ACCOUNTING 6310
PhD SEMINAR: INTERNATIONAL ACCOUNTING ENVIRONMENT
COLLEGE OF BUSINESS ADMINISTRATION
UNIVERSITY OF TEXAS AT EL PASO
FALL 2023

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 (Please note that Professor Folsom does not check email on Sundays.)
Office Hours: Tuesdays from 8:00 a.m. to 12:00 p.m. 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 improving students’ 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 four 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. The following questions will guide class discussions:

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 30-minute discussion for each paper. The presentation and discussion should address the questions above. The discussion leader will also be required to create a summary of the article that addresses the questions above. The discussion leader’s slides must be provided to class participants in the course shared file folder by 8:00 a.m. on the day of the class in which we will discuss the paper.

In addition, all students must identify a potential research question before each lecture period based on the assigned readings (either presented or background). Students will upload these questions to the course shared file folder to be available to all class members by 8:00 a.m. 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). As per Kinney (2019), the three paragraphs should be double-spaced in a one-page document. Questions should be substantive and will be discussed by the class at the beginning of each class period. For full credit for your questions across the semester, you need to have at least three 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 “poor“ grade will automatically be assigned for any questions uploaded after the Tuesday 8:00 a.m. deadline. The grading criteria are as follows:

<table>
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<tr>
<th>Exceptional (4 points)</th>
<th>Identification of an unresolved research question that extends the paper being discussed. This question should have yet to be 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. Kinney’s three-paragraph method must be used for an exceptional grade.</th>
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| Good (3 points)        | Option #1: Identify 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: Identify a potential flaw in the current study’s research design or intuition that potentially invalidates the inferences derived from the study. After identification of this flaw, students should use the Kinney three paragraphs to motivate a study addressing this flaw. |
| Adequate (2 points)    | Option #1: Research 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 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 Breakdown for Course Grades:**

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<th>Component</th>
<th>Percentage of Final Grade</th>
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<tr>
<td>Presentations and Discussion Leads (described above)</td>
<td>15%</td>
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<tr>
<td>Paper Questions (described above)</td>
<td>20%</td>
</tr>
<tr>
<td>In-Class Participation in Discussions (evaluated by Pr. Folsom)</td>
<td>20%</td>
</tr>
<tr>
<td>Empirical Replication Assignment (due on 11/28)</td>
<td>15%</td>
</tr>
<tr>
<td>Research Presentation</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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Empirical Replication Assignment:
Students will replicate selected results in Nichols and Wahlen (2004). These replication results will be due before class on November 28, 2023. 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 2022. Completed tables and figures should be “submission-ready” (i.e., include labels, variable and data descriptions, etc.) in a single Microsoft Word file or .pdf. The data files and statistical codes will be uploaded as separate files. Students should name all files intuitively to allow for easy identification of the sample period and test sample.

Research Presentation:
Ideally, students will present a 20-minute, conference-style presentation of a current research project they are working on. This research project should be in the working paper stage (e.g., beyond a proposal stage with preliminary results tabulated) and may be co-authored with a faculty member. Pr. Folsom must approve the topic of this research project by October 3, 2023.

The research presentation project will have two parts:

#1 – Working Draft for the Project. A working paper draft must be submitted to the class by November 28, 2023.

#3 – Research Presentation: During our December 5th class meeting, students will give 20-minute presentations based on their topical area. This presentation should mimic short research presentations given at major academic conferences. After the presentation, audience members will have 10 minutes to ask questions.

If a student does not have a suitable research project to present, he or she may choose a class-related topical area and complete a relevant research review. Pr. Folsom must approve the topical area by October 3, 2023. Students can choose a topic covered in class or another approved topic.

If chosen, the research proposal assignment will have three parts:

#1 – Written Literature Review: Students will carefully write a literature review that overviews the relevant research findings, difficulties, and opportunities in this research topic. This narrative review should be between five and ten pages long. In addition to this narrative review, students will 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 by November 28, 2023.
#2 – Research Question Proposal: Students will generate a research question based on their topical area and carefully create a basic proposal extending 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. Ideally, this proposal will include a simple hypothesis development section. Students may choose to develop further a research question previously submitted during the course for this portion of the assignment.

#3 – Literature Review Presentation: During our December 5th class meeting, 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. After the presentation, audience members will have 10 minutes to ask questions.

Accommodations for Students with Disabilities
If you have or suspect a disability and need accommodations, you should contact the Center for Accommodations and Support Services (CASS) at 747-5148. You may also email the office at 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 unacceptable. 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. 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.
Course Calendar
A **tentative** course calendar with a class-by-class description of course activities can be found below. It includes the topics for each class meeting, assignments, and all due dates. Be aware that the precise flow of the course is challenging 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 29th: Course Expectations, Purpose of Accounting, and Research Processes
***No Student Presentations or Question Assignments are Required for This Class.***


2 - September 5th: Research Design Issues and Developing Questions
*** No Student Questions are Required for This Class.***


Discussion Leader = Folsom


Discussion Leader = Sebastian


Discussion Leader = Obed

  Discussion Leader = Arthur


  Discussion Leader = Ana

**Background Readings:**

**3 - September 12th: Is Accounting Information Important in Markets? Classical Studies**


  Discussion Leader = Will


  Discussion Leader = Arthur


  Discussion Leader = Obed


  Discussion Leader = Sebastian

**Background Readings:**
4 - September 19th: Firm Valuation Using the Residual Income Model and Cost of Equity
Discussion Leader = Arthur

Discussion Leader = Sebastian

Discussion Leader = Ana

Discussion Leader = Will

Background Readings:

5 - September 26th: Disclosure Theory
Discussion Leader = Will

Discussion Leader = Arthur

Discussion Leader = Obed

Discussion Leader = Ana
6 – October 3rd: Disclosure Empirical Examples

***PAPER PRESENTATION TOPIC APPROVAL DUE BEFORE CLASS***

   
   Discussion Leader = Ana

   
   Discussion Leader = Sebastian

   
   Discussion Leader = Obed

   
   Discussion Leader = Will

Background Readings:

7 - October 10th: Management Forecasts

   
   Discussion Leader = Obed

   
   Discussion Leader = Ana

   
   Discussion Leader = Arthur
Discussion Leader = Sebastian

**Background Readings:**

**8 - October 17th: Analysts**
Discussion Leader = Arthur

Discussion Leader = Obed

Discussion Leader = Sebastian

Discussion Leader = Will

**Background Readings:**

**9 - October 24th: Accruals and Cash Flows**
Discussion Leader = Sebastian
Discussion Leader = Will

Discussion Leader = Arthur

Discussion Leader = Ana

**Background Readings:**


**10 - October 31st: Accruals Quality and Estimation**

Discussion Leader = Ana

Discussion Leader = Will

Discussion Leader = Obed

Discussion Leader = Arthur

**Background Readings:**


**11 - November 7**

**th: International Accounting Environment**


Discussion Leader = Obed


Discussion Leader = Ana


Discussion Leader = Sebastian


Discussion Leader = Will

**Background Readings:**


**12 - November 14**

**th: Accounting Standards**


Discussion Leader = Sebastian


Discussion Leader = Ana
Discussion Leader = Arthur

Discussion Leader = Obed

**Background Readings:**

**13 - November 21st: Will and Sebastian Selections**

**14 - November 28th: Obed, Ana, and Arthur Selections**
***REPLICATION ASSIGNMENT DUE BEFORE CLASS***

**15 - December 5th: Research Presentations**