

**Department of Accounting and Finance
Lancaster University**

PhD in Accounting

Lent Term 2026

AcF862 PhD Seminar Advanced Accounting: Empirical

Course Outline

Lectures

The module will be delivered by:

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Overview

This module is designed to introduce students to the recent streams of empirical research in financial reporting. The module will introduce students to the core issues associated with empirical accounting research, including the importance of incremental contribution, the soundness of theoretical arguments and their links to empirical tests, and research design choices. The module aims to further develop critical thinking through class discussions and criticism of published papers. Specifically, the module requires students to prepare the referee reports, because preparing and replying to referee reports is an integral part of the publication process. The module will comprise a mixture of faculty-led lectures, interactive student-led presentations, and discussions. The assessment comprises four elements: written referee reports; presentation of papers; participation in class discussions and the term paper submitted at the end of the module.

Module Objectives and Outcomes

The purpose of this module is to deepen student's understanding of current research trends in the empirical accounting research. It will deepen student's understanding of main accounting theories and how they are used in the empirical accounting research. The module will show how literature develops in each research area, thus facilitating the development of new research questions that can extend prior research. The key papers in each research area are summarised and critiqued using referee reports. Providing a formal critique on research papers develops critical thinking and provides students with first insights into the publishing process. Upon successful completion of the course, students:

- (i) will deepen understanding of main accounting theories and research design choices;
- (ii) will broaden their knowledge of current trends in accounting research;
- (iii) will deepen understanding of advanced quantitative methods and their applications to accounting research;

- (iv) have improved presentation skills;
- (v) will develop skills of writing referee reports for academic journals;
- (vi) will develop understanding of the publishing process.

Assessment

The module includes 4 assessed elements:

- (1) Each student prepares 2 written **referee reports** on the assigned module papers.

Deliverable: The referee report must contain the following elements— brief summary of the paper, evaluation of the paper's incremental contribution, evaluation of hypothesis development and the soundness of theoretical arguments, evaluation of data and research design choices, and the assessment of the conclusions. Be constructive in your report. You may propose to authors some ways of addressing your concerns. The referee reports should be written in MS Word, using 12-point font and double spacing. A list of references should be presented after the main text. The main text (without references) should not exceed 4 pages.

More details on how to write a referee report are provided below. The students are also required to read the editors' view on good quality referee reports in Berk et al. (2016, 2017) before they commence their work on the first referee report.

Deadline: The referee reports are submitted per email to the module instructor 2 days prior to the session (i.e. Wednesday for classes held on Friday). The assignment of papers for review and the presentation will take place in the first class of the module. The first referee report will cover one of the published papers discussed in one of the classes. The second referee report will be on a working paper that will be provided to you during the second half of the module.

Marking: The students can receive up to **35 points** (first report: 15 points; second report: 20 points) for referee reports.

- (2) **Presentations** are the integral part of the research process and job market applications. Therefore, the module will further train student presentation skills. Each session will include a presentation of an assigned paper. The presentation should not exceed 10 minutes (sharp!). While the presentation speed differs across individuals, most require about a minute to go over a slide (i.e. a 10 minute presentation usually covers 8-12 slides). So for most papers, you would need to make a choice of what (most important) results you discuss during your presentation. At the start of your presentation, clearly articulate the answers to the What, Why and How questions (i.e., what does the paper examine or what is the research question?; why is it important/relevant to examine this research question?; how do the authors go about testing their research question?). It is important that you critically evaluate the assigned paper. For example, you are expected during your presentation to clearly articulate not only what the authors do, but also why they do it. Keep in mind that any test reported in a paper is there for a good reason, because it allows the authors to address some specific underlying concern(s) about their results. A critical evaluation of a paper can also include a discussion of possible alternative explanation(s) of the findings or your concerns with using a specific empirical strategy.

Marking: The students can receive up to **15 points** for presentations.

