Oklahoma State University
Spears School of Business
ACCT6703.70210 – Introduction to Accounting Research
Fall 2019

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(Start subject line with “ACCT6703” to indicate that you are in this class)
Office Hours: Monday 10 – 12; Wednesday 10 – 12; or by appointment
Course Web Site: https://canvas.okstate.edu/

Course Description Per Course Catalog:
The theoretical literature and research methodology in accounting.
Prerequisite(s): Doctoral student status and consent of coordinator of graduate programs in accounting.

Required Materials:

  o A copy of this textbook can be purchased on www.amazon.com.
• Journal articles that are assigned throughout the course and available via OSU’s library database.
• Other materials as made available on course website.

Other Resources:

• The following materials are available on the course website:
  o Course syllabus,
  o Assignment schedule,
  o Other materials and assignments as made available throughout the semester.


Acknowledgements: In developing this course, I have drawn heavily (at many times, verbatim) from my equivalent course at Texas A&M University that was taught by Marjorie Shelley and from course materials provided by Gary Giroux and Bradley Blaylock. Therefore, I make no accusations that the material included in this course or syllabus is my own creation. I thank all of my prior instructors and colleagues for their insights and guidance as each of them has, in some way, contributed to the material in this course.
Objectives of Course

The objective of this course is to develop your ability to critically evaluate and conduct empirical research in accounting. Important elements of this course include developing:

1. Familiarity with the major areas of accounting research.
2. An appreciation for the role of theory in applied work.
3. Skills to identify worthwhile academic research questions.
4. An understanding of research designs commonly used in accounting research.
5. The necessary skills to design and conduct empirical research.

Course Overview

My goal for this seminar is to provide an open, supportive, and respectful environment that facilitates your learning and development as Ph.D. students. This seminar will introduce you to some of the major paradigms of accounting research, start building your foundation in the principles of accounting research methods and improve your ability to successfully progress through the doctoral program, earn a position as a university faculty member, and succeed in your career.

I refer to this course as a seminar, not as a lecture. Wikipedia describes a seminar as “a form of academic instruction, either at a university or offered by a commercial or professional organization, which has the function of bringing together small groups for recurring meetings, focusing each time on some particular subject, in which everyone present is requested to actively participate. This is often accomplished through an ongoing Socratic dialogue with a seminar leader or instructor, or through a more formal presentation of research. Normally, participants must not be beginners in the field under discussion (at US universities, seminar classes are generally reserved for upper-year students, although at UK and Australian universities seminars are often used for all years). The idea behind the seminar system is to familiarize students more extensively with the methodology of their chosen subject and also to allow them to interact with examples of the practical problems that always crop up during research work. It is essentially a place where assigned readings are discussed, questions can be raised and debates conducted. It is relatively informal, at least compared to the lecture system of academic instruction.”

Our meetings will consist primarily of presentations and discussions of assigned readings. The presentations will be “kind of” formal; the discussions will be less so. I will attempt to facilitate our discussions initially - and to add any insights I think are useful – but quality discussion depends on you. We are a community of scholars, which means that we are responsible to one another to actively engage in developing thoughtful opinions about research and to assist one another in nurturing those opinions. As the semester progresses, I will expect you to do more than “read” the assigned papers; I will also expect you to actively think about them, elaborate on them (if possible with accounting examples), raise points that need clarification, and help provide insights on issues that can be informed by your own experiences or thought.
Course Structure

This course effectively has three parts. In Part I, we will discuss issues related to conducting and publishing research in the social sciences. An assigned textbook will help us to learn about some common research problems that we will then look for in our readings. We will only occasionally discuss the textbook reading directly. However, if you have questions or something requires clarification, by all means bring it up during our meetings and we will sort it out together.

We will read research papers most weeks, which we will then discuss in the context of the research issues we have studied. Everyone is expected to read, think about, and contribute to discussions of all papers assigned for a given session. In this early part, I will initiate some of the discussions but will expect you to quickly become actively involved. Each session will have a focal assignment related to the week’s topic. The first six Part I assignments serve as discussion springboards, so always be prepared to comment on your own assignment responses. The remaining assignments are due later in the semester.

