

ACCT 6354 Accounting topics in international business
(Current topics in accounting and finance research)
Woody L. Hunt College of Business
University of Texas at El Paso
Spring 2024

Instructor: Yun Ke, Ph.D.

Phone: (915) 747-7751

Class time: Tuesday 9:00 - 11:50 am

Office hours: open door policy or by appointment

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Classroom: COBA 307

I. Objectives of the course

The objective of this course is to expand your reading and awareness of contemporary accounting and corporate finance topics. Our discussions will highlight the following:

- A good understanding of the research question and its position in the literature.
- A good understanding of the empirical specification.
- Improve the skills to design and conduct your own empirical research.
- Find opportunities for future research in selected areas that might fit your research interests.

II. Textbook (recommended, not required)

As we try to cover new research papers in this course by reading recent papers, a textbook is not required. However, it is beneficial to have some reference books. Below I list three of them.

Kennedy, P. (2008). *A Guide to Econometrics*. John Wiley & Sons.

Min, C. K. (2019). *Applied Econometrics: A Practical Guide*. Routledge.

Angrist, J. D., & Pischke, J. S. (2008). *Mostly Harmless Econometrics*. Princeton university press.

(Note: The library has these three books either hard copy or electronic version. The one by Min is more related to accounting and finance research, and I will share the electronic version on Blackboard).

III. Format of the course

The course will be taught **face-to-face** in a seminar format. Class attendance is **mandatory**. You are expected to participate actively in the classroom through reading required materials, presenting assigned papers, asking/answering questions, etc. You will also be asked to write research proposals and conduct empirical analyses to get preliminary results of your proposed studies.

In general, for each class, we will focus our discussion on 2 - 3 papers in an area with several papers as supplemental and background readings. It is expected that each of you will read critically and carefully 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 presenter needs to prepare the slides and send them out to the instructor and classmates by **10:00 pm** on the night before the next day morning class. To make sure that everyone reads the paper, non-presenters need to prepare a list of questions and send out to the instructors (**only**) by the same time. The instructors (or a student appointed) will facilitate the discussion of papers with these questions. Students are expected to ask questions and provide criticisms of the paper during the session. The quality of these questions and discussions will be considered in your class discussions and participation grade.

IV. Grading

Component	Points
Class presentations and participation	30
Replication + extension (due last week)	40
Final research proposal and presentation (due at the end of week #15) (15 points for proposal and 15 points for presentation)	30
Total	100

V. Tentative class schedule (may change when necessary)

Session #1: Introduction (1/16/2024)

1. Overview of the course: syllabus, course expectation, grading, etc.
2. Generating research ideas
3. Promoting research ideas with figures
4. Methodology choices
5. About writing

Kinney Jr, W. R. (2019). The Kinney three paragraphs (and more) for accounting Ph. D. Students. *Accounting Horizons*, 33(4), 1-14.

Mitton, T. Methodological Variation in Empirical Corporate Finance. *The Review of Financial Studies*

Chochrane, J. H., Writing Tips for Ph.D. Students, Working paper, 2005.

General readings:

Weisbach, M. S. (2021). *The Economist's Craft: An Introduction to Research, Publishing, and Professional Development* (I will share a PDF version, which the author provided earlier on his website).

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.

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.

Session #2: IPO (1/23/2024)

Aghamolla, C., & Thakor, R. T. (2022). IPO peer effects. *Journal of Financial Economics*, 144(1), 206-226.

Field, L. C., & Lowry, M. (2022). Bucking the trend: Why do IPOs choose controversial governance structures and why do investors let them? *Journal of Financial Economics*, 146(1), 27-54.

Aggarwal, D., Eldar, O., Hochberg, Y. V., & Litov, L. P. (2022). The rise of dual-class stock IPOs. *Journal of Financial Economics*, 144(1), 122-153.

Session #3: Capital structure, financing, capital allocation (1/30/2024)

Kim, H. (2020). How does labor market size affect firm capital structure? Evidence from large plant openings. *Journal of Financial Economics*, 138(1), 277-294.

Dagostino, R., Gao, J., & Ma, P. (2023). Partisanship in loan pricing. *Journal of Financial Economics*, 150(3), 1037-117.

Kempf, E., Luo, M., Schäfer, L., & Tsoutsoura, M. (2023). Political ideology and international capital allocation. *Journal of Financial Economics*, 148(2), 150-173.

Session #4: Cash holding (2/6/2024)

Ghaly, M., Anh Dang, V., & Stathopoulos, K. (2017). Cash holdings and labor heterogeneity: The role of skilled labor. *The Review of Financial Studies*, 30(10), 3636-3668.

Kim, H. B., Kim, W., & Kronlund, M. (2023). Do Corporations Retain Too Much Cash? Evidence from a Natural Experiment. *The Review of Financial Studies*, 36(7), 2839-2877.

Bates, T. W., Chang, C. H., & Chi, J. D. (2018). Why has the value of cash increased over time? *Journal of Financial and Quantitative Analysis*, 53(2), 749-787.

Session #5: Executives (2/13/2024)

Lie, E., & Yang, K. (2023). Import penetration and executive compensation. *The Review of Financial Studies*, 36(1), 281-316.

