

Prof. Dr. Jochen Bigus

## Research seminar (Hauptseminar Controlling): Accounting and Economics summer term 2023

(Thursdays: 8.30 a.m.-11 a.m., Garystrasse 21, room 106)

**ECTS credits:** 6

**Admission Requirements:** You need to prove that you have successfully passed the exams in “Performance Measurement and Management Incentives”, “FACTS Research Methods” and “Internationale Unternehmensberichterstattung”. In maximum, 12 FU Master students will be admitted. In case of excess demand, admission will be granted based on the individual Master grades achieved so far and the advancement in your Master’s studies. Please send an application to [jochen.bigus@fu-berlin.de](mailto:jochen.bigus@fu-berlin.de) including an up-to-date transcript of records by **March 1**. By March 6, I will send an e-mail who will participate in the seminar. We will register the students in Campus Management.

**Examination and recognition:** The final grade depends on a written exam (55%), a presentation (12 minutes) with a discussion (10 minutes) (25%) and the submission of a research proposal (20%). Each student is required to present one of the topics (in English) mentioned below, please provide a list of four preferred subjects when applying for the seminar.

The research proposal must not exceed 9,000 characters (incl. space characters). The research proposal should define a novel and empirically testable research question, develop the hypothesis(es), show the incremental contribution to the literature, define the main variables of interest and the possibilities to access or gain the necessary data. The research proposal can serve as a basis for a master thesis at my chair.

In case the grade for both the exam and the presentation/discussion is 4 or better, the course can be recognized for the modules „Hauptseminar Controlling“ or „Hauptseminar Betriebswirtschaftliche Steuerlehre“. If one of the two grades is worse than 4, the course cannot be recognized. Participation is mandatory.

**Course prerequisites:** The course aims to provide an overview on more recent research results in the field of accounting. Thus, Master (and Ph.D.) students with an interest in accounting research and in microeconomic or empirical analyses are welcome.

**Purpose and content of the Course:** The course addresses topics in accounting and in auditing from a microeconomic lens. Further, the course provides insights from empirical research.

**Competencies developed:** You will learn how to evaluate issues in accounting and auditing from a microeconomic perspective and get acquainted with recent empirical research results. This will be useful for writing a Ph.D. thesis.

**Course organization:** The class will be taught on a weekly basis. For each class there will be lecture parts and tutorials (exercises). The following table provides a more detailed overview.

	<b>Subject</b>	<b>Literature</b>
April 20, 27	Information function	Wagenhofer & Ewert 2015, Ch.2, Christensen & Demski 2003, Ch. 6
May 4, 11	Disclosure theory	Wagenhofer & Ewert 2015, Ch.7 + 8, Beyer et al. 2010, Leuz & Wysocki 2016, Christensen et al., 2021)
May 25, June 1,	Dividend restrictions and accounting conservatism	Brealey et al. 2008, Ch. 17, Watts 2003, Wagenhofer & Ewert 2015, Ch. 4 + 5
June 8	Auditor liability	Shavell 2007, Ch. 2, 4, 6, Wagenhofer & Ewert 2015, Ch. 10, Bigus 2007, 2015, Quick & Solmecke 2007
June 15, 22	Auditor independence	DeAngelo 1981, Wagenhofer & Ewert 2015, Ch. 11+12
June 29	Presentations 1-6	
July 6	Presentations 7-12	
July 13	Trial Exam	
July 20	Exam	

**Presentations (and basic literature):**

- 1) Overview on financial disclosure theory (Beyer et al. 2010)
- 2) Measurement of financial disclosure and general effects (Wagenhofer & Dücker 2007, Leuz & Wysocki 2016)
- 3) Financial disclosure in private vs. public firms (Burgstahler et al. 2006, Ball & Shivakumar 2005)
- 4) Earnings management incentives of private firms (Bernard et al. 2018, Bonacchi et al. 2019)
- 5) Financial reporting and debt contracting (Nikolaev 2010, Christensen & Nikolaev 2012)
- 6) Financial reporting and politics (Ramanna & Roychowdhury 2010, Correia 2014)
- 7) Effects of mandatory non-financial disclosure on market value / profitability (Ioannou & Serafeim 2017; Chen et al., 2017)
- 8) ESG performance and financial performance. (Downar et al., 2021; Lopatta et al., 2022)
- 9) Effects of non-financial disclosure on real corporate decisions. (Christensen et al. 2017, Fiechter et al., 2022)
- 10) Effects of non-financial disclosure on the supply chain. (Dai et al., 2021; Darendeli et al. 2022)
- 11) Quasi-experiments in accounting research: Assumptions, strengths and weaknesses. (Leuz 2018; Armstrong et al., 2022)
- 12) Field experiments in accounting research (Lawrence et al., 2018; Eyring et al., 2021).

## Literature:

- Armstrong, C., Kepler, J. D., Samuels, D. & Taylor, D. (2022): Causality redux: The evolution of empirical methods in accounting research and the growth of quasi-experiments. *Journal of Accounting & Economics*, 74 (2/3).
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- Bigus, J. (2007): Die Sorgfaltsanreize des Wirtschaftsprüfers bei beschränkter Haftung, *Zeitschrift für betriebswirtschaftliche Forschung*, 59, 61-86.
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- Bonacchi, M., Marra, A. & Zarowin, P. (2019): Organizational Structure and Earnings Quality of Private and Public Firms, *Review of Accounting Studies*, 24(3), 1066-1113.
- Brealey, R.A., Myers, S. & Allen, F. (2008): *Principles of Corporate Finance*, 9th ed., McGraw-Hill, Boston et al.
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- Chen, Y.-C., Hung, M. & Wang, Y. (2017). The Effect of Mandatory CSR disclosure on Firm Profitability and Social Externalities: Evidence from China. *Journal of Accounting and Economics* 65 (1), 169–190.
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- Correia, M.M. (2014): Political connections and SEC enforcement, *Journal of Accounting and Economics*, 57, 241-262.
- Dai, R., Liang, H. & Ng, L. (2021). Socially responsible corporate customers. *Journal of Financial Economics*, 142(2), 598-626.
- Darendeli, A., Fiechter, P., Hitz, J.-M. & Lehmann, N. (2022). The Role of Corporate Social Responsibility (CSR) Information in Supply-chain Contracting: Evidence from the Expansion of CSR Rating Coverage. *Journal of Accounting & Economics*, 74 (2/3).
- DeAngelo, L. E. (1981): Auditor Independence, 'Low Balling', and Disclosure Regulation, *Journal of Accounting and Economics*, 3, 113-127.
- Downar, B., Ernstberger, J., Reichelstein, S., Schwenen, S. & Zaklan, A. (2021). The Impact of Carbon Disclosure Mandates on Emissions and Financial Operating Performance. *Review of Accounting Studies*, 26(3), 1137-1175.
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