Part II introduces selected accounting research topics. I have narrowly (and somewhat selfishly) selected these topics as there is no way to adequately cover all of the accounting research topics within one seminar. In some cases, the papers selected represent “seminal” papers in accounting literature or review papers of a particular topic. In other cases, I provide suggested background readings to further your knowledge of the topic, but our discussion will focus on more recent studies in a particular area.

As in Part I, everyone will be expected to read, think about, and contribute to the discussion for all of the assigned papers. I will normally limit our discussion to three studies each week because I believe that you can best build your appreciation of accounting research by thoroughly understanding the papers you prepare to discuss. As such, throughout Part II, you will, unless otherwise noted: (1) Analyze and evaluate every assigned accounting research study; (2) Prepare a “Summary Sheet” for each week’s study; and (3) Present or lead the discussion of papers assigned to you for presentation. We will discuss the Summary Sheet and presentation format during Part I of the course.

Part III is the culmination of our discussions throughout the semester and gives you a chance to shine. You will be asked to identify a potential accounting research idea and conduct a review of the literature in the area. Choose three of the papers to critique thoroughly during class as a way of building to a research question proposal. During the last week that we meet, you will present the three critiques – not as independent works, but as a progression within a literature – and submit a written copy of your critiques. You must explain what the authors of each paper did (research question, method, and results), critique their choice of question and methods, and identify and interpret their contributions to the literature. You will end the critique by assessing what remains to be learned in the area (directions for future research) and then identify a question that you would like to study and suggest a research design. The presentations should follow the same format as in prior Parts of the course. I reserve the right to ask other Accounting faculty for their comments on your critiques.
**Final Exam**

For the final “exam,” you will write a formal review of an existing manuscript of my choosing. I will announce the paper at the end of the semester. We will discuss the format and my expectations for the review during the course, but because this is a final exam, you **ARE NOT allowed to discuss the review paper or assignment with your colleagues**. This assignment should reflect your individual knowledge of accounting research attained up to this point. I reserve the right to ask other Accounting faculty for their comments on your reviews.

**Replication Project**

As we cover topics throughout the semester, you should attune yourself to areas of research that might interest you. As you do this, keep an eye open for previously published papers in your chosen field because the final project for this course requires you to replicate the results in this previously published paper. We will discuss the format and my expectations for the replication later in the course, but you **ARE allowed to discuss this assignment with your colleagues**. Also, recognize that a replication of previous work takes time (especially when your knowledge of coding is limited), so this assignment will probably not be completed prior to the end of the semester. We will establish a final due date for this assignment at the end of the semester, but you should plan to work on the replication over the Winter break.

**Course Grading**

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<tr>
<th>Component</th>
<th>Weighting</th>
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<tbody>
<tr>
<td>Course Assignments</td>
<td>25%</td>
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<tr>
<td>Paper Presentations and Discussions</td>
<td>25%</td>
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<tr>
<td>Research Proposal</td>
<td>10%</td>
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<td>Final Exam – Manuscript Review</td>
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<tr>
<td>Replication Project</td>
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<tr>
<td>Seminar Participation and Preparation</td>
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All written assignments are to be completed individually, and I will assign grades with the following interpretation in mind:

- **A** *Exceeds expectations* You have impressed me with exceptional performance.
- **B** *Meets expectations* You did what I expected of you and are on track to progress through the doctoral program. You did just fine.
- **C** *Below expectations* I was disappointed. You may need remedial work.
- **D** or **F** *Grossly unsatisfactory* These are failing grades that should rarely be needed in doctoral courses, given your backgrounds and incentives.

Do your best to learn as much as you can from your seminars, rather than worrying so much about your grades. I doubt that anyone will care about your grade-point average once you’ve completed your doctoral studies, but I have absolutely no doubt that people will continue to monitor and evaluate your research.
Part I – Overview of the Research and Publication Process

Week 01 – An Academic Career in Accounting?


