UNIVERSITY OF TEXAS AT AUSTIN
ACC 380K.22, Accounting Research Design and Evaluation

Fall 2017 Syllabus

Time and Location:

MW 11:00 – 12:30, SZB 296 (unique #03025)

Instructor

Steven Kachelmeier, Ph.D., CPA (New Mexico)
Randal B. McDonald Chair in Accounting
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Office hours: Mondays and Wednesdays 2:30 - 4:00, or as announced, and by appointment.

Teaching Assistant

Dan Rimkus, CPA (Illinois) - Ph.D. student, Daniel.Rimkus@mccombs.utexas.edu
Dan’s experience:
- University of Notre Dame accounting graduate, 2011
- KPMG auditor (Chicago), 2011-2013
- McDonald’s Corporation, Financial Analyst (Oak Brook, IL), 2013-2016
Dan’s office hours: Tuesdays and Thursdays 10:00-11:30 a.m., CBA 1.310E

Canvas and readings

There is no textbook for this course. However, I will assemble a packet of required readings (articles) for purchase at the McCombs Copy Center. For your convenience, I will also make all readings available on Canvas (http://canvas.utexas.edu), but I strongly encourage students to buy the packet rather than download and print everything from Canvas. I will also use Canvas to post assignments and announcements, such that regular monitoring of the course Canvas site is an integral part of this course.

You may use Canvas to post questions or comments in the discussion board area. Although the primary source of student participation will be in class, I will take the discussion board into account when evaluating the participation component of your course grade. If you have a question of general interest, please use the Canvas discussion board, not email. That way everyone can benefit.

All written assignments must be submitted electronically to Canvas no later than 10:45 a.m. on the assignment due date. The intent of this rule is to remove any incentive to complete the assignment after it is discussed in class. In addition, students are responsible for printing and handing in a hard-copy of each assignment in class on the due date. Failure to abide by these rules will result in a penalty to be determined by the instructor on a case-by-case basis, even if the submission is only a few minutes late.
Course Objectives

At the end of the semester, you should be able to provide reasonable answers to the following questions?

1. How can the scientific method be used to address important accounting questions?

2. What is the difference between the kind of accounting research that is done in practice and the kind of accounting research that is typically done in universities?

3. What is the relevance of scientific-method accounting research to accounting practitioners and policymakers?

4. What is the relevance of scientific-method accounting research to accounting education and teaching?

5. What is research validity and what makes a study believable?

6. What is an interaction?

7. How do ethical principles bear upon sound research?

8. What examples of scientific-method accounting research are at the cutting edge in financial accounting, auditing, management accounting, and taxation?

9. What are the biggest needs for future accounting research?

10. At a basic level, how does one go about conducting an accounting research study?

Overview of Course Plan

- We will cover objectives 1-7 in a traditional class format in the first month, but with ample opportunity for discussion. An examination over this material on Wednesday, September 27 will be the only examination in this course.

- After the exam on September 27, the remainder of the semester will be dedicated to course objectives 8 and 9, with an article each Monday to illustrate that week’s theme, followed by student discussion on Wednesday to identify opportunities for future research.

- Objective 10 (how to conduct research) will be covered by a structured research assignment involving an archival database and statistical testing. It is due on the last day of class (December 11). This assignment serves in lieu of a final exam.
Evaluated Components and Grades

Your accountability for this course will be based on a 800-point scale, as follows:

<table>
<thead>
<tr>
<th></th>
<th>Points Possible</th>
<th>Percentage of Final Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mini-assignments for the first month</td>
<td>30</td>
<td>3.75%</td>
</tr>
<tr>
<td>In-class examination over research fundamentals, Wednesday, September 27, 2017</td>
<td>130</td>
<td>16.25%</td>
</tr>
<tr>
<td>Research proposal 1 (see description later)</td>
<td>100</td>
<td>12.5%</td>
</tr>
<tr>
<td>Research proposal 2 (see description later)</td>
<td>100</td>
<td>12.5%</td>
</tr>
<tr>
<td>Weekly article summaries</td>
<td>180</td>
<td>22.5%</td>
</tr>
<tr>
<td>End-of-semester structured research project</td>
<td>100</td>
<td>12.5%</td>
</tr>
<tr>
<td>Class participation</td>
<td>160</td>
<td>20.0%</td>
</tr>
<tr>
<td>Total points possible</td>
<td>800</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

