Instructor

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CBA 4M.236
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Office hours: Wednesdays, 2:00 - 4:00, and by appointment (or feel free to just stop by).

Time and Location

Mondays, 2:00 - 5:00, CBA 4.336, unless otherwise announced
Note: Due to periodic conflicts, we will need to reschedule certain sessions. I will arrange this well in advance, as needed.

Objectives

At the end of this seminar, you should have a better ability to answer the following questions:

• What exactly is a research question, expressed both conceptually and operationally?
• What does “validity” mean in research, and how is it established?
• What is the difference between a main effect and an interaction?
• What makes accounting research important and innovative?
• What are some key issues of research ethics?
• What accounting issues are currently being addressed using experimental research methods?
• What theories from psychology, economics, and other disciplines have accounting experimentalists drawn on to address these issues?
• When is experimentation an appropriate way to address an accounting research question?
• What have been the most important contributions from experimentation over the past five years to the theory and practice of accounting?
• How does one develop a cost-benefit framework for evaluating accounting scholarship?
• What are the greatest needs and opportunities for future experimental research in accounting?
Student Responsibilities

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage of Total Evaluation</th>
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<tbody>
<tr>
<td>Article presentations and outlines</td>
<td>20%</td>
</tr>
<tr>
<td>Seminar participation</td>
<td>20%</td>
</tr>
<tr>
<td>Article summary sheets</td>
<td>10%</td>
</tr>
<tr>
<td>Review exercise</td>
<td>10%</td>
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<tr>
<td>Research proposal</td>
<td>20%</td>
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<tr>
<td>Final examination</td>
<td>20%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

An “A” in the seminar generally implies excellent performance in all of these dimensions. Put differently, an “A” implies performance above expectation.

A “B” in the seminar generally implies some room for improvement in one or more of the dimensions, but a clearly acceptable performance overall. Put differently, a “B” implies performance at expectation.

A “C” (or worse) in the seminar implies disappointment and the clear need for improvement to succeed in the doctoral program. Put differently, a “C” implies performance below expectation. I hope I do not need to use this category.

I use +/- grades as appropriate for borderline cases.

Grading philosophy: The accomplishment implied by an “A” becomes diluted if overused, so I expect an “A” to be rare, with multiple students earning an “A-,” “B+,” or “B.” There is no cause for shame from receiving a “B” in a doctoral seminar. If I wanted to signal disappointment, I would award a “C.”

More importantly, at this point in your education you should be more concerned with what you learn than with what grades you get. When you graduate, few will notice your grade-point average as a doctoral student. They will, however, use interviews and other information to gauge your potential as a teacher and researcher.
Details on Each Component

1. Article presentations and outlines (20%)

Starting with Session 4 on September 21, each session will generally involve three research articles from the recent experimental literature in accounting. For each such article, I will assign one student to present the article as an **advocate** and one student to present as the **critic**.

**Advocate:** The advocate does not merely summarize the article, as we should all have read it beforehand, although some recap of key points is a good idea. More importantly, the advocate should emphasize the study’s *contribution* and should explain why that contribution is important. As the role implies, the advocate should take the author’s position and state the best case possible for the study.

**Critic:** The critic should point out limitations and constructive criticisms of the study, including limitations to the study’s incremental contribution and any threats to the study’s validity. In developing these thoughts, it is important to keep in mind that constructive criticism is not just a matter of finding fault. Rather, a constructive critic should consider potential ways to address the concerns raised.

**Outlines:** Both the advocate and critic should prepare an outline of approximately two or three pages for class distribution. Bring enough copies for each participant in the seminar, stapled and three-hole punched for easy insertion into a binder. This way, at the end of the semester, we will each have a collection of advocate and critic summaries for each article presented.

**Advice:** Embrace your role, as if you were assigned these roles in a court of law. This approach only works when we see spirited views on both “sides.” Have fun, and make your presentations interesting. If successful, the advocate and critic in combination should lead us to a balanced discussion of the strengths and shortcomings of each assigned article.

2. Seminar participation (20%)

A seminar can only succeed with the active participation of its members. I expect all students to actively engage the discussion of each article, whether or not you are assigned to present that article as the advocate or critic. Ask questions of and challenge the advocate and critic, making them defend their positions.

3. Article summary sheets (10%)

Beginning with Session 4, I will collect a one-page “Article Summary Sheet” from each student to help you organize your thoughts for each article. *You are responsible for preparing this sheet for each article whether or not you are presenting the article as the advocate or critic.* The Article Summary Sheet consists of two parts. First, it asks you to specify the study’s conceptual and operational research questions in so-called “Libby Boxes.” Second, it elicits one important point or question that you would like to discuss. *You will turn in the Article Summary Sheets each week (starting with Session 4), so make a copy first if you want a copy for your personal records!*
Article Summary Sheet

Your name ____________________________________

Article reference in the format Author (year) _________________________________________

Please fill out the boxes in the following diagram (informally known as “Libby boxes”) to indicate what you perceive are the study’s primary conceptual and operational research questions.