Glover et al. 2012 “Publication Benchmarking Data Based on Faculty Promoted at the Top 75 U.S. Accounting Research Institutions” Issues in Accounting Education

Boyle, Carpenter, Hermanson, 2015, The Accounting Faculty Shortage: Causes and Contemporary Solutions, Accounting Horizons

Assignment 01 – Why are you pursuing an Accounting PhD?

Week 02 – What is “Accounting Research”?


- Preface and Chapter 1: Foundations (skipping sections 1.2c, 1.4b, and 1.4c)


Assignment 02 – What do you find interesting?
Week 03 – Empirical Accounting Research Design

Trochim & Donnelly. Chapters 2, 3 (omit 3.1d, 3.1e, 3.1f, and 3.1g), 7 and 12: These discuss external, construct, internal, and conclusion validity, respectively, along with other concepts that should be useful for you to review.


Burgstahler 1987 “Inference from Empirical Research” The Accounting Review


Optional Reading -


Assignment 03 – How might you design a study to examine…?

Week 04 – Writing a Research Article

Trochim and Donnelly. Chapter 15: Write-up (omit 15.1f, 15.1g, and all of 15.3)


Assignment 04 – How to write an empirical accounting research paper.
Week 05 – The Review Process


Assignment 05 – What databases are available to us here at OSU?

Week 06 – Analyzing Empirical Accounting Research Studies

Starting this week, complete a Summary Sheet for each paper. I will select one Summary Sheet each week for submission and grading. Refer to the “Summary_Description” file for guidance regarding the completion of the Summary Sheets.

Additionally, prepare presentation slides and be prepared to lead the discussion for the paper that you are assigned each week. Refer to the “Presentations” file for guidance regarding the weekly presentation format and expectations. I have also provided the “Critique Guidelines” file to suggest some thoughts and questions for you to consider as we review papers going forward.

Paper #1 – TBD [ABDULLAH]

Paper #2 - TBD [YANG]

Review and be prepared to discuss the submissions, submissions process, and review comments related to my “Audit Market Structure and Audit Pricing” paper with Daniel Eshleman.

Assignment 06 – Analyzing an accounting research study.
Part II – Presentations and Selected Research Topics

Week 07 – Agency Theory and Positive Accounting


Assignment 07 – Recent citations of the seminal studies

Week 08 – Early Empirical Research in Accounting – Does Accounting Matter?


Beaver 1968 “The Information Content of Annual Earnings Announcements” Journal of Accounting Research [__________]


Background Reading:


Assignment 08 – Training on the “Kinney Three Paragraphs” Approach
Week 09 – Corporate Governance

Farber, 2005, Restoring Trust after Fraud: Does Corporate Governance Matter? The Accounting Review [__________]

Ashbaugh-Skaife, Collins, and LaFond, 2006, The Effects of Corporate Governance on Firms’ Credit Ratings, Journal of Accounting and Economics [__________]

Beasley, Carcello, Hermanson, and Neal, 2009, The Audit Committee Oversight Process, Contemporary Accounting Research [__________]

Background Reading:


Carcello, Hermanson, and Ye, 2011, Corporate Governance Research in Accounting and Auditing: Insights, Practice Implications, and Future Research Directions, Auditing: A Journal of Practice & Theory

Week 10 – Earnings Quality

This week, you DO NOT need to complete a Summary Sheet for these papers. Instead, you will complete Assignment 08, be prepared to discuss it in class, and turn it in for grading.