I do not establish point cutoffs for letter grades until the end of the semester, although I start by considering the traditional 90% = “A”; 80% = “B” guidelines, with +/- grades awarded around the borderlines -- particularly the A/B borderline. Depending on the overall point distribution at the end of the semester, I reserve the right to use cutoffs that are more generous than the traditional guidelines. Students should not count on this possibility, however, as I do not expect it to be necessary. My intent is to establish an overall grade-point average for this course between 3.4 and 3.6 (where “A” = 4.0), consistent with guidance from the Department of Accounting MPA Program Office regarding the expected grade distribution for a graduate-level accounting elective.

While I expect to award several “A” and “A-” grades at this level in a program as strong as ours, I also interpret such grades as exceptional performance, generally exceeding the basic expectations I have for this course. Thus, students who meet but do not necessarily exceed my basic expectations can generally expect to receive a “B+” or “B.” Grades of “B-” or worse in a graduate-level course are appropriate when a student has not met expectations. My overall “expectation benchmark” is around 80% of the available points, so to avoid a B- or worse, aim for at least 640 points. Please also note that severe academic penalties, up to a failing grade in the course, can result from cases of scholastic dishonesty.
Plus/Minus Grading

I award +/- grades in an approximately “GPA neutral” manner. This means that I award plus or minus grades for borderline cases (primarily at the A/B cutoff) in a way that does not significantly alter the grade-point average for the class as a whole. Thus, the number of students who get an A- instead of an A will be about the same as the number who get a B+ instead of a B. Plus-minus grading simply allows a finer distinction between different levels of performance.

Descriptions of Evaluated Components

Mini-Assignments for the First Month (30 points total)

These small assignments are intended to give you an incentive to keep up with the readings when we cover research fundamentals at the beginning of the semester. Four of these mini-assignments, worth five points each, ask you to document an important question or observation from the assigned introductory readings for each of the four class weeks in September. In addition, a ten-point assignment due on September 13, 2017 will give you some basic practice in finding research articles, as will be illustrated in class.

In-Class Examination over Research Fundamentals (130 points)

Wednesday, September 27 is scheduled for an in-class examination over the background material to that point. The intent is to give all students the background necessary to engage a meaningful evaluation of the research studies we will cover in October and November.

Research Proposals (two proposals worth 100 points each, for a total of 200 points)

Starting in October through the first week of December, we will cover a different research theme each week. Each Monday we will cover an article illustrating that week’s theme. With two exceptions, the Wednesday class will be devoted to student proposals on research that could be conducted within the same theme, broadly interpreted. The two exceptions are Wednesday, October 4, when I will present a proposal I did myself to illustrate what I have in mind, and Wednesday, November 22, which is the Thanksgiving Holiday. Each student will pick two of the eight available weeks to develop an individual research proposal on that week’s theme. To avoid the problem of too many students picking the same weeks, spaces for each week will be limited, available for selection on a first-come, first-served basis via Canvas. For the students who select any given week, we will use the Wednesday session to discuss proposals on a volunteer basis. Although more detailed instructions will be provided later, the basic structure of each proposal will be to (1) specify the research question of interest, (2) identify three articles relevant to the question, and (3) refine the research question and develop a basic design to examine it. I do not expect students to actually conduct the research they propose, but proposals should be specific enough to provide a reasonable idea of what would need to be done.
Weekly Article Summaries (180 points)

Beginning on Monday, October 2, students will complete an “Article Summary” form (available on Canvas) each week for the article we will be discussing that week. Each completed form must be uploaded to Canvas before class on the Monday the article is discussed. In addition, students should print their article summaries to be handed in during class. The Article Summary form consists of four sections: (1) summary of study (worth 8 points), (2) importance of contribution (worth 4 points), (3) limitations and constructive criticism (worth 4 points), and points of confusion (worth 4 points). Thus, each article summary is worth a maximum of 20 points.