Bai, J. J., & Mkrtchyan, A. (2023). What do outside CEOs really do? Evidence from plant-level data. *Journal of Financial Economics*, 147(1), 27-48.

Francis, B. B., Hasan, I., Shen, Y. V., & Wu, Q. (2021). Do activist hedge funds target female CEOs? The role of CEO gender in hedge fund activism. *Journal of Financial Economics*, 141(1), 372-393.

Session #6: Corporate innovation (2/20/2024)

Derrien, F., Kecskés, A., & Nguyen, P. A. (2023). Labor force demographics and corporate innovation. *The Review of Financial Studies*, 36(7), 2797-2838.

Babina, T., Bernstein, A., & Mezzanotti, F. (2023). Financial disruptions and the organization of innovation: Evidence from the great depression. *The Review of Financial Studies*, 36(11), 4271-4317.

Custódio, C., Ferreira, M. A., & Matos, P. (2019). Do general managerial skills spur innovation? *Management Science*, 65(2), 459-476.

Session #7: Social network (2/27/2024)

Di Giuli, A., & Laux, P. A. (2021). The effect of media-linked directors on financing and external governance. *Journal of Financial Economics*.

Dasgupta, S., Zhang, K., & Zhu, C. (2021). Do social connections mitigate hold-up and facilitate cooperation? Evidence from supply chain relationships. *Journal of Financial and Quantitative Analysis*, 56(5), 1679-1712.

Hoitash, U., & Mkrtchyan, A. (2021). Internal governance and outside directors' connections to non-director executives. *Journal of Accounting and Economics*, 101436.

Session #8: Revolving doors (3/5/2024)

Cornaggia, J., Cornaggia, K. J., & Xia, H. (2016). Revolving doors on wall street. *Journal of Financial Economics*, 120(2), 400-419.

Lourie, B. (2019). The revolving door of sell-side analysts. *The Accounting Review*, 94(1), 249-270.

Kempf, E. (2020). The job rating game: Revolving doors and analyst incentives. *Journal of Financial Economics*, 135(1), 41-67.

Session #9: Labor (3/19/2024)

Giroud, X., & Mueller, H. M. (2021). Firm leverage and employment dynamics. *Journal of Financial Economics*.

Caggese, A., Cuñat, V., & Metzger, D. (2019). Firing the wrong workers: Financing constraints and labor misallocation. *Journal of Financial Economics*, 133(3), 589-607.

Baghai, R. P., Silva, R. C., Thell, V., & Vig, V. (2021). Talent in distressed firms: Investigating the labor costs of financial distress. *The Journal of Finance*, 76(6), 2907-2961.

Session #10: Bankruptcy (3/26/2024)

Antill, S. (2022). Do the right firms survive bankruptcy? *Journal of Financial Economics*, 144(2), 523-546.

Ma, S., Tong, J. T., & Wang, W. (2022). Bankrupt innovative firms. *Management Science*, 68(9), 6971-6992.

Iverson, B., Madsen, J., Wang, W., & Xu, Q. (2023). Financial costs of judicial inexperience: Evidence from corporate bankruptcies. *Journal of Financial and Quantitative Analysis*, 58(3), 1111-1143.

Session #11: Climate change (4/2/2024)

Addoum, J. M., Ng, D. T., & Ortiz-Bobea, A. (2023). Temperature shocks and industry earnings news. *Journal of Financial Economics*, 150(1), 1-45.

Nora M C Pankratz, Christoph M Schiller, Climate Change and Adaptation in Global Supply-Chain Networks, *The Review of Financial Studies*, 2023

Sautner, Z., Van Lent, L., Vilkov, G., & Zhang, R. (2023). Pricing climate change exposure. *Management Science*.

Session #12: Labor mobility (4/9/2024)

Jeffers, J. S. (2024). The impact of restricting labor mobility on corporate investment and entrepreneurship. *The Review of Financial Studies*, 37(1), 1-44.

Tate, G., & Yang, L. (2024). The human factor in acquisitions: Cross-industry labor mobility and corporate diversification. *The Review of Financial Studies*, 37(1), 45-88.

Agarwal, S., Lin, Y., Zhang, Y., & Zhang, Z. (2023). Labor mobility and loan origination. *Journal of Financial and Quantitative Analysis*, 1-58.

Session #13: Spillover effect (4/16/2024)

Joe, D. Y., & Oh, F. D. (2018). Spillover effects within business groups: The case of Korean chaebols. *Management Science*, 64(3), 1396-1412.

Naaraayanan, S. L., & Wolfenzon, D. (2024). Business group spillovers. *The Review of Financial Studies*, 37(1), 231-264.

Park, K. (2023). The Spillover Effect of Peer CEO Turnover on Real Earnings Management. *The Accounting Review*, 98(7), 479-501.

Session #14: Proposal presentations (4/23/2024)

Presentation of students' research proposals (no data work) (45 minutes each x 3 = 135 minutes)

Session #15: Proposal due, replication and extension due (4/30/2024)

*Note that your instructor reserves the right to adjust the syllabus and/or class sequence when it is necessary.