Dechow and Skinner, 2000, Earnings Management: Reconciling the Views of Accounting Academics, Practitioners, and Regulators, Accounting Horizons

Schipper and Vincent, 2003, Earnings Quality, Accounting Horizons

Other useful papers:

Francis and Schipper, 1999 “Have Financial Statements Lost Their Relevance?” Journal of Accounting Research

Imhoff, 2003, Accounting Quality, Auditing, and Corporate Governance, Accounting Horizons

Francis, Olsson, Schipper, 2006, Earnings Quality, Foundation and Trends in Accounting


Assignment 09 – What does “earnings quality” mean?
Week 11 – Measures of Earnings Management

Kothari, Leone Wasley 2005 “Performance matched discretionary accrual measures” Journal of Accounting and Economics [__________]

Cohen et al. 2008 “Real and Accrual-Based Earnings Management in the Pre- and Post-Sarbanes-Oxley Period” The Accounting Review [__________]


Background papers:

Dechow, Sloan and Sweeney 1996 “Detecting Earnings Management” The Accounting Review

Roychowdhury 2006 “Earnings Management through Real Activities Manipulation”


Week 12 – Auditing

DeAngelo, 1981, Auditor Size and Audit Quality [__________]


Knechel, 2015, Audit Research in the Wake of SOX, Managerial Auditing Journal [__________]

Optional Reading:


Hey, Knechel, and Wong, 2006, Audit Fees: A Meta-analysis of the Effect of Supply and Demand Attributes, Contemporary Accounting Research [__________]


Week 13– Behavioral Research

The focus for this week is on behavioral-related studies and research method. Dr. Muriel will lead the discussion this week and will assign papers of her choosing. You are still expected to complete the Summary Sheets and prepare presentations of each article.

Week 14– Tax topics

The focus for this week is on tax-related topics. Papers will be assigned in advance of the seminar. You are expected to complete the Summary Sheets and prepare presentations of each article.

Week 15– International Accounting Research

Because this is Thanksgiving week, we will NOT meet. However, you still need to prepare a Summary Sheet for each paper. As with other weeks, I will select one for grading.

Barth et al. 2008 “International Accounting Standards and Accounting Quality” Journal of Accounting Research


Burgstahler et al. 2006 “The Importance of Reporting Incentives: Earnings Management in European Private and Public Firms” The Accounting Review

Part III – Presentation of Research Ideas

Week 16 – Presentation of Research Ideas

During the last regular class period, you are to present a research idea proposal. For consistency and time management, we will adopt a conference-style format for your research idea and literature critique presentations. Each of you will have _____ minutes to present your critiques and research idea (uninterrupted except for minor clarifying questions). You will be allowed to exceed that time limit by up to _____ minutes to ensure adequate content coverage, but note that you will not receive full content credit for content covered after the stated time limit.

Following each presentation, we will have _____ minutes of open questions. You will be expected to ask reasonable questions about the other presentations, regardless of the timing of your own presentation.

During the presentation, present critiques of the three most relevant studies leading up to your own proposed study using the same critique guidelines used in Part II of the course. Your critiques should facilitate your research question proposal.

Your presentations and summaries are expected to follow the same format as in earlier Parts of the course and to be as well developed as possible. For example, you will likely start with a broad research question that motivates the general area of research, but you should then identify the specific question(s) that your proposed study will investigate. In defining your incremental contribution, you will need an understanding of how your proposed study draws on and extends the prior research in the area (and, of course, why that extension is important to consider). Briefly summarize the literature.

End by describing your proposed design and, if appropriate, the data sources needed, the conceptual and operational variables, and the predictive validity framework.

Beginning a literature review: For your review of the existing literature, I suggest using a dual approach. Use a keyword search to identify other papers in your area of interest. You could apply a keyword search to each individual academic journal, but I suggest that you also use more general databases such as SSRN for working papers and Google Scholar for articles published in a wide variety of journals and other sources. Second, use a cited reference search to identify papers that follow from the key paper(s) in the area.

Assistance with your research ideas: I consider this research proposal to be primarily a course assignment. As such, you will be required to briefly discuss your research ideas with me prior to the Thanksgiving break. The feedback you receive will depend on how developed your idea is by the time you meet with me. The more general the description, the more general the feedback. If you are able to develop a preliminary draft of your summary and send it to me (at least one full day in advance of our meeting), I will read it and offer more specific comments.