

**ACG 7885 – Seminar on Research Methods
Fall 2010**

Class: Fridays, BU 102, 9:00 am – 11:50 am
Professor: Mark Kohlbeck (and others as listed in the syllabus)
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Office Hours: By appointment

Course Objectives

The primary objective of this course is to provide an overview of research methodologies in accounting, thereby giving you the basics of the scientific method as used in accounting research. In addition, the course emphasizes a number of the theories that underlay accounting-based research.

Professor Information

This course is team taught by a number of the graduate accounting faculty (see following schedule for actual faculty members). Overall course guidance / oversight is provided by professor Kohlbeck.

Required Text Books

Trochim, W., *The Research Methods Knowledge Base*, 2nd ed. (Cincinnati, Ohio: Atomic Dog Publishing), 2001. You can access content of this text at <http://www.socialresearchmethods.net/kb/contents.htm>. You may also purchase the text at this site if you wish.

Course Format

The course will be conducted in a seminar format addressing various topics. For each topic (as discussed below), a set of readings are presented. Each student is expected to have read the readings prior to class. ***It is imperative that the papers and/or chapters are read thoroughly prior to class.***

Grading

The following summarizes how you will be evaluated for this course.

Participation	40%
Theory Report	30%
Review Project	<u>30%</u>
Total	100%

Participation – All students are expected to be prepared for each class and actively **contribute**. This component of the grade will be based on the combined evaluations of each faculty member involved in the course. Participation also includes attending and actively participating in any of the School of Accounting’s research workshops.

Theory Report – During the course of the semester, students will be assigned a topic related to one of the theories discussed during the semester. Students are required to write a 10-15 page report that summarizes the essence of the theory and provides examples of applications of the theory in accounting research.

Review Project – In place of a final exam, students will be provided with a current working paper. Students are to review the paper and provide a 5-10 page write-up describing and evaluating the research design. **This project is due December 3, 2010 (no exceptions).**

Course Schedule

Week	Date	Faculty	Topic
1	8/27	Kohlbeck	Introduction / Research methods 1
2	9/3	Radtke	Publication process and Instrument Design
3	9/10	Kohlbeck	Research methods 2
4	9/17	Pinsker	Judgment and decision-making
5	9/24	Higgs	Prospect theory
6	10/1	Kohlbeck	Research methods 3
7	10/8	Higgs	Agency theory and signaling
8	10/15	Smith	Positive accounting theory
9	10/22	Clemons	Contracting theory
10	10/29	Higgs	Basic finance theories
11	11/5	Pinsker	Heuristics and biases
12	11/12	Radtke	Ethics in Research and IRB process
13	11/19		No Class
14	11/26		Thanksgiving
15	12/3		No Class - Review Project due

See attached list of readings.

Policies

Honor Code. Students at Florida Atlantic University are expected to maintain the highest ethical standards. Academic dishonesty, including cheating and plagiarism, is considered a serious breach of these ethical standards, because it interferes with the University mission to provide a high quality education in which no student enjoys an unfair advantage over any other. Academic dishonest is also destructive of the University community, which is grounded in a system of mutual trust and places high value on personal integrity and individual responsibility. Harsh penalties are associated with academic dishonesty. For more information, see http://www.fau.edu/regulations/chapter4/4.001_Honor_Code.pdf.

School of Accounting Uniform Policies. <http://www.soa.fau.edu/policies.html>

Professional Conduct. To foster a more professional learning environment and to develop habits that lead to success in the business work, all participants must engage in professional behavior, including:

1. Taking responsibility for individual actions.

2. Attending each class session, including arriving promptly and leaving at the designated time. Attendance sign-in sheets may therefore be used and excess absences may impact the participation grade.
3. Being attentive and an active participant in group activities and class discussions.
4. Respecting diversity in the classroom and treating everyone involved in the class in a civil manner.
5. Planning outside activities to avoid conflicts with the activities outlined in the syllabus.
6. Meeting all deadlines in the course for assignments, projects, etc.
7. Acknowledging the importance of clarity of expression in written and oral communication and understanding that the course grade will be affected by your ability to communicate.

ADA. In compliance with the American with Disabilities Act (ADA), students who require special accommodations due to a disability to properly execute coursework must register with the Office for Students with Disabilities (OSD) located in Boca Raton – SU 133 (561-297-3880), in Davie – MOD I (954-236-1222), in Jupiter – SR 117 (561-799-8585), in the Treasure Coast – CO 128 (772-873-3305), and follow all OSD procedures.

Plagiarism. Written components of any assignment or project may be submitted to a service to evaluate the originality of the work. Any students found to be submitting work that is not their own will be deemed in violation of the University's honor code discussed above.

Missing Exams. Make-up exams will be given for valid reasons (medical emergency, family emergency, university-scheduled events, religious observation, or class conflicts) consistent with University policy and the professor's discretion. If you do not have a valid reason for missing an exam, a zero grade may be assigned. The professor also has the option of not providing a make-up exam and re-weighting the remaining exam(s) accordingly.

