

**ACCOUNTING 6310**  
**PhD SEMINAR: INTERNATIONAL ACCOUNTING ENVIRONMENT**  
**COLLEGE OF BUSINESS ADMINISTRATION**  
**UNIVERSITY OF TEXAS AT EL PASO**  
**FALL 2021**

**Instructor Contact Information:**

Instructor: Dr. David Folsom, Ph.D., Assistant Professor of Accounting  
Office: 254 Business Administration Building (Main Campus)  
Telephone: (915) 747-7759  
Email (best): [dmfolsom@utep.edu](mailto:dmfolsom@utep.edu) (Please note I do not check my email on Sundays.)  
Office Hours: Tuesdays from 2:00 pm to 4:00 pm. Also, by appointment as needed.

**Course Description and Learning Objectives:**

This course surveys current empirical accounting research to help students better understand how market participants use accounting information. The main objective is to improve student's ability to evaluate and perform meaningful empirical research. As such, students will be required to present their own research activities and complete some empirical replications.

**Course Format:**

In most classes, we will discuss three to five papers. Students are expected to thoroughly read all assigned papers (and background readings) before each class meeting and be prepared to discuss the papers in class. Class discussions will be guided by the following questions:

1. What is the research question and how is it motivated? Why is the question interesting?
2. How does the paper fit into the existing literature in this area?
3. What alternatives exist to the hypotheses being tested? How compelling is the logic used to develop the hypotheses?
4. What are the sample selection and research design techniques? Are these choices appropriate for the research question? What alternative designs could have been used?
5. What difficulties exist in drawing inferences from the empirical tests?
6. What are the major results? How do the authors interpret these results? How do you interpret the results? Are the results internally consistent in the paper and externally consistent with prior findings?

One student will be assigned to present and lead a discussion for each paper. The presentation and discussion should address the questions above. The presenter will also be required to create a one-page summary of the paper that addresses the questions above. The presenter's slides must be provided on the course shared file folder to class participants by 8:00 am on the day of the class in which we will discuss the paper. The one-page summary will be due by 5:00 pm the day after the class in which we discuss the paper.

For each background reading, a non-presenting student will also be asked to complete a one-page summary of the paper that addresses the questions above. This summary must be uploaded on the course shared file folder for class participants by 8:00 am on the day of the class discussing the related papers.

In addition, all students must identify a potential research question each lecture period based on the assigned readings (either presented or background). These questions will be uploaded by students to the course shared file folder to be available to all class members by 8:00 am on the day of the class in which we will discuss these papers. Please convert your question to a .pdf file and follow the “Kinney Three Paragraphs” organizational method (Kinney 2019). Questions should be substantive and will be evaluated by Professor Folsom. Questions will be classified as exceptional, good, adequate, or poor. For full credit for your questions across the semester, you need to have at least five questions that are deemed to be “exceptional” (i.e., exceptional questions for about 1/3 of the class meetings) and no questions that are evaluated to be “poor.” A grade of “poor” will automatically be assigned for any questions uploaded after the Thursday 8:00 am deadline. Grading criteria are as follows:

Exceptional (4 points)	Identification of an unresolved research question that extends the paper being discussed. This question should not have already been answered in the literature (including publicly available working papers). The question should be motivated based on the current study or by combining the implications of the current study with another. Exceptional questions should include a brief explanation of how you would attempt to address the research question.
Good (3 points)	Option #1: Identification of an unresolved research question that extends the paper, but either cannot be answered using current research technologies or has been addressed tangentially by other research.  Option #2: Identification of a potential flaw in the current study’s research design or intuition that potentially invalidates the inferences derived from the study.
Adequate (2 points)	Option #1: Question that links the presented paper to other streams of literature not explicitly discussed in the manuscript but does not fully identify a potentially unresolved research question.  Option #2: Question that raises a substantive issue the authors did not explain well (i.e., a good clarification question about the motivation, intuition, or research design).
Poor (1 point)	Questions that obviously lacked much effort in thought, including (but not limited to) any identified “unresolved” research questions that are clearly addressed in the current accounting and finance literature. Also, any questions that are uploaded late.