To account for unexpected personal circumstances that may arise, I will drop the lowest score of the ten article summaries assigned. Thus, the total score for this category will be based on nine article summaries, accounting for the total maximum points available of 180 (= 9 × 20). With this structure, students can miss one article summary without penalty. That is, a zero score can be dropped, but in that case, the other nine summaries would comprise the total score for this category. However, unless a student has an excused absence for medical reasons, a family emergency, or a University-sponsored conflict, missing an article summary does not excuse attending class that day or being prepared to discuss the assigned article in class.

End-of-Semester Structured Research Project (100 points)

Later in the semester, I will assign a research exercise in which students will access data from the Audit Analytics database to investigate the association between internal control findings in an audit and audit fees, as well as whether the nature of this association differs between Big-Four and non-Big-Four audit firms. I call this a “structured” research project because I will be providing the research question and analysis steps I have designed for this class – all you need to do is carry out the steps using instructions I will provide. The entire analysis, which involves multiple linear regression, can be done on Excel. The research project must be uploaded to Canvas by 10:45 a.m. on Monday, December 11, 2017, the last day of class. In addition, students must bring a printed hard copy to turn in during class on December 11.

Class Participation (160 points)

A research class can only succeed with your help. Accordingly, I maintain a log to document the students who were the most helpful in each day’s discussion. Students can earn some points simply by attending class and being on time. However, the participation score from just attending class will be relatively low. To earn more points, contribute to the class experience by volunteering insights in class discussions. I also take participation on the Canvas discussion board into account at the margin, but my strongest advice is to participate in class discussions. If a medical emergency, family emergency, or University-sponsored conflict forces you to miss class, you are responsible for letting me know as soon as possible, with appropriate documentation. Unexcused absences will result in significant losses of participation points.
University Writing Center

If you have difficulty with written assignments, consider scheduling a free appointment with a writing consultant at the UT-Austin University Writing Center (UWC). Writing consultants at the UWC will work with you to improve your written assignments in ways that preserve the integrity of your work. For further details, see http://uwc.utexas.edu.

Policy on Notifications on Canvas and via Email

I frequently post important announcements on Canvas, so it is critical for you to monitor this resource before every class.

In addition, I will sometimes contact you by email, consistent with the UT-Austin policy on email as an authorized vehicle for University communication. I typically use the email function on Canvas, so please make sure you monitor that address. For more information on the UT-Austin email policy, see: https://cio.utexas.edu/policies/university-electronic-mail-student-notification-policy.

Student Safety and the Behavior Concerns Advice Line (BCAL)

Please see http://www.utexas.edu/safety to familiarize yourself with campus safety initiatives. Also see http://emergency.utexas.edu for emergency notifications. Regarding behavioral issues, if you have concerns or are worried about someone who is acting differently, consider using the UT-Austin Behavior Concerns Advice Line to discuss your concerns. This service is provided through a partnership among the Office of the Dean of Students, the Counseling and Mental Health Center, the Employee Assistance Program, and The University of Texas Police Department. To reach the Behavior Concerns Advice Line, call 512-232-5050 or visit http://www.utexas.edu/safety/bcal. You are also welcome to discuss any concerns with me; I will take appropriate action as determined on a case-by-case basis.

