I. **Objectives of Course**

The objective of this course is to develop your ability to critically evaluate and conduct empirical research on a variety of contemporary financial reporting topics. Our discussions will highlight the following:

- An understanding of research designs commonly used in accounting and finance research.
- The necessary skills to design and conduct empirical research.
- Sources of Type I and Type II errors.
- Opportunities for future research in selected areas.

II. **Conduct of Course**

The course will be conducted online using a seminar format via Zoom. You will be expected to take an active part in discussing and evaluating the readings assigned for each class session. This may take the form of explaining to other members of the class what an author was attempting to do in a particular paper. At other times, it may involve comparing various types of research approaches. Finally, you may be asked to critique, either orally or in writing, a particular research approach or paper.

In general, each class discussion will be focused on three papers in an area with one or more papers as supplemental readings. It is expected that each of us will read critically and think deeply about the assigned papers before class and be prepared to discuss the readings in detail. For each assigned reading, a student will be assigned as the discussion leader. The other students are expected to ask questions and provide criticisms of the paper during the session. The discussion leader will also provide a summary/analysis memo (see below) for the assigned reading that will be distributed to each of the students prior to the start of class. The quality of these questions will factor into your class discussion and participation grade.
Expectations for online course:

We will use Zoom for the class. You must be on time, have your video on and you must actively participate in the class discussion.

Summary/Analysis Memo:

1. What is the research question and why is it important?
   a. What is the motivation for the study?
   b. How does the question relate to prior research?
2. What are the hypotheses?
   a. What is the underlying theory?
   b. What assumptions are being made?
3. How is the question being addressed?
   a. What data sources are used over what time periods?
      i. What does the sample look like?
      ii. Are there sample selection biases?
   b. What empirical tests are performed?
      i. Are there any biases in the tests?
      ii. Are the tests low power?
4. What are the main empirical findings?
   a. Do they support the hypotheses?
   b. Are there alternative explanations for the results?
5. How could the study be improved and extended?
   a. What are the strengths and weaknesses of the study?
   b. What extensions could be performed?
   c. What incremental research questions follow from the study?

In addressing the questions listed above, you should critique and analyze the paper in terms of its external and internal validity. You should not merely accept what the paper does and finds, instead you should challenge assumptions made, methodology use and inferences drawn.

III. Course Requirements & Grading

Class discussion and participation  30%
Referee Report 10%
Replication 10%
Research Proposal 25%
Final Examination 25%

Research Proposal:

This proposal should be on some market-based or disclosure research topic and should be no more than 10 to 15 pages in length. Section 1 of the proposal should identify the research question, explain why this question is important, and how it contributes to the extant literature. Section 2 should review the relevant literature and develop the hypotheses that will be tested in the paper. Section 3 should outline the research design that you will use to test your hypotheses and your data sources.
Referee Report/Replication:

More information regarding the referee report and the replication will be provided in class.

IV. Important Dates

October 17 (midnight) – Referee report due
November 25 (midnight) – Replication due
December 5 (midnight) – Research proposal due
December 9 – Final Exam, 2:00 pm – 4:50 pm

Acknowledgments: I thank Richard Cazier and Teri Yohn for sharing their syllabi with me.

Academic Integrity

Academic dishonesty is prohibited and is considered a violation of the UTEP Handbook of Operating Procedures. It includes, but is not limited to, cheating, plagiarism, and collusion. Cheating may involve copying from or providing information to another student, possessing unauthorized materials during a test, or falsifying research data on laboratory reports. Plagiarism occurs when someone intentionally or knowingly represents the words or ideas of another as ones' own. Collusion involves collaborating with another person to commit any academically dishonest act. Any act of academic dishonesty attempted by a UTEP student is unacceptable and will not be tolerated. All suspected violations of academic integrity at The University of Texas at El Paso must be reported to the Office of Student Conduct and Conflict Resolution (OSCCR) for possible disciplinary action. To learn more, please visit HOOP: Student Conduct and Discipline.

Class Recordings

The use of recordings will enable you to have access to class lectures, group discussions, and so on in the event you miss a synchronous or in-person class meeting due to illness or other extenuating circumstance. Our use of such technology is governed by the Federal Educational Rights and Privacy Act (FERPA) and UTEP’s acceptable-use policy. A recording of class sessions will be kept and stored by UTEP, in accordance with FERPA and UTEP policies. Your instructor will not share the recordings of your class activities outside of course participants, which include your fellow students, teaching assistants, or graduate assistants, and any guest faculty or community-based learning partners with whom we may engage during a class session. You may not share recordings outside of this course. Doing so may result in disciplinary action.

Plagiarism Detecting Software

Some of your course work and assessments may submitted to SafeAssign, a plagiarism detecting software. SafeAssign is used review assignment submissions for originality and will help you learn how to properly attribute sources rather than paraphrase.

COVID-19 Precautions

You must STAY AT HOME and REPORT if you (1) have been diagnosed with COVID-19, (2) are experiencing COVID-19 symptoms, or (3) have had recent contact with a person who has received a positive coronavirus test. Reports should be made at screening.utep.edu. If you know of anyone who should report any of these three criteria, you should encourage them to report. If
the individual cannot report, you can report on their behalf by sending an email to COVIDaction@utep.edu.

For each day that you attend campus—for any reason—you must complete the questions on the UTEP screening website (screening.utep.edu) prior to arriving on campus. The website will verify if you are permitted to come to campus. Under no circumstances should anyone come to class when feeling ill or exhibiting any of the known COVID-19 symptoms. If you are feeling unwell, please let me know as soon as possible, and alternative instruction will be provided. Students are advised to minimize the number of encounters with others to avoid infection.

Wear face coverings when in common areas of campus or when others are present. You must wear a face covering over your nose and mouth at all times in this class. If you choose not to wear a face covering, you may not enter the classroom. If you remove your face covering, you will be asked to put it on or leave the classroom. Students who refuse to wear a face covering and follow preventive COVID-19 guidelines will be dismissed from the class and will be subject to disciplinary action according to Section 1.2.3 Health and Safety and Section 1.2.2.5 Disruptions in the UTEP Handbook of Operating Procedures.

(classes with on-campus meetings) Please note that if COVID-19 conditions deteriorate in the City of El Paso, all course and lab activities may be transitioned to remote delivery.
Supplemental readings will not be discussed in class, but are helpful for your understanding of the literature.

**Causal Inference, Threats to Validity, and Empirical Design** - Aug 26

Organizational meeting and discussion of research framework


**Overview of Market-Based Research in Accounting** – Sep 2


**Earnings Management (Discretionary Accruals)—Background, Measurement and Design Issues**

**Day 1 – Sep 9**


Supplemental readings:


Earnings Management: Day 2 – Sep 16


Supplemental Reading:


Modeling Determinants of Misreporting/Fraud – Sep 23


**The Role of Corporate Culture in Earnings Management – Sep 30**


*Supplemental reading:*


**Real Earnings Management – Oct 7**


*Supplemental reading:*


**Referee Report – Oct 14**
**Mispricing and Market Anomalies - Oct 21**


*Supplemental reading:*


**Conservatism and Accounting – Oct 28**


*Supplemental reading:*


**Voluntary Disclosure - Nov 4**


Supplemental readings:


Causes and Consequences of Earnings Quality – Nov 11


Supplemental reading:


Regulation and the Reporting Environment – Nov 18


Supplemental Reading:

Replication – Nov 25

Textual Analysis of Narrative Disclosure – Dec 2


Supplemental readings:


Research Proposal – Dec 5

Final Exam – Dec 9