### Assessment:

Component	Percentage of Final Grade
Presentations and Summaries (described above)	15%
Paper Questions (described above)	15%
In-Class Participation in Discussions (evaluated by Pr. Folsom)	10%
Empirical Replication Assignment (due on 10/09)	15%
Literature Review Presentation	15%
Final Exam	30%
<b>Total</b>	<b>100%</b>

**Empirical Replication Assignment:**

Students will replicate selected results in Nichols and Wahlen (2004). These replication results will be due before class on October 28, 2021. Students may use the statistical program of their choice to complete these replications. All work on the projects must be done individually and the following must be submitted: (1) replication result tables and figures, (2) downloaded dataset (or code used to access the data through WRDS), and (3) programming code that includes comments describing the operation of the code. Although students can discuss the assignment with each other, this is an individual assignment.

For this assignment, students will replicate tables one (only the annual data portion), two, and three; and figures two and three. For all replications, two separate replications are required: (1) using comparable data as used in Nichols and Wahlen (2004), namely using data from 1988 to 2002; and (2) using updated data from fiscal years 2005 to 2020. Completed tables and figures should be “submission-ready” (i.e., includes labels, variable and data descriptions, etc.) in a single Microsoft Word file or .pdf. The data files and statistical codes are to be uploaded as separate data files. Students should name all files intuitively to allow for easy identification of the sample period and test sample.

**Literature Review and Research Proposal:**

Students will choose a class-related topical area and complete a relevant research review. The topical area must be approved by Pr. Folsom by November 4<sup>th</sup>. Students can choose a topic covered in class or another approved topic. The assignment will be due before class on December 2<sup>nd</sup>, 2021.

This assignment will have three parts:

#1 – Written Literature Review: Students will carefully write a literature review that provides an overview of the relevant research findings, difficulties, and opportunities. This narrative review should be between five and ten pages long. In addition to this narrative review, create a table summarizing the relevant research findings and include a thorough bibliography (APA style). This written review will be posted and shared with all students.

#2 – Research Question Proposal: Students will generate a research question based on their topical area and carefully create a basic proposal based on Kinney’s three paragraph method (Kinney 2019). This research question proposal should be two to three pages and thoroughly consider the motivation, importance, and feasibility of completing a research project based on this question. Students may choose to further develop a research question previously submitted during the course for this portion of the assignment.

#3 – Literature Review Presentation: During our December 2<sup>nd</sup> class meeting, all students will give 20 minute presentations based on their topical area. In this presentation, students should review the major themes of their topical area and discuss their proposed research question.

**Final Exam:**

An essay-style written final exam will be given during the registrar-assigned finals period (unless the class decides on an alternate time). This exam will be closed-book and closed-note to mimic comprehensive exams. If you cannot attend the final exam, alternate arrangements to take the final need to be made with Professor Folsom at least two weeks prior to the exam date.

**Accommodations for Students with Disabilities**

If you have or suspect a disability and need accommodations, you should contact Center for Accommodations and Support Services (CASS) at 747-5148. You may also email the office at [cass@utep.edu](mailto:cass@utep.edu) or visit the office in the Union Building East, Room 106. For additional information, please visit the CASS website at <http://sa.utep.edu/cass/>.

**Plagiarism and Cheating**

You are encouraged to discuss homework assignments with other classmates. However, copying work from any source, including classmates, homework files, the Internet, etc. is NOT acceptable. **Submitting material that has been copied constitutes plagiarism and will be treated as cheating.** All students are expected to complete their own work and to abide by the Handbook of Operating Procedures available in the Office of the Dean of Students. The final exam will be closed book and closed note and should reflect your individual efforts. **Any suspected cheating during exams or assignments will be reported to the Office of Student Conduct and Conflict Resolution.** You must clearly identify all source materials in **all** work done for this class.

