Course Description and Objectives

The objective of this class is to provide you with a sound framework for understanding empirical archival research in financial accounting and reporting. In reading research papers, our focus will be on methodology and research design as well as on the underlying economic questions.

Each week I will provide you with a set of papers to read. One person will be assigned to prepare a written summary of each paper, and will be responsible for leading the discussion on that paper. I do not intend for this to be a lecture—more like a facilitated discussion. You will be graded on both your written summaries and the quality of your discussion, keeping in mind that asking basic questions often stimulates the most useful discussions.

Materials

Readings will be available using a Dropbox folder. I expect you to read the classic guide to writing nonfiction, *On Writing Well*, by Z.K. Zinsser, and put its ideas into practice in course assignments. Course assignments that do not communicate effectively can result in failing grades. This includes paying attention to spelling (especially of names), grammar, as well as to style.

The list of readings provides a useful guide to the questions that I might ask on the accounting general exam. As should be obvious to you, we will not be able to cover all of these papers during our class sessions.

Grades

Your grade for the class will be determined according to the following scale:

<table>
<thead>
<tr>
<th>Assignment for first class</th>
<th>10%</th>
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<tr>
<td>Weekly paper summaries and class participation</td>
<td>25%</td>
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<tr>
<td>Midterm exam (referee report)</td>
<td>25%</td>
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<td>Final project</td>
<td>40%</td>
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Final Project/Presentation

This assignment involves the preparation and presentation of a research proposal with the objective of “jump starting” your dissertation research. I plan to have short in-class presentations. Your research proposal should cover the following areas:

1. Research question (causal relation of interest—I do want a causal question).
2. Existing literature in this area.
3. Why this project is important: its incremental contribution to the literature (answer the “who cares?” question).
4. Research approach (field study, analytical, experimental, logical argument, large sample empirical archival) and why it is appropriate. One way of thinking about this is to lay out the ideal experiment that could be used to capture the effect of interest.
5. Experimental design, including sampling and statistical methods. Be sure to be explicit about your identification strategy (natural experiment, instrumental variables, regression discontinuity, etc.).
6. Identify strengths and weaknesses of your proposed research strategy vis-à-vis alternatives.
7. Identify potential limitations of the proposed study.

I envisage these documents being no more than ten double-spaced pages of text (12 point font). A clear writing style, spelling, grammar, etc., are all important and will be assessed along with the substantive content of your work. You should be prepared to present and defend your ideas in a forum that is like our workshop. Your presentation and your participation in the discussion of others’ work will also form part of the assessment. Presentations will probably take 15-20 minutes each. Please do not use projects prepared for other classes or program requirements for this assignment unless you check with me first (if you are taking Christian's class as well this is perhaps OK but talk to me).
Class # | Date | Readings: detailed cites (mostly) shown below
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1 | 9/26 | Shadish et al., Ch 1., pp. 12-18; Assigned paper; Bamber et al., 2000.
2 | 10/3 | Shadish et al., Ch. 2, Ch. 3, pp. 64-66 and 83-86; Larcker and Rusticus (2007)
3 | 10/10 | Kothari, Ramanna, Skinner (2010, pp. 246-268); Lambert (2010); Watts and Zimmerman (1979)
4 | 10/17 | Watts and Zimmerman (1978); Amershi et al. (1982); Gipper et al. (2013); Ramanna (2008); Skinner (2008); Bischof, Bruggemann, Daske (2013).
6 | 10/31 | Skinner (1994); Badertscher et al. (2013, JAR conference); Kim and Skinner (2012)
7 | 11/7 | Miller (2006); Bushee, Core, Guay and Hamm (2010); Bushee, Jung, and Miller (2011); Blankespoor, Miller, White (2013)
8 | 11/14 | Armstrong, Gow, Larcker (2013); Minutti-Meza (2013); Larcker and Rusticus (2010)
9 | 11/21 | Dissertations with fewer tears; Zimmerman (1988)
10 | 12/5 | **Presentation of projects**

Class meets Thursdays, 8:30am-11:30am in Room HC3B.

**Assignment for first class:**

Prepare an evaluation of “Earnings opacity and closed-end fund country discounts.” This should be five pages (at most) and written in good form.

**Midterm:** Referee report due 10/31/13. Paper will be made available to you in the first week or two of class.
Topic 1: Methodology and Quasi-Experiments.


Assigned paper for Week 1:
“Earnings opacity and closed-end fund country discounts”

Topic 2: Introduction to Contracting and Positive Accounting Theory; the Politics of Accounting Standard-Setting


**Topic 3: Debt Contracting**


*Topic 4: Some papers on Value Relevance and Conservatism*


*Topic 5: Earnings Management: Economics*


**Topic 6: Earnings Management: Methods**


Supplementary:


**Topic 7: Earnings Management: Other Approaches**


Supplementary:


**Topic 8: Disclosure: Selected Topics**


**Topic 9: Additional papers on financial reporting, auditing, and other stuff**


**Topic 10: Econometrics/Method papers**