- (3) I expect active **class participation** and contribution to class discussions from all participating students and based on their reading of both “assigned papers” and “further required reading” (see below). I will guide our detailed class discussion of the two assigned papers each week, focussing on the following questions:
- What is the research question and why is it (not) interesting? Is the question descriptive or predictive?
 - How do authors motivate and frame (or pitch) their paper?
 - Are there reasonable alternatives to the hypotheses specified in the paper and how compelling is the logic or arguments used to develop the predictions?
 - What is the research design (including any issues of sample selection, endogeneity, variable definitions and empirical tests)?
 - Are empirical measures used in the paper good proxies for the underlying (conceptual) constructs? (Keep in mind the so called “Libby boxes”.) Is there a robust link between the research design and the research question? Can the research design distinguish between alternative hypotheses?
 - What complicates drawing inferences from the empirical results?
 - What are the main results, how do authors interpret them and do you agree with the authors’ interpretation of their results?
 - What unresolved (research) questions remain after reading the paper? Can you come up with interesting follow up questions related to the paper that you could investigate?

You can contribute to class discussions by answering my questions or by bringing up some relevant insights based on your own reading of the papers. More points will be awarded to students who show good understanding of all required reading material and who can make connections between “assigned papers” and “further required reading”.

Marking: The students can receive up to **20 points** for taking active part in class discussions.

- (4) A proposal for extending extant research in one the research areas reviewed during the module. Your document should identify the key paper(s) on which your extension seeks to build, pinpoint the gap in prior research that your analysis seeks to fill (as a means of motivating your proposed tests), provide a logical development of your main prediction(s), and highlight clearly the incremental contribution(s) of these predictions.

Deliverables: **Term paper** containing your proposal to extend extant research. The proposal should be related to one of the research areas discussed during this module. The term paper should be written in MS Word, using 12-point font and double spacing. Start your proposal with a 100-word abstract summarizing your proposal (do not exceed the word limit!). A list of references should be presented after the main text, followed by tables (with each table, if any, starting on a new page). The main text (without abstract and references) should not exceed 2-3 pages.

Deadline: Papers should be submitted by email to Igor Goncharov **before noon on 13 April 2026**. A mark penalty of 10% will be applied to papers submitted up to seven days late. Papers submitted in excess of seven days late will be awarded zero.

Marking: The term paper will be awarded a maximum of **30 points**.

Administration

Students are required to prepare material prior to each class. Further details about the module, assignment of presentations and papers for review will be provided during the first week.

Structure of sessions

Each session in weeks 1-7 will be 2 hours (120 min) in duration and will cover a detailed discussion of 2 empirical papers, and further required reading. A typical session will start with the presentation of the first research paper followed by its discussion. This will be followed by a presentation and discussion of the second paper. Students are required to read all papers that appear on the reading list for each work. The “background” reading (i.e. the list of papers under “Further required reading”) will help you develop broader understanding of the research field and thus contribute to class discussions.

Schedule

Week 1: January 23	13:00-15:00
Week 2: January 30	13:00-15:00
Week 3: February 6	13:00-15:00
Week 4: February 13	13:00-15:00
Week 5: February 20	13:00-15:00
Week 6: February 27	13:00-15:00
Week 7: March 6	13:00-15:00
Week 8: March 13	13:00-17:00 (4 hr!)

Detailed summary of lectures

Week 1: Overview of the publishing process

This session introduces students to the contents of the class and discusses main elements of the referee report. The session will show actual referee reports to illustrate common ways in which research can be critiqued. To facilitate our discussion, we will discuss the following paper:

Goncharov, I., and C. D. Peter. 2018. Does reporting transparency affect industry coordination? Evidence from the duration of international cartels. *The Accounting Review* 94 (3):149-175.

Required reading:

Berk, J., C. Harvey, and D. Hirshleifer. 2017. How to write an effective referee report and improve the scientific review process. *Journal of Economic Perspectives* 31: 231-244.

Berk, J., C. Harvey, and D. Hirshleifer. 2016. Preparing a referee report: Guidelines and perspectives. Working paper, available at <https://ssrn.com/abstract=2547191>

Week 2: IFRS adoption

This session reviews literature on the mandatory adoption of IFRS in the European Union. It discusses econometrical challenges of the research design and how to circumvent them. While the literature on IFRS adoption is well developed, the session shows future research possibilities of this line of research.