**COVID-19 Precautions**

Please STAY HOME if you have been diagnosed with COVID-19 or are experiencing COVID-19 symptoms. If you are feeling unwell, please let Pr. Folsom know as soon as possible, so that appropriate accommodations can be made. If you have tested positive for COVID-19, you are encouraged to report your results to [covidaction@utep.edu](mailto:covidaction@utep.edu), so that the Dean of Students Office can provide you with support and help with communication with your professors. The Student Health Center is equipped to provide COVID-19 testing.

The Center for Disease Control and Prevention recommends that people in areas of substantial or high COVID-19 transmission wear face masks when indoors in groups of people. The best way that Miners can take care of Miners is to get the vaccine. If you still need the vaccine, it is widely available in the El Paso area, and will be available at no charge on campus during the first week of classes. For more information about the current rates, testing, and vaccinations, please visit [www.epstrong.org](http://www.epstrong.org).

Please consider wearing face coverings in class.

### Course Calendar

A **tentative** course calendar with a class-by-class description of course activities can be found below. It includes the topics to be covered each class meeting, assignments, and all due dates. Be aware that the precise flow of the course is difficult to predict, and these dates may have to be adjusted slightly from time to time. Modifications to the schedule and changes in course requirements will be announced in class AND/OR via email. Please check your email often to be abreast of these changes.

### **1 - August 26<sup>th</sup>: Course Expectations, Purpose of Accounting, and Developing Questions**

\*\*\*No Student Presentations or Question Assignment Required For This Class\*\*\*

- (1) Financial Accounting Standards Board (2018). Statement of Financial Accounting Concepts No. 8, As Amended: Conceptual Framework for Financial Reporting - Chapter 1, The Objective of General Purpose Financial Reporting, and Chapter 3, Qualitative Characteristics of Useful Financial Information. ***Read Chapters 1 & 3 (including appendices).***
- (2) Kinney Jr, W. R. (2019). The Kinney Three Paragraphs (and More) for Accounting Ph.D. Students. *Accounting Horizons*, 33(4), 1-14.
- (3) Evans III, J. H., Feng, M., Hoffman, V. B., Moser, D. V., & Van der Stede, W. A. (2015). Points to Consider When Self-Assessing Your Empirical Accounting Research. *Contemporary Accounting Research*, 32(3), 1162-1192.
- (4) Bloomfield, R., Nelson, M. W., & Soltes, E. (2016). Gathering Data for Archival, Field, Survey, and Experimental Accounting Research. *Journal of Accounting Research*, 54(2), 341-395.

### **2 - September 2<sup>nd</sup>: Research Design Issues**

- (1) Kinney Jr, W. R. (1986). Empirical Accounting Research Design for Ph.D. Students. *The Accounting Review*, 61 (2), 338-350.
- (2) Stone, D. N. (2018). The “New Statistics” and Nullifying the Null: Twelve Actions for Improving Quantitative Accounting Research Quality and Integrity. *Accounting Horizons*, 32(1), 105-120.
- (3) Glaeser, S., & Guay, W. R. (2017). Identification and Generalizability in Accounting Research: A Discussion of Christensen, Floyd, LIU, and Maffett (2017). *Journal of Accounting and Economics*, 64 (2-3), 305-312.  
**\*\*\* Presenter will also review details of Christensen, Floyd, & Maffett (2017).**
- (4) Leone, A. J., Minutti-Meza, M., & Wasley, C. E. (2019). Influential Observations and Inference in Accounting Research. *The Accounting Review*, 94(6), 337-364.
- (5) Teoh, S. H. (2018). The Promise and Challenges of New Datasets for Accounting Research. *Accounting, Organizations and Society*, 68, 109-117.

