
ACC4612D ADVANCED ACCOUNTING THEORY
Semester 1, 2014/2015

COURSE OUTLINE

Pre-requisite

ACC3615 Accounting Theory or approval from the teaching team

Teaching Team

Name	Role	Email	Phone	Office
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Aims & Objectives

This module is designed to prepare accounting honours students with the necessary empirical methodologies, knowledge and skills to complete their honours theses. It is also suitable for students with an interest in gaining an understanding of important accounting issues such as earnings management, analyst and management earnings forecasts, voluntary disclosure, and accounting-based valuation. This is a relatively challenging course but it will help the students to have the necessary background training and preparation for their honours thesis.

Note: Students not doing honours theses are welcome.

After successfully completing the module, you will be able to:

1. Appreciate the role of economic theory in empirical research.
2. Critically analyse the causes and consequences of accounting-related market events, and make informed predictions of their future developments.
3. Generate, design, and conduct empirical accounting research.

Modes of Teaching and Learning

We teach the module in a seminar format, with one 3-hour seminar class each week. In most weeks, the facilitator will provide an overview of the topic. Students who are scheduled for the presentation will present their findings and lead the discussion of the assigned papers. Other students are expected to read the papers and prepare to actively

participate in the discussions.

Pre-Class Preparation

You are required to complete all assigned readings before class, and be able to play an active role in class discussions of the assigned research papers.

Recommended Textbooks and Resources

Scott, W., “Financial Accounting Theory”, 6th Edition, by Prentice Hall, 2011.

Delwiche, L., and S. Slaughter, “The Little SAS Book: A Primer”, 5th Edition, by SAS Publishing, 2012.

Kennedy, P., “A Guide to Econometrics”, 6th Edition, by Blackwell, 2008.

Course Assessment

ACC4612D is a 100% continuous assessment (CA) module. You are assessed upon:

Assessment	Percentage	Descriptions
Group Assignments	25%	(A)
Presentation and Participation	25%	(B)
Term Paper	50%	(C)
Total	100%	

(A) There would be two group assignments on statistical programming. The purpose of the assignments is to equip the students with the necessary skills to carrying out empirical research in accounting. We recommend the use of SAS in attempting the assignments. Further instructions on accessing WRDS and SAS programming would be provided in Week 1. All members of the group will get the same mark for the assignments. Written complaints should be made if there are free-riders in the group. We would adjudicate and adjust the scores accordingly. Our decision is final. We take academic integrity very seriously. Please read Appendix A for an abstract of the code of conduct expected of a NUS student. Appropriate disciplinary actions will be taken if a student is found guilty of academic misconduct.

(B) Two or three papers will be discussed in each session from Week 4 to Week 12. Each student will take turn to do at least two **30-minute in-class presentations** on the assigned papers. The presenter should consider a template for presentation as found in Appendix B.

Presentation outlines are to be submitted three days **in advance** for lecturer’s feedback. Presentation slides should be uploaded to IVLE one day **before** the presentation. Failure to do so would result in a penalty.

There would be a **15-minute discussion** session after the presentation. As the seminar format is used, each non-presenting student must submit one question for each paper discussed in the session if he/she is not the presenter. Selected questions will be posed to the presenter of each paper.

Students are also expected to participate in discussion where appropriate and/or when called on during the class. Evaluating class participation is necessarily a subjective exercise. If you add to the discussion or ask relevant questions, we will evaluate you generously. If you never participate, we will evaluate you accordingly. Any exceptional participation (e.g. asking an insightful question on a paper) will be rewarded through this portion of your grade. Any unprofessional or disruptive behaviour in class will result in a reduction of this portion of your grade.

(C) Each student would complete a term paper. The term paper includes: 1) a literature review on a topic (chosen by you but approved by us); and 2) a research idea that extends that literature. The topic, preferably, should be closely related to your honours thesis. You are required to finalize your topic with us by Week 8. Further instructions would be provided.

You need to do a **15-minute presentation** in Week 13 on your chosen topic. If you are doing an honours thesis, additional credit would be given if you carry out an empirical replication of the key results of a published paper from a leading journal on the chosen topic.