How does X influence Y?

<table>
<thead>
<tr>
<th>Conceptual question</th>
<th>Independent construct:</th>
<th>Dependent construct:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Operational question</th>
<th>Independent variable:</th>
<th>Dependent variable:</th>
</tr>
</thead>
</table>

Moderating variable(s), if any _______________________________________________________

Mediating variable(s), if any _______________________________________________________

Please indicate one question or comment from this research that you would like to discuss:

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________
4. **Review exercise, Due Wednesday, October 21 (10%)**

This is a mock review exercise designed to give you some practice with the review process. Please see the Kachelmeier (2004) article referenced below for some guidance on doing a constructive review. We will also discuss this assignment in class.

Find an accounting research working paper using the search engine at [www.ssrn.com](http://www.ssrn.com). Use keywords to find a paper that looks like it would be of interest to you. Then download and read the paper you pick. Your assignment is to write a review as if you were assigned to do so by a top accounting journal. Remember that, just like the editor, I will not have read the paper beforehand, so your review must both summarize and evaluate the manuscript.

You must submit the manuscript along with your review.

Article for your reference:


5. **Research proposal, Due Monday, November 30 (20%)**

In addition to the objective of familiarizing you with the recent literature, there is also a *forward-looking* objective to this seminar, encouraging you to contemplate research needs and opportunities for the future. To achieve this objective, each student will submit a research proposal, due on Monday, November 30, 2015. In approximately 15 double-spaced pages, your proposal should contain the following.

- Statement and motivation of the research question
- Theory
- Hypotheses
- Experimental design
- Plan of analysis

The key to a successful proposal is precision. Help the reader to see clearly what research question you are addressing, why that question is important to accounting, what hypotheses you predict and why, and how exactly you propose to carry out the experiment. Essentially, the requirement is to write the front end of a manuscript on an accounting experiment (i.e., up to but not including the results). I am available for consultation as needed!

Our last day of class, November 30, will be dedicated to proposal presentations of 25 minutes each. This is great practice for presenting at conferences.

6. **Final examination (20%)**

A final examination will reinforce the major points emphasized in this seminar. I will offer some guidance for preparation as the date approaches. According to the Official Final Examination Schedule, our final is scheduled for Thursday, December 10 from 2:00 p.m. – 5:00 p.m.
Course Schedule

I have divided the semester as follows:

Sessions 1-3: Fundamentals (session 1), innovation (session 2) and ethics (session 3) in accounting research

Sessions 4-7: Management accounting experiments (with some financial accounting in session 7)

Sessions 8-10: Financial accounting experiments

Sessions 11-13: Auditing experiments

Session 14: Presentations of research proposals and wrap-up

A detailed schedule follows.
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UNIVERSITY OF TEXAS AT AUSTIN
ACC 386K.5, Behavioral Research in Accounting
Schedule of Readings, Fall 2015

Session 1: Wednesday, August 26, 2015, 2:00 – 5:00 p.m. in UTC 4.114 (special session)
Topic: Research fundamentals

Objective: Gain a basic understanding of the following:
- Modeling a research question (Libby boxes)
- Interactions and dummy vs. effects coding
- Mediation
- Validity categories
- Writing and presenting academic research (Kinney’s three paragraphs)
- Overview of accounting journals
- Basics of experimental design and analysis
- Styles of accounting experimentation

Readings:


Session 2: Friday, August 28, 2015, 9:00 – 12:00 noon in UTC 4.114 (special session)
Topic: Fostering innovation and diversity in accounting research


Session 3: Monday, September 14, 2015
Topic: Research ethics


Salterio, S. E. 2014. We don’t replicate accounting research – or do we? Contemporary Accounting Research 31 (Winter): 1134-1142.
Session 4: Monday, September 21, 2015
Topic: Motivating employees


Session 5: Monday, September 28, 2015
Topic: Creativity and unconventional thinking


Session 6: Monday, October 5, 2015
Topic: Reciprocity and morale


Session 7: Monday, October 12, 2015
Topic: Social responsibility


Session 8: Wednesday, October 21, 2015, 1:00 – 4:00 p.m. in UTC 4.114 (special session)
Topic: Financial accounting effects on investor judgments and decisions


NOTE: The review assignment is due today! For guidance, see the following:


Session 9: Monday, October 26, 2015
Topic: Financial accounting effects on manager judgments and decisions


Session 10: Monday, November 2, 2015
Topic: Aggressive reporting


Session 11: Monday, November 9, 2015
Topic: Social dimensions of auditing


Session 12: Monday, November 16, 2015
Topic: Auditing complex areas


Session 13: Monday, November 23, 2015
Topic: Auditor exposure


Week 14: Monday, November 30, 2015

We will use this session for presentations of your research proposals, as described earlier in this syllabus.