Background Readings:

- Christensen, H. B., Floyd, E., Liu, L. Y., & Maffett, M. (2017). The Real Effects of Mandated Information on Social Responsibility in Financial Reports: Evidence from Mine-Safety Records. *Journal of Accounting and Economics*, 64 (2-3), 284-304.
- Larcker, D. F., & Rusticus, T. O. (2010). On the Use of Instrumental Variables in Accounting Research. *Journal of Accounting and Economics*, 49(3), 186-205.
- Gow, I. D., Ormazabal, G., & Taylor, D. J. (2010). Correcting for Cross-Sectional and Time-Series Dependence in Accounting Research. *The Accounting Review*, 85(2), 483-512.
- Petersen, M. A. (2009). Estimating Standard Errors in Finance Panel Data Sets: Comparing Approaches. *The Review of Financial Studies*, 22(1), 435-480.

**3 - September 9<sup>th</sup>: Is Accounting Information Important in Markets? Classical Studies**

- (1) Nichols, D. C., & Wahlen, J. M. (2004). How Do Earnings Numbers Relate to Stock Returns? A Review of Classic Accounting Research with Updated Evidence. *Accounting Horizons*, 18 (4), 263-286.
- (2) Kothari, S. P., & Wasley, C. (2019). Commemorating the 50-Year Anniversary of Ball and Brown (1968): The Evolution of Capital Market Research over the Past 50 Years. *Journal of Accounting Research*, 57(5), 1117-1159.
- (3) Beaver, W. H. (1968). The Information Content of Annual Earnings Announcements. *Journal of Accounting Research*, 6, 67-92.
- (4) Francis, J., Schipper, K., & Vincent, L. (2002). Expanded Disclosures and the Increased Usefulness of Earnings Announcements. *The Accounting Review*, 77 (3), 515-546.

Background Readings:

- Ball, R., & Brown, P. (1968). An Empirical Evaluation of Accounting Income Numbers. *Journal of Accounting Research*, 6 (2), pp. 159-178.
- Kormendi, R., & Lipe, R. (1987). Earnings Innovations, Earnings Persistence, and Stock Returns. *Journal of Business*, July 1987, 323-345.
- Bernard, V. L., & Thomas, J. K. (1989). Post-Earnings-Announcement Drift: Delayed Price Response or Risk Premium? *Journal of Accounting Research*, 27, 1-36.

**4 - September 16<sup>th</sup>: Firm Valuation Using the Residual Income Model and Cost of Equity**

- (1) Ohlson, J. A. (1995). Earnings, Book Values, and Dividends in Equity Valuation. *Contemporary Accounting Research*, 11 (2), 661-687.
- (2) Dechow, P. M., Hutton, A. P., & Sloan, R. G. (1999). An Empirical Assessment of the Residual Income Valuation Model. *Journal of Accounting and Economics*, 26 (1), 1-34.  
AND (presenter will discuss both papers)  
Beaver, W. H. (1999). Comments on 'An Empirical Assessment of the Residual Income Valuation Model'. *Journal of Accounting and Economics*, 26 (1), 35-42.

- (3) Larocque, S. A., & Lyle, M. R. (2017). Implied Cost of Equity Capital Estimates as Predictors of Accounting Returns and Stock Returns. *Journal of Financial Reporting*, 2 (1), 69-93.

Background Readings:

- Feltham, G. A., & Ohlson, J. A. (1995). Valuation and Clean Surplus Accounting for Operating and Financial Activities. *Contemporary Accounting Research*, 11 (2), 689-731.
- Frankel, R., & Lee, C. M. (1998). Accounting Valuation, Market Expectation, and Cross-Sectional Stock Returns. *Journal of Accounting and Economics*, 25 (3), 283-319.
- Bhattacharya, N., Ecker, F., Olsson, P. M., & Schipper, K. (2011). Direct and Mediated Associations among Earnings Quality, Information Asymmetry, and the Cost of Equity. *The Accounting Review*, 87 (2), 449-482.

