Interactions in Cash Flows," abstract in the *Proceedings* of the Allied Academies International Conference in Maui, Hawaii, October 10, 1996.

Ward, T. J. and B. P. Foster. "An Empirical Analysis of Thomas's Financial Accounting Allocation Fallacy Paradigm in a Financial Distress Context," abstract in the *Proceedings* of the Annual Meeting of the AAA, New York, N.Y., August 12, 1994.

SCHOLARLY WORKS

Papers Included in Research Forums at National Conventions

Foster, B. P., J. N. Karcher, and A. S. Levitan. "CPAs' Use Of Accounting Information Systems Tools." included in the Research Forum of the Annual Meeting of the AAA, Philadelphia, PA, August 15, 2000. (Attended by co-author.)

Ward, T. J. and B. P. Foster. "The Impact of Nonarticulation Between Cash Flow And Balance Sheet Data On Financial Distress Research Results," included in the Research Forum of the Annual Meeting of the AAA, San Diego, CA, August 18, 1999. (Attended by co-author.)

Ward, T. J. and B. P. Foster. "The Usefulness of Aggregated And Disaggregated Cash Flows In Signaling Financial Distress," included in the Research Forum of the Annual Meeting of the AAA, New Orleans, LA, August 18, 1998.

Ward, T. J. and B. P. Foster. "Is Bankruptcy the Most Appropriate Measure of Financial Distress?" included in the Research Forum of the Annual Meeting of the AAA, New York, N.Y., August 12, 1994.

Foster, B. P. and T. J. Ward. "Theory of Perpetual Management Accounting Innovation Lag in Hierarchical Organizations," included in the Research Forum of the Annual Meeting of the AAA, Washington, D.C., August 11, 1992.

Papers Presented at Regional Academic Meetings

Ward, T. J. and B. P. Foster. "The Usefulness of Aggregated and Disaggregated Cash Flows in Signaling Financial Distress." abstract in the *Proceedings* of the meeting of the Southeast Region of the AAA, Winston-Salem, NC, April 18, 1998. (Presented by co-author.)

Foster, B. P., M. Cathy Sullivan, and T. J. Ward. "An Empirical Test of the Usefulness of Theory of Constraints Concepts in Explaining Financial Distress." abstract in the *Proceedings* of the meeting of the Southeast Region of the AAA, Nashville, TN, April 26, 1997.

Ward, T. J., Foster, B. P., and J. Woodroof. "An Empirical Investigation of Why Auditors Often Fail to Issue Going Concern Opinions for Bankrupt Firms and How to Improve Auditors' Prediction of Bankruptcy," abstract in the *Proceedings* of meeting of the Southeast Region of the AAA, Richmond, VA, April 26, 1996. (Presented by co-author.)

Foster, B. P. and B. A. Loy. "Applying the Theory of Constraints to Hospital Patient Care" abstract in the *Proceedings* of meeting of the Southeast Region of the AAA, Richmond, VA, April 26, 1996.

Foster, B. P. and T. J. Ward. "Causes of Accounting Innovation Lag and Methods to Overcome Resistance to Accounting Innovations" abstract in the *Proceedings* of meeting of the Mid-Atlantic Region of the AAA, Huntington, WV, March 25, 1995.

Foster, B. P. and T. J. Ward. "The Relevancy of Alternative Income Tax Expense Measures to Lenders' Risk Assessments," abstract in the *Proceedings* of meeting of the Ohio Region of the AAA, Columbus, OH, May 7, 1994.

SCHOLARLY WORKS

Papers Presented at Regional Academic Meetings - continued

Foster, B. P., O. L. Feltus, and M. C. Sullivan. "An Empirical Analysis of the Propriety of Tax Exemptions for Nonprofit Nursing Homes," abstract in the *Proceedings* of meeting of the Southeast Region of the AAA, Louisville, KY, April 30, 1994. (Presented by co-author.)

Foster, B. P. and T. J. Ward. "The Usefulness of Reported Income Tax Expense Components and Measures in Lenders' Risk Assessments," in the *Proceedings* of meeting of the Southeast Region of the AAA, Louisville, KY, April 30, 1994.

Foster, B. P. "A Regulation Theory Analysis of the One Hundred Fifty Hour Education Requirement," abstract in *Proceedings* of meeting of Mid-Atlantic Region of the AAA, Washington, D.C., April 16, 1993.