Incompletes. There are no incompletes for this course except in the case of extraordinary circumstances (for example, excessive absences due to severe illness). The professor determines when an incomplete is appropriate.

Points Awarded. It is the responsibility of the student to monitor the points awarded to- date in eCollege. The student has up to two weeks following the posting of any points to contest the number of points, after which the points are considered final.

Electronic Communication. eCollege and FAU email will be used in this course for content delivery, assignments, and other communications. Accordingly, **it is the student's responsibility** to check the eCollege course site and their FAU email account for announcements, etc.

Religious Holidays. It is the responsibility of the student to promptly notify the professor of any conflicts due to religious observance so that accommodations can be arranged.

Pictures. Photographs of each student may be taken / used in connection with the course.

Tentative Reading List

Week	Primary Readings
1	<p><u>Research Methods 1</u></p> <p>Trochim – Navigating, Foundations</p> <p>Schipper, K. 1994. Academic Accounting Research and the Standard Setting Process.” <i>Accounting Horizons</i> 8 (December): 61-73.</p> <p>Leisering, J, and L. Johnson. 1994. Accounting Research: On the Relevance of Research to Practice.” <i>Accounting Horizons</i> 8 (December): 74-79.</p> <p>Kinney, W. 1986. Empirical Accounting Research Design for Ph.D. Students. <i>The Accounting Review</i>, 61 (2): 338-350.</p> <p>Moehrle, S., K. Andersen, F. Ayers, C. Bolt-Lee, R. Debreceeny, M. Dugan, C. Hogan, M. Maher, and E. Plummer. 2009. The Impact of Academic Accounting Research on Professional Practice: An Analysis by the AAA Research Impact Task Force. <i>Accounting Horizons</i> 23 (4): 411-456.</p>
2	<p><u>Publication Process and Instrument Design</u></p> <p>Beyer, B., D. Herrmann, G. Meek, and E. Rapley. 2010. What It Means to be an Accounting Professor: A Concise Career Guide for Doctoral Students in Accounting. <i>Issues in Accounting Education</i> 25(2): 227-244.</p> <p>Stout, D., J. Rebele, and T. Howard. 2006. Reasons Research Papers Are Rejected at Accounting Education Journals. <i>Issues in Accounting Education</i> 21(2): 81-98.</p> <p>DeLange, P. 2005. The Long Road to Publishing: A User-friendly Expose. <i>Accounting Education: an international journal</i> 14(2): 133-168.</p> <p>Grove, H., and R. Savich. 1979. Attitude Research in Accounting: A Model for Reliability and Validity Considerations. <i>The Accounting Review</i> 54: 522-537.</p>
3	<p><u>Research Methods 2</u></p> <p>Trochim – Sampling, Measurement</p>
4	<p><u>Judgment and Decision Making</u></p> <p>Gibbins, M. 1984. Propositions about the psychology of professional judgment in public accounting. <i>Journal of Accounting Research</i> 22 (1): 103-125.</p> <p>Maines, L. 1995. Judgment and decision-making research in financial accounting: A review and analysis in <i>Judgment and Decision-Making Research in Accounting and Auditing</i>, R. Ashton and A. Ashton eds., Cambridge University Press: 76-101 (chapter 4). ISBN 0-521-41844-5.</p> <p>Bonner, S. 2008. Task variables in <i>Judgment and Decision Making in Accounting</i>, Prentice Hall: 157-197 (chapter 6). ISBN 978-0-13-863895-5.</p> <p>Bonner, S. 2008. Conclusion in <i>Judgment and Decision Making in Accounting</i>, Prentice Hall: 370-384 (chapter 10). ISBN 978-0-13-863895-5.</p> <p>Bedard, J., S. Biggs, and J. Maroney. 1998. Sources of process gain and loss from group interaction in performance of analytical procedures. <i>Behavioral Research in Accounting</i> (Supplement): 207-233.</p>