**5 - September 23<sup>rd</sup>: Disclosure Theory**

- (1) Verrecchia, R. E. (2001). Essays on Disclosure. *Journal of Accounting and Economics*, 32(1-3), 97-180.
- (2) Dye, R. A. (2001). An Evaluation of "Essays on Disclosure" and the Disclosure Literature in Accounting. *Journal of Accounting and Economics*, 32(1-3), 181-235.
- (3) Lambert, R., Leuz, C., & Verrecchia, R. E. (2007). Accounting Information, Disclosure, and the Cost of Capital. *Journal of Accounting Research*, 45(2), 385-420.
- (4) Guay, W. R., & Verrecchia, R. E. (2018). Conservative Disclosure. *Journal of Financial Reporting*, 3(1), 73-92.

**6 - September 30<sup>th</sup>: Disclosure Empirical Examples**

- (1) Beyer, A., Cohen, D. A., Lys, T. Z., & Walther, B. R. (2010). The Financial Reporting Environment: Review of the Recent Literature. *Journal of Accounting and Economics*, 50(2-3), 296-343.
- (2) Blankespoor, E., Dehaan, E., & Marinovic, I. (2020). Disclosure Processing Costs, Investors' Information Choice, and Equity Market Outcomes: A Review. *Journal of Accounting and Economics*, 70(2-3), 101344.
- (3) Dyer, T., Lang, M., & Stice-Lawrence, L. (2017). The Evolution of 10-K Textual Disclosure: Evidence From Latent Dirichlet Allocation. *Journal of Accounting and Economics*, 64(2-3), 221-245.
- (4) Kim, Y., Park, M. S., & Wier, B. (2012). Is Earnings Quality Associated With Corporate Social Responsibility? *The Accounting Review*, 87(3), 761-796.

Background Readings:

- Bushee, B. J., Gow, I. D., & Taylor, D. J. (2018). Linguistic Complexity in Firm Disclosures: Obfuscation or Information? *Journal of Accounting Research*, 56(1), 85-121.
- Guay, W., Samuels, D., & Taylor, D. (2016). Guiding Through the Fog: Financial Statement Complexity and Voluntary Disclosure. *Journal of Accounting and Economics*, 62(2-3), 234-269.
- Andrew, J., & Baker, M. (2020). Corporate Social Responsibility Reporting: The Last 40 Years and a Path to Sharing Future Insights. *Abacus*, 56(1), 35-65.

**7 - October 7<sup>th</sup>: Management Forecasts**

- (1) Hribar, P., & Yang, H. (2016). CEO Overconfidence and Management Forecasting. *Contemporary Accounting Research*, 33(1), 204-227.
- (2) Guan, Y., Lobo, G. J., Tsang, A., & Xin, X. (2020). Societal Trust and Management Earnings Forecasts. *The Accounting Review*, 95(5), 149-184.
- (3) Ke, R., LI, M., Ling, Z., & Zhang, Y. (2019). Social Connections within Executive Teams and Management Forecasts. *Management Science*, 65(1), 439-457.

Background Readings:

- Ogers, J. L., & Stocken, P. C. (2005). Credibility of Management Forecasts. *The Accounting Review*, 80(4), 1233-1260.
- Hirst, D. E., Koonce, L., & Venkataraman, S. (2008). Management Earnings Forecasts: A Review and Framework. *Accounting Horizons*, 22(3), 315-338.
- Acito, A. A., Folsom, D., & Zhao, R. (2021). Management Sales Forecasts and Firm Market Power. *Journal of Accounting, Auditing & Finance*, 36(2), 278-303.

**8 - October 14<sup>th</sup>: Analysts**

- (1) Brauer, M., & Wiersema, M. (2018). Analyzing Analyst Research: A Review of Past Coverage and Recommendations for Future Research. *Journal of Management*, 44(1), 218-248.
- (2) Jegadeesh, N., Kim, J., Krische, S. D., & Lee, C. (2004). Analyzing the Analysts: When Do Recommendations Add Value? *The Journal of Finance*, 59 (3), 1083-1124.
- (3) Hirshleifer, D., Levi, Y., Lourie, B., & Teoh, S. H. (2019). Decision Fatigue and Heuristic Analyst Forecasts. *Journal of Financial Economics*, 133(1), 83-98.
- (4) Engelberg, J., Mclean, R. D., & Pontiff, J. (2020). Analysts and Anomalies. *Journal of Accounting and Economics*, 69(1), 101249.