Assigned reading:

- Barth, M. E., W. R. Landsman, and M. H. Lang. 2008. International accounting standards and accounting quality. *Journal of Accounting Research* 46 (3): 467-498.
- Hail, L., A. Tahoun, and C. Wang. 2014. Dividend payouts and information shocks. *Journal of Accounting Research* 52 (2): 403-456.

For interpreting the quality of the results read:

- Gelman, A. & Stern, H. (2006). The difference between “significant” and “not significant” is not itself statistically significant, *The American Statistician* 60: 328-331.

Further required reading:

- Armstrong, C., M. Barth, A. Jagolinzer, and E. Riedl. 2010. Market reaction to the adoption of IFRS in Europe. *The Accounting Review* 85: 31-61.
- Ball, R. 2006. International Financial Reporting Standards (IFRS): pros and cons for investors. *Accounting and Business Research* 36 (Supplement 1): 5-27.
- Ball, R., X. Li, and L. Shivakumar. 2015. Contractibility and transparency of financial statement information prepared under IFRS: evidence from debt contracts around IFRS adoption. *Journal of Accounting Research* 53 (5): 915-963.
- Christensen, H. B., L. Hail, and C. Leuz. 2013. Mandatory IFRS reporting and changes in enforcement. *Journal of Accounting and Economics* 56 (2-3): 147-177.

Week 3: Accounting information and regulation

This session introduces the theories of regulation and reviews literature on how financial reporting and the political process are interrelated.

Assigned reading:

- Heese, J., Khan, M., & Ramanna, K. (2017). Is the SEC captured? Evidence from comment-letter reviews. *Journal of Accounting and Economics*, 64, 98-122.
- Ramanna, K., & Roychowdhury, S. (2010). Elections and discretionary accruals: evidence from 2004. *Journal of Accounting Research*, 48, 445-475.

Further required reading:

- Leuz, C. & Wysocki, P.D. 2016. The Economics of Disclosure and Financial Reporting Regulation: Evidence and Suggestions for Future Research. *Journal of Accounting Research* 54: 525-622.
- Jones, J. J. (1991). Earnings management during import relief investigations. *Journal of Accounting Research* 29: 193-228.
- Watts, R. L., & Zimmerman, J. L. 1978. Towards a positive theory of determination of accounting standards. *The Accounting Review* 53: 112-134.
- Watts, R. L., & Zimmerman, J. L. 1990. Positive accounting theory: a ten year perspective. *The Accounting Review* 65: 131-156.

Lev, B. 1988. Toward a theory of equitable and efficient accounting policy. *The Accounting Review* 63: 1-22.

See also:

Watts, R. L., and Zimmerman, J. L. 1986. Positive accounting theory. Englewood Cliffs, NJ: Prentice-Hall.

Week 4: Real effects

This session introduces the literature on the real effects of financial reporting in different settings.

Assigned reading:

Christensen, H. and V. Nikolaev. 2017. Contracting on GAAP changes: Large sample evidence. *Journal of Accounting Research* 55: 1021-1050.

Kedia, S., and T. Philippon. 2009. The economics of fraudulent accounting. *Review of Financial Studies* 22: 2169–2199.

Further required reading:

Bergstresser, D. B., M. A. Desai, and J. Rauh. 2006. Earnings manipulation, pension assumptions, and managerial investment decisions. *Quarterly Journal of Economics* 121: 157-195.

Kanodia, C., and H. Sapra. 2016. A real effects perspective to accounting measurement and disclosure: implications and insights for future research. *Journal of Accounting Research* 54: 623-676.

Graham, J. R., M. Hanlon, and T. Shevlin. 2011. Real effects of accounting rules: evidence from multinational firms' investment location and profit repatriation decisions. *Journal of Accounting Research* 49: 137-185.

Shroff, N. 2017. Corporate investment and changes in GAAP. *Review of Accounting Studies* 22: 1-63.

Goncharov, I., and M. Jacob. 2014. Why do countries mandate accrual accounting for tax purposes? *Journal of Accounting Research* 52 (5):1127-1163.

Week 5: Accounting, capital markets, and investor processing of accounting information

This session will discuss the investor processing of financial accounting information and the existence of accounting-based stock market anomalies.

Assigned reading:

Sloan, R