5	<p><u>Prospect Theory (Read Chronologically)</u></p> <p>Burgstahler, D. and I. Dichev. 1997. Earnings management to avoid earnings decreases and losses. <i>Journal of Accounting & Economics</i>. 24(1): 99- 126.</p> <p>D. Kahneman and A. Tversky. 1979. Prospect theory: An analysis of decision under risk. <i>Econometrica</i>. 47(2): 263-291.</p> <p>Tversky, A. and, D. Kahneman. 1986. Rational choice and the framing of decisions. <i>The Journal of Business</i>. 59 (4) S251-S278.</p> <p>White, R. A, P. D.Harrison, P. D. and, A. Harrell.1993. The impact of income tax withholding on taxpayer compliance: Further empirical evidence. <i>The Journal of the American Taxation Association</i>. Fall (15) 2 63-78.</p>
6	<p><u>Research Methods 3</u></p> <p>Trochim – Design, Analysis</p>
7	<p><u>Agency Theory (Read Chronologically)</u></p> <p>Baiman, S. 1990. Agency research in managerial accounting: A second look. <i>Accounting, Organizations and Society</i>. 15 (4) 341-</p> <p>Jensen, M. C. and W. H. Meckling. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. <i>Journal of Financial Economics</i>. 3(4): 305-360.</p> <p>Jensen, M. C. and K. J. Murphy. 1990. Performance Pay and Top-Management Incentives. <i>The Journal of Political Economy</i>. 98(2): 225-264.</p> <p>Jensen, Michael C. 1986. Agency costs of free cash flow, corporate finance and takeovers. <i>American Economic Review</i>. 76 (2): 323–329.</p> <p>Wallace, W. 1991. Auditing monograph. Chapter 1: The economic role of the audit in free and regulated markets. (Note, this is hard to find, Higgs will provide it).</p>
8	<p><u>Positive Accounting Theory</u></p> <p>Watts, R., and J. Zimmerman. 1978. Towards a positive theory of the determination of accounting standards. <i>The Accounting Review</i> 53 (1): 112-134.</p> <p>Healy, P. 1985. The effect of bonus schemes on accounting decisions. <i>Journal of Accounting and Economics</i> 7: 85-107.</p> <p>Watts, R., and J. Zimmerman. 1990. Positive accounting theory: A ten year perspective. <i>The Accounting Review</i> 65 (1): 131-156.</p> <p>Jones, J. 1991. Earnings management during import relief investigations. <i>Journal of Accounting Research</i>. 29 (2): 193-228.</p>
9	<p><u>Contracting Theory</u></p> <p>Jensen, M. and W. Meckling. 1976. Theory of the firm: managerial behavior, agency costs and ownership structure. <i>Journal of Financial Economics</i> 3 (October): 305-360.</p> <p>Desai, M., C. Foley, and J Hines, Jr. 2006. The demand for tax haven operations. <i>Journal of Public Economics</i> 90: 513-531.</p> <p>Rego, S. 2003. Tax avoidance activities of U.S. multination corporations. <i>Contemporary Accounting Research</i> 20 (4): 805-833.</p> <p>Seide, J., and W. Wempe. 2004. Effective tax rate changes and earnings stripping following corporate inversion. <i>National Tax Journal</i> 57(4): 805-828.</p>

10	<p><u>Basic Finance Theories (Read Chronologically)</u></p> <p>Black, F. and M. Scholes. 1973. The Pricing of Options and Corporate Liabilities. <i>Journal of Political Economy</i> 81 (3): 637–654.</p> <p>Fama, E., 1970. Efficient Capital Markets: A Review of Theory and Empirical Work. <i>Journal of Finance</i> 25 (2): 383–417.</p> <p>Kose, J. and J. Williams. 1985. Dividends, Dilution, and Taxes: A Signaling Equilibrium. <i>The Journal of Finance</i>. 40 (4) 1053-70.</p> <p>Markowitz, H.M. 1952. Portfolio Selection. <i>The Journal of Finance</i> 7 (1): 77–91.</p> <p>Sharpe, William F. (1964). <i>Capital asset prices: A theory of market equilibrium under conditions of risk</i>, <i>Journal of Finance</i>, 19 (3), 425-442.</p>
11	<p><u>Heuristics and Biases</u></p> <p>Tversky, A., and D. Kahneman. 1974. Judgment under uncertainty: Heuristics and biases. <i>Science</i> 185: 1124-1131.</p> <p>Hogarth R., and H. Einhorn. 1992. Order effects in belief updating: The belief-adjustment model. <i>Cognitive Psychology</i> 24: 1-55.</p> <p>Kahle, J., R. Pinsker, and R. Pennington. 2005. Belief revision in accounting: A literature review of the belief-adjustment model. <i>Advances in Accounting Behavioral Research</i> 8: 1-40.</p> <p>Tuttle, B., M. Collier, and F. Burton. 1997. An examination of market efficiency: Information order effects in a laboratory market. <i>Accounting, Organizations and Society</i> 22 (1): 89-103.</p> <p>Pinsker, R. 2010. Primacy or recency? A study of order effects when non-professional investors are provided a long series of disclosures. Forthcoming <i>Behavioral Research in Accounting</i>.</p> <p>Kennedy, J. 1993. Debiasing audit judgment with accountability: A framework and experimental results. <i>Journal of Accounting Research</i> 31 (2): 231-245.</p>
12	<p><u>Ethics in Research and IRB Process</u></p> <p>Meyer, M., and D. McMahon. 2004. An Examination of Ethical Research Conduct by Experienced and Novice Accounting Academics. <i>Issues in Accounting Education</i> 19(4): 413-442.</p> <p>Borkowski, S., and M. Welsh. 2000. Ethical Practice in the Accounting Publishing Process: Contrasting Opinions of Authors and Editors. <i>Journal of Business Ethics</i> 25(1): 15-31.</p> <p>Keys, D., and J. Hendricks. 1984. The Ethics of Accounting Research. <i>Journal of Accounting Education</i> 2(2): 77-88.</p> <p>Readings for the IRB Process can be found on the FAU website. Go to the FAU website, then go to Research, then go to Research Integrity. Under Research Involving Humans, click on Useful Links, then go to the Belmont Report (print out and read). Also click on Resources and Guidance and print out and read #2. Helpful Hints for IRB Submissions.</p>