Background Readings:

- Schipper, K. (1991). Commentary on Analysts' Forecasts. *Accounting Horizons*, 5 (4), 105-121.



- Kasznik, R., & McNichols, M. F. (2002). Does Meeting Earnings Expectations Matter? Evidence from Analyst Forecast Revisions and Share Prices. *Journal of Accounting Research*, 40 (3), 727-759.
- Ramnath, S., Rock, S., & Shane, P. (2008). The Financial Analyst Forecasting Literature: A Taxonomy with Suggestions for Further Research. *International Journal of Forecasting*, 24 (1), 34-75.

### **9 - October 21<sup>th</sup>: Accruals and Cash Flows**

- (1) Barth, M. E., Cram, D. P., & Nelson, K. K. (2001). Accruals and the Prediction of Future Cash Flows. *The Accounting Review*, 76 (1), 27-58.
- (2) Hui, K. W., Nelson, K. K., & Yeung, P. E. (2016). On the Persistence and Pricing of Industry-Wide and Firm-Specific Earnings, Cash Flows, and Accruals. *Journal of Accounting and Economics*, 61 (1), 185-202.
- (3) Lewellen, J., & Resutek, R. J. (2019). Why Do Accruals Predict Earnings? *Journal of Accounting and Economics*, 67(2-3), 336-356.

#### **Background Readings:**

- Dechow, P. M. (1994). Accounting Earnings and Cash Flows as Measures of Firm Performance: The Role of Accounting Accruals. *Journal of Accounting and Economics*, 18 (1), 3-42.
- Dechow, P. M., & Dichev, I. D. (2002). The Quality of Accruals and Earnings: The Role of Accrual Estimation Errors. *The Accounting Review*, 77 (s-1), 35-59.
- Barth, M. E., Clinch, G., & Israeli, D. (2016). What Do Accruals Tell Us About Future Cash Flows? *Review of Accounting Studies*, 21 (3), 768-807.

### **10 - October 28<sup>th</sup>: Accruals Quality and Estimation**

- (1) Hribar, P., & Collins, D. W. (2002). Errors in Estimating Accruals: Implications for Empirical Research. *Journal of Accounting Research*, 40 (1), 105-134.
- (2) Chen, W., Hribar, P., & Melessa, S. (2018). Incorrect Inferences When Using Residuals as Dependent Variables. *Journal of Accounting Research*, 56 (3), 751-796.
- (3) Dechow, P., Larson, C. R., & Resutek, R. J. (2020). The Effect of Accrual Heterogeneity on Accrual Quality Inferences. *Available at SSRN 3223968*.
- (4) Nezlobin, A., Sloan, R. G., & Zha Giedt, J. (2020). Construct Validity in Accruals Quality Research. *Available at SSRN 3301083*.

#### **Background Readings:**

- Bhojraj, S., Lee, C., & Oler, D. K. (2003). What's My Line? A Comparison of Industry Classification Schemes for Capital Market Research. *Journal of Accounting Research*, 41(5), 745-774.

- Hribar, P., & Craig Nichols, D. (2007). The Use of Unsigned Earnings Quality Measures in Tests of Earnings Management. *Journal of Accounting Research*, 45(5), 1017-1053.
- Dechow, P., Ge, W., & Schrand, C. (2010). Understanding Earnings Quality: A Review of the Proxies, Their Determinants and Their Consequences. *Journal of Accounting and Economics*, 50(2-3), 344-401.