Policy on Missed Assignments

My general policy is that medical emergencies, family emergencies, religious holidays, and University-sponsored conflicts are the only valid reasons for missing an examination or the due date of an assignment. For each such case, I require some form of supporting documentation, such as a signed note from a physician. An examination or assignment missed for any other reason will generally not be accepted. In the case of a conflict due to a University-sponsored event, you must notify me as soon as you are aware of the conflict and before the examination date or assignment due date. As explained under the “Weekly Article Summary” heading above, students may miss one of the ten assigned Article Summary forms without penalty, although that would mean basing the Article Summary grade on the other nine summaries.
Religious Holidays

Consistent with the UT-Austin policy on Observation of Religious Holidays, I will work with students on a case-by-case basis to find a suitable make-up alternative in the event that a religious holiday conflicts with a scheduled examination or assignment due date. By policy, students must provide at least 14 days of advance notice of any such conflicts.

Policy on Students with Disabilities

I do my best to comply with guidelines set forth by the UT-Austin Office of Services for Students with Disabilities (http://dcoe.utexas.edu/disability/current-students/). If you have an SSD-registered accommodation letter, please see me with your letter to discuss the accommodations you need for this course. Please understand that I can provide accommodations only to students with approved SSD letters. For SSD accommodations requiring additional examination time, students must provide a suggested time block consistent with the student’s SSD authorization between the scheduled business hours for the McCombs Testing Center of 8:30 a.m. to 4:30 p.m. on the day of the exam. I will consider arranging an SSD exam on the day after the scheduled exam only if other conflicts prevent administering the SSD exam on the scheduled exam date for other students. Students must inform me of any SSD-related requests at least 14 days in advance in order to ensure that accommodations can be made. Please note that the McCombs Testing Center can fill during peak examination periods, such that a cubicle might not be available at the requested date/time without sufficient advance notice.

Policy on Scholastic Dishonesty and Working Together on Course Assignments

Policy of the MPA Program

The Master in Professional Accounting Program has adopted a Code of Conduct, a Career Services Code of Ethics, and a Policy Statement on Scholastic Dishonesty. It is important for you to be familiar with all three documents, which are available at the following website:

https://my.mccombs.utexas.edu/MPA/Student-Codes-of-Ethics

The following statement applies to each class in the UT-Austin Department of Accounting:

The Department of Accounting has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the department’s Policy Statement on Scholastic Dishonesty in the MPA Program (which includes the integrated five-year MPA program and the traditional MPA program). By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification.
In simple terms, integrity is a public good from which we all benefit. *I view the MPA Code of Ethics as a commitment to integrity, not as a threat.* Accordingly, I intend to conduct this course in an environment of trust and cooperation, but I can only achieve this goal if you join me in maintaining an atmosphere of absolute ethical integrity. As the top-rated professional accounting program in the country, we cannot afford to tolerate any less.

*Personal Policy on Working Together (applies only to this course)*

I believe that learning takes place through a healthy exchange of ideas. Therefore, *for this class*, you are welcome to discuss class assignments with other students. However, I expect the final product of each assignment to reflect your individual effort. **You may not copy or paraphrase from others’ solutions.** Examples intended to clarify this policy follow:

**Examples of collaborative efforts that I welcome (applies only to this course):**

- A student is confused about an ambiguous aspect of an article, and asks another student what s/he thinks.

- Students ask questions and share insights in the class discussion board. This is appropriate because everyone benefits.

**Examples of collaborative efforts that I do not tolerate:**

These examples draw from situations I have encountered. In each case, I pursued a Scholastic Dishonesty charge with the Dean of Students and imposed an appropriate penalty.

- Student X completes an assignment before student Y. Y asks X for X’s solution. Y bases his/her solution on X’s solution, changing a few words here and there to make it look original. This is an example of plagiarism, which takes advantage of student X and does not evidence any meaningful learning on the part of student Y. Both X and Y are guilty of scholastic dishonesty.

Please be aware that assignments submitted online via Canvas are subject to plagiarism-detection software. This software works by comparing submitted materials to a database of papers submitted by other students, as well as journals, essays, newspaper articles, books, and other published works. Other methods may also be used to determine originality. Plagiarism software does not substitute for the faculty member’s judgment regarding detection of plagiarism, but it is a tool that I will use to maintain integrity on written assignments.