Course Website

Students are expected to visit the course website on the NUS IVLE (Integrated Virtual Learning Environment) **regularly**. Announcements will be posted on the website. Class handouts, readings, etc are also posted in the workbins on the website for download by students. Links to other useful websites and a forum is also set up on this website to enable students to exchange accounting-related questions and answers. Course website will be up by early August 2014.

APPENDIX A

CODE OF CONDUCT (ABSTRACT)

NUS Code of Student Conduct

As a widely respected institution of higher learning, the National University of Singapore (NUS) is dedicated to cultivating academic and personal excellence in a way that is inclusive and supportive, where communal values as well as the dignity and rights of each person are respected.

NUS students are expected to maintain and uphold the highest standards of integrity and honesty at all times, as well as embrace community standards, diversity and mutual respect for one another, both within the University and the wider Singapore community.

This Code of Student Conduct is intended to guide students' conduct in both the academic and non-academic aspects of their University life by providing an overview of the behaviour generally expected of them as members of the University community. It is meant to serve as a broad framework, and should not be treated as an exhaustive list.

In line with the above, the University expects students to uphold both the spirit and letter of this Code of Student Conduct at all times.

Academic, Professional, and Personal Integrity

The University is committed to nurturing an environment conducive for the exchange of ideas, advancement of knowledge and intellectual development. Academic honesty and integrity are essential conditions for the pursuit and acquisition of knowledge, and the University expects each student to maintain and uphold the highest standards of integrity and academic honesty at all times.

The University takes a strict view of cheating in any form, deceptive fabrication, plagiarism and violation of intellectual property and copyright laws. Any student who is found to have engaged in such misconduct will be subject to disciplinary action by the University.

It is important to note that all students share the responsibility of protecting the academic standards and reputation of the University. This responsibility can extend beyond each student's own conduct, and can include reporting incidents of suspected academic dishonesty through the appropriate channels. Students who have reasonable grounds to suspect academic dishonesty should raise their concerns directly to the relevant Head of Department, Dean of Faculty, Registrar, Vice Provost or Provost.

APPENDIX B
A Suggested Template for Presentation¹ and Report

1. What is the research question? Be concise.
2. Why is the research question important? Summarize each potential contribution of the paper in a sentence. Order the potential contributions in terms of their significance.
3. Describe the research question in more detail.
 - a. Theory. Tell the “story” that generates the authors’ hypotheses. Be concise.
 - b. Key related literature. Identify the three most relevant prior or contemporaneous papers to the study.
 - c. Hypotheses. List the hypotheses. Did the authors phrase them in a way that allows for empirical test?
 - d. What are the primary theoretical constructs involved in the theory/hypotheses?
4. Describe the research design methodology and empirical methods.
 - a. Identify the sample and primary data sources and discuss statistical conclusion and external validity issues.
 - b. Identify the empirical constructs used to capture the theoretical constructs and discuss construct validity issues.
 - c. Empirical Analyses. Describe in detail how the authors empirically test each hypothesis. Identify the key research design decisions. Discuss statistical conclusion and internal validity issues.
5. Results. Describe the findings in the paper, both those that conform to the hypotheses and those that do not. Evaluate whether and how the results convincingly support the story.
6. Step back and summarize the contributions of the paper in a paragraph.
7. Identify at least one specific, researchable question related to the paper’s contributions.

¹ Taken from “Empirical Research in Financial Accounting I” Stern School of Business, New York University, Stephen Ryan, Fall 2013.

Tentative Teaching Schedule (Semester 1, AY 2014/15)

Week	Date	Lecture Topic
1	12 Aug 2014	Introduction to Empirical Accounting Research
2	19 Aug 2014	Research Methods I: Data Issues
3	26 Aug 2014	Research Methods II: Statistical Tools
4	2 Sep 2014	The Maze of Conservatism
5	9 Sep 2014	Accounting Disclosures/Methods
6	16 Sep 2014	Capital Markets and Accounting
Recess week (21 to 28 Sep 2014)		
7	30 Sep 2014	Earnings Management I: The Causes
8	7 Oct 2014	Earnings Management II: The Means
9	14 Oct 2014	Earnings Management III: The Consequences
10	21 Oct 2014	Role of Financial Analysts
11	28 Oct 2014	Pro Forma Earnings versus Street Earnings
12	4 Nov 2014	Incentives behind Financial Analysts
13	11 Nov 2014 (tentative)	Project Presentation