Ward, T. J. and B. P. Foster. "The Predictive Usefulness of Accounting Allocations: An Empirical Study," abstract in *Proceedings* of meeting of Midwest Region of AAA, St. Louis, MO, April 24, 1993. (Presented by co-author.)

Foster, B. P. and T. J. Ward. "Theory of Perpetual Management Accounting Innovation Lag in Hierarchical Organizations," abstract in *Proceedings* of meeting of Midwest Region of AAA, Indianapolis, IN, April 17, 1992.

Foster, B. P. "Are Nonprofit Hospitals Earning Their Tax Exemptions? Logistic Regression Analyses of Hospital Financial Data," abstract in *Proceedings* of meeting of Mid-Atlantic Region of AAA, Pittsburgh, PA, April 3, 1992.

Other Academic Presentations

Ward, T. J. and B. P. Foster. "Estimated Operating Cash Flow, Reported Cash Flow from Operating Activities, and Financial Distress," presented at University of Kentucky, School of Accountancy Research Colloquium, November 5, 1999.

Ward, T. J. and B. P. Foster. "Is Bankruptcy the Most Appropriate Measure of Financial Distress," presented at University of Kentucky, School of Accountancy Research Colloquium, March 1, 1994.

Ward, T. J. and B. P. Foster. "An Empirical Analysis of Thomas's Accounting Allocation Fallacy Paradigm," presented at University of Kentucky, School of Accountancy Research Colloquium, December 1, 1992.

ACADEMIC AWARDS

University of Louisville, College of Business and Public Administration Faculty Research Award, 1995-1996 and 1996-1997.

PROFESSIONAL EXPERIENCE

May 1985-October 1987: B.P. Foster, Inc./Foster Supply, Inc., Scott Depot, WV. Vice-president/Treasurer. Responsible for: 1) filing all tax returns and all tax planning, and 2) overseeing all accounting activities. Involved in: 1) strategic and day to day planning (location, pricing and product decisions), and 2) day to day management of business.

January 1981 -May 1982: Welenken & Himmelfarb, CPAs, Louisville, KY. Staff accountant. Prepared corporate and individual income tax returns, worked on governmental and corporate audits .

July 1980-January 1981: Donald H. Love, CPA, Owensboro, KY. Staff accountant. Worked on governmental and non-profit organization audits, prepared individual income tax returns.

PROFESSIONAL CERTIFICATIONS AND MEMBERSHIPS

CPA - Licensed in state of KY, 1983. Current member of the American Institute of CPAs.

CMA - Certified in 1988. Current member of Institute of Management Accountants.

Member of AAA and several AAA sections.

PROFESSIONAL PRESENTATIONS AND SEMINARS

"Financial Analysis and Accounting," Mini-MBA for Doctors, University of Louisville, School of Medicine, September 2000.

"Nonprofit Issues: Tax Update," Louis A. Grief Tax Institute, University of Louisville, December 1998, 1999, and 2000.

"Business and Employee Business Expenses," Louis A. Grief Tax Institute, University of Louisville, December 1996, 1997, 1998, 1999, and 2000.

"Basic Accounting, Tax, and Finance for Businesses," in Management of Physician Practice Program to the Family Practice residency program at the University of Louisville School of Medicine, November 1995, 1996, 1998, 1999, and 2000.

"Users Perspectives on the Cash Flow Statement: Controversial Reporting Requirements and Practices," in Meeting of the Minds Conference at Eastern Kentucky University, September 1997.

"Health Care Accounting," Training for Russian Health Care Managers, at Jewish Hospital, coordinated through the University of Louisville, Center for Emerging Market Economies, November 1996.

"Small Business Accounting," Small Business Training for Russian Small Business Managers, University of Louisville, Center for Emerging Market Economies, November 1996.

"Employee Business Expenses," Louis A. Grief Tax Institute, University of Louisville, December 1994 and 1995.

"What are the Implications of a Flat Tax? An Analysis of the Different Plans," Louis A. Grief Tax Institute, University of Louisville, December 1995, with Rick Walter and Lisa Ivancic.

PROFESSIONAL PRESENTATIONS AND SEMINARS – continued

"The Cash Flow Statement from a Historical and User Perspective," Louisville Chapter of the IMA Professional Development Seminar, September 1995.

"Cost and Structure Issues in Health Care Delivery," University of Louisville School of Medicine, Department of Pathology, June 1995, with Bryan Loy.

"Tax Exempt Organizations: Reporting Requirements, UBIT, and Tax Trends," Louis A. Grief Tax Institute, University of Louisville, December 1994.