Aarhus University
Business and Social Sciences
Department of Economics and Business
Accounting Doctoral Seminar
Summer 2012

Professors: Bjorn Jorgensen and Steve Rock, University of Colorado

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Classroom: Building 1455, Room 127

Meeting Times: M, 13 Aug: 11-12; 13-15:30
                T, W, 14-15 Aug: 10-12; 13-15
                R, F, 16-17 Aug: 9-12; 13-14
                Lunch every day, 12-13

Course objectives: Doctoral accounting research seminars are designed to facilitate participant preparation for a career in conducting scholarly research. Familiarity with the existing body of accounting research and the ability to critically evaluate it are very useful in developing and executing research. The body of archival research in financial accounting is vast and ever expanding. As such, we are able to cover only a small fraction of the literature, focusing on specific and seminal areas with which most academic accountants are familiar. Upon completion of the course, our hope is that you will have further developed your skills along the following dimensions:

(1) Understanding theories relevant to the topics covered,
(2) Developing and integrating methodological tools necessary to conduct your own research,
(3) Critically analyzing market participant behavior and related research, and
(4) Awareness of topics that could create a foundation for your own empirical research and contribution to the literature.

Conduct of the Course: Our course will be conducted primarily using a seminar format. Therefore, you are expected to take an active role in discussing and evaluating the papers assigned for every class, whether or not you are leading the discussion. We will lead discussion for most papers, but each participant will be expected to lead discussion for one paper (papers designated with an asterisk * on the reading list below are eligible for participant discussion). Discussion leadership will include a two page handout to be distributed to the class (electronic distribution is fine).
**Discussion leadership:** Each participant is expected to lead discussion of one paper throughout the course. The focus of the discussion will typically be on the following issues:

- Motivation
- Research question(s) examined
- Underlying theory
- Specific hypotheses
- Basic model(s)
- Research method / design
- Results and corresponding interpretation
- What did you like about the paper, what could be improved?
- What question(s) would you like to ask the author(s)?
- Contribution

**Research Proposal:** The deliverable from the class will be a research proposal. The proposal will:

1) Clearly identify and motivate a research question and explain how the proposed research will contribute to our understanding of accounting / auditing.
2) Briefly review the prominent literature related to the proposed research topic.
3) Describe the underlying theory and develop the related research hypotheses.
4) Describe appropriate methodology for the proposed study including:
   - Empirical model
   - Sample selection and data acquisition
   - Statistical methods for hypothesis testing

The written research proposal *should not exceed 20 double-spaced pages* and is due Monday, October 15th.

**Tentative Schedule:** The following pages indicate the topics and readings for each class. It is possible that we will deviate from this list, and we will apprise you of such changes in a timely manner.
Summer 2012


Background Reading: Returns and Accounting Earnings


Topic 1 (Bjorn): Earnings Discontinuities


Topic 2 (Steve): Earnings Components


Wilson, G. 1986. The relative information content of accruals and cash flows: Combined evidence at the earnings announcement and annual report release date. JAR, 24, 165-200.


Topic 3a (Bjorn):  Accounting-based Valuation


Topic 3b (Steve):  Disclosure and Measuring Cost of Capital


Topic 4a (Steve):  Earnings Management - Accruals


**Topic 4b (Bjorn): Expectations and cash flow management**


**Topic 5 (Steve): Analyst Forecasting and Incentives**


**Topic 6 (Bjorn): Aggregate Effects of Accounting**


**Topic 7 (Steve): Earnings Quality**


McNichols, M. 2002. Discussion of: The quality of accruals and earnings: The role of
accrual estimation errors. **TAR, 77, 61-69.**


**Topic 8 (Bjorn): International Accounting**


**Topic 9 (Bjorn): Public versus Private Company Reporting**


**Topic 10 (Steve): Audit Pricing**

Willenborg, M. 1999. Empirical analysis of the economic demand for auditing in the initial public offerings market. **JAR, 37, 225-238.**


**Topic 11 (Steve): Matched-Pair Design**

