Instructor

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Office hours: Mondays and Wednesdays, 2:30 - 4:00, and by appointment (or just stop by).

Time and Location

Tuesdays, 2:00 - 5:00, GDC 2.410

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 recent contributions from experimentation 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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<tr>
<td>Article presentations and outlines</td>
<td>20%</td>
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<tr>
<td>Seminar participation</td>
<td>20%</td>
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<td>Article summary sheets</td>
<td>10%</td>
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<tr>
<td>Review exercise</td>
<td>15%</td>
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<tr>
<td>Research proposal</td>
<td>17.5%</td>
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<tr>
<td>Final examination</td>
<td>17.5%</td>
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<tr>
<td>Total</td>
<td>100%</td>
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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 clearly acceptable performance overall. Put differently, a “B” implies performance at expectation.

A “C” (or worse) in the seminar implies disappointment and the need for significant 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 that the final distribution in this seminar will likely include the grades of “A,” “A-,” “B+,” and “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, in a doctoral program, you should be more concerned with what you learn than with what grades you get. Prospective employers are very unlikely to ask about your grade-point average as a doctoral student. They will, however, use more direct information to gauge your potential as a researcher and teacher.
Details on Each Component

1. Article presentations and outlines (20%)
Starting with Session 4 on September 26, each session will involve one background article and three research articles from the recent experimental literature in accounting. One student will be assigned to cover the major points from the background article. Then, for each assigned research article, one student will present the article as an advocate and one will present it as a critic.

Background: Hit the high points from the background article. What background issues, relating to the research articles we will cover that day, are the most surprising, important, or concerning?

Advocate: The advocate should do more than just summarize the article, as we should all have read it beforehand. That being said, the advocate will synthesize class discussion of the “Libby Boxes” for the article. In addition, the advocate should highlight the study’s contribution and why that contribution is important. Take the author’s position and state the best case possible for the study.

Critic: The critic should point out limitations and constructive criticisms, including limitations to the study’s incremental contribution and any threats to its 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: All presenters (background, 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. Thus, at the end of the semester, we will each have a collection of 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.

To make sure we finish on time, budget 15 minutes for each presentation (background, advocate, or critic). This will allow about 15 minutes per article for general discussion.

2. Seminar participation (20%)
This seminar can only succeed with your active participation. I expect all students to participate in the discussion of each article, whether or not you are assigned to present that article as its advocate or critic. Challenge the advocate and critic, making them defend their positions.

3. Article summary sheets (10%)
Beginning with Session 4, I will collect an “Article Summary Sheet” from each student to help you organize your thoughts for each article. All students must complete these sheets – not just the advocate and 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 most like to discuss. I will collect these sheets, 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?

Conceptual question

Independent construct:

How does X influence Y?

Operational question

Independent variable:

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 24 (15%)
This exercise is designed to give you some practice with the review process. First, read the two articles below (available on Canvas) for some guidance on doing a constructive review:


After you read this background, find an accounting research working paper at 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, as your pretend “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.

5. Research proposal, Due Tuesday, December 5 (17.5%)
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 an experimental research proposal, due on Tuesday, December 5, 2017. 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, without actually conducting the research. I am available for consultation as needed!

Our last day of class, December 5, will be dedicated to proposal presentations of 20 minutes each. This is great practice for presenting at conferences.

6. Final examination (17.5%)
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 14 from 9:00 a.m. – 12:00 noon.
Course Schedule

I have divided the semester as follows:

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

Sessions 4-7: Financial accounting experiments

Sessions 8-10: Auditing experiments

Sessions 11-13: Management accounting experiments

Session 14: Presentations of research proposals and wrap-up

A detailed schedule follows.
Session 1: Tuesday, September 5, 2017
Topic: Fundamentals of accounting research

Objective: Gain a basic understanding of the following:
- What is accounting research?
- How does our research mission complement our teaching mission?
- How has accounting research evolved over the years?
- What are the advantages and disadvantages of different research methods?
- 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

Readings:

Kachelmeier, S. J. 2017. Research fundamentals. Notes prepared for this seminar (will be distributed in class).


Session 2: Tuesday, September 12, 2017
Topic: Accounting journals and the publication process


Session 3: Tuesday, September 19, 2017
Topic: Research ethics


Session 4: Tuesday, September 26, 2017
Topic: Processing financial statements

Background:

Research studies:


Session 5: Tuesday, October 3, 2017
Topic: Earnings management

Background:

Research studies:


Session 6: Tuesday, October 10, 2017  
Topic: Alternative disclosure channels

Background:  

Research studies:  


Session 7: Tuesday, October 17, 2017  
Topic: Corporate social responsibility

Background:  

Research studies:  


Session 8: Tuesday, October 24, 2017  
Topic: Improving audit quality

**Background:**  

**Research studies:**  


**NOTE:** The review assignment is due today!

Session 9: Tuesday, October 31, 2017  
Topic: Auditor independence

**Background:**  

**Research studies:**  


Session 10: Tuesday, November 7, 2017  
Topic: Audit reporting and critical audit matters

Background:

Research studies:


Session 11: Tuesday, November 14, 2017  
Topic: Incentives and controls

Background:

Research studies:


Session 12: Tuesday, November 21, 2017
Topic: Motivating multidimensional performance

Background:

Research studies:


Session 13: Tuesday, November 28, 2017
Topic: Performance feedback

Background:

Research studies:


Week 14: Tuesday, December 5, 2017

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