- A student copies from an article or other source without using quotation marks, indentation, or other references to acknowledge the source. This is another example of plagiarism, which is a clear instance of scholastic dishonesty.
• A student completes the end-of-semester research project and gives the completed Excel file to another student. In this case, both students would be guilty of scholastic dishonesty.

• Collaboration or any other form of cheating on a course examination is scholastic dishonesty of the most severe variety, which can result in a significant academic penalty, up to the possibility of an “F” for the course.

For more information on University policies and procedures regarding scholastic dishonesty, see http://deanofstudents.utexas.edu/conduct/index.php.

When in doubt, ask me.

If you have read this far, thank you! The fact that you read nine pages of syllabus material shows that you care about this class and want to succeed. History suggests that only about half of all students even bother to read the entire syllabus, so I want to give you a small token of my appreciation for being in that half. Accordingly, I have set up an online link that will award you two class participation points just for typing in your name, if you do so by Friday, September 8, 2017. Thanks! To get your two points, go to: https://mccombs.qualtrics.com/jfe/form/SV_2uBWlj7iYAHzvZr

The remainder of this syllabus contains the course schedule.
Course Schedule

Important note: Especially for a discussion-oriented class such as ours, it is essential that you complete each day’s readings before class. Written assignments reinforce this expectation, as you will not be able to do the assignments unless you complete the readings on time.

Week 1: Wednesday, August 30, 2017
Theme: Introduction
Assigned reading:

There is no assigned reading for the first class day. I will use our first day to review important syllabus material and discuss what we mean by “scientific-method accounting research.”

____________________________________________________________________________

Week 2: Wednesday, September 6, 2017 (no class on Monday, Sept. 4 due to MLK holiday)
Theme: Research fundamentals and relating research to teaching and practice
Assigned readings:


Mini-assignment #1 due on Wed., Sept. 6: Your questions or observations from Demski and Zimmerman (2000) and from Chalmers and Wright (2011).

____________________________________________________________________________

Week 3: September 11-13, 2017
Theme: Continue research fundamentals & overview of the accounting literature
Assigned reading:


Week 4: September 18-20, 2017  
Theme: Deciphering a research study  
Assigned reading:


*Mini-assignment #4 due on Mon., Sept. 18: Your question or observation from Sloan (1996).*

Week 5: September 25-27, 2017  
Theme: Research ethics and examination over research fundamentals  
Assigned readings:


*Mini-assignment #5 due on Mon., Sept. 25: Your question or observation from Bailey (2015) and from the Malone report.*

*In-class examination on research fundamentals: Wednesday, September 27.*

Week 6: October 2-4, 2017  
Theme: Factors associated with fraud  
Assigned reading:


Week 7: October 9-11, 2017  
Theme: Accounting standards and regulation  
Assigned reading:

Week 8: October 16-18, 2017  
Theme: Alternative disclosure media  
Assigned reading:


Week 9: October 23-25, 2017  
Theme: Auditing standards and regulation  
Assigned reading:


Week 10: October 30 – November 1, 2017  
Theme: Improving audit quality  
Assigned reading:


Week 11: November 6-8, 2017  
Theme: Data analytics  
Assigned reading:


Week 12: November 13-15, 2017  
Theme: Challenges facing auditors -- Independence and uncertainty  
Assigned reading:

Week 13: November 20, 2017 (no class on Wednesday, Nov. 22 due to Thanksgiving holiday)
Theme: Performance evaluation
Assigned reading:


Week 14: November 27-29, 2017
Theme: Motivating performance
Assigned reading:


Week 15: December 4-6, 2017
Theme: Taxation
Assigned reading:


Week 16: December 11, 2017
Theme: Final research assignment due and wrap-up discussion

There is no reading for this final class day. However, the research assignment is due today. The assignment must be uploaded to Canvas by 10:45 a.m., with a hard copy handed in during class.