### **11 - November 4<sup>th</sup>: International Accounting Environment**

- (1) De George, E. T., Li, X., & Shivakumar, L. (2016). A Review of the IFRS Adoption Literature. *Review of Accounting Studies*, 21(3), 898-1004.
- (2) Gordon, E. A., Greiner, A., Kohlbeck, M. J., Lin, S., & Skaife, H. (2013). Challenges and Opportunities in Cross-Country Accounting Research. *Accounting Horizons*, 27(1), 141-154.
- (3) Isidro, H., Nanda, D. D., & Wysocki, P. D. (2020). On the Relation Between Financial Reporting Quality and Country Attributes: Research Challenges and Opportunities. *The Accounting Review*, 95(3), 279-314.

#### **Background Readings:**

- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (2002). Investor Protection and Corporate Valuation. *The Journal of Finance*, 57(3), 1147-1170.
- La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (2008). The Economic Consequences of Legal Origins. *Journal of Economic Literature*, 46(2), 285-332.
- Djankov, S., La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (2008). The Law and Economics of Self-Dealing. *Journal of Financial Economics*, 88(3), 430-465.

### **12 - November 11<sup>th</sup>: Accounting Standards & The Review Process**

**\*\*\*REPLICATION ASSIGNMENT DUE BEFORE CLASS\*\*\***

- (1) Leuz, C., & Wysocki, P. D. (2016). The Economics of Disclosure and Financial Reporting Regulation: Evidence and Suggestions for Future Research. *Journal of Accounting Research*, 54 (2), 525-622.
- (2) Chen, C. W., Collins, D. W., Kravet, T. D., & Mergenthaler, R. D. (2018). Financial Statement Comparability and the Efficiency of Acquisition Decisions. *Contemporary Accounting Research*, 35(1), 164-202.
- (3) Folsom, D., Hribar, P., Mergenthaler, R. D., & Peterson, K. (2017). Principles-Based Standards and Earnings Attributes. *Management Science*, 63 (8), 2592-2615.

#### **TO BE DISCUSSED BY PROFESSOR FOLSOM:**

- (4) Folsom Review Process Materials (on shared course folder).

Background Readings:

- Donelson, D. C., McInnis, J., & Mergenthaler, R. D. (2016). Explaining Rules-Based Characteristics in US GAAP: Theories and Evidence. *Journal of Accounting Research*, 54 (3), 827-861.
- Chychyla, R., Leone, A. J., & Minutti-Meza, M. (2019). Complexity of Financial Reporting Standards and Accounting Expertise. *Journal of Accounting and Economics*, 67 (1), 226-253.

**13 - November 18<sup>th</sup>: New Developments to Understand Price Formation**

- (1) Rogers, J. L., Skinner, D. J., & Zechman, S. L. (2017). Run EDGAR Run: SEC Dissemination in a High-Frequency World. *Journal of Accounting Research*, 55 (2), 459-505.
- (2) Jia, W., Redigolo, G., Shu, S., & Zhao, J. (2020). Can Social Media Distort Price Discovery? Evidence from Merger Rumors. *Journal of Accounting and Economics*, 70(1), 101334.
- (3) Chordia, T., & Miao, B. (2020). Market Efficiency in Real Time: Evidence from Low Latency Activity around Earnings Announcements. *Journal of Accounting and Economics*, 70(2-3), 101335.

Background Readings:

- Drake, M. S., Roulstone, D. T., & Thornock, J. R. (2015). The Determinants and Consequences of Information Acquisition via Edgar. *Contemporary Accounting Research*, 32 (3), 1128-1161.
- Lee, C. M., Ma, P., & Wang, C. C. (2015). Search-Based Peer Firms: Aggregating Investor Perceptions through Internet Co-Searches. *Journal of Financial Economics*, 116 (2), 410-443.
- Johnson, T. L., & So, E. C. (2018). Asymmetric Trading Costs Prior to Earnings Announcements: Implications for Price Discovery and Returns. *Journal of Accounting Research*, 56 (1), 217-263

**14 - December 2<sup>nd</sup>: Literature Review Presentations**

**\*\*\*FINAL EXAM: Time and Place To Be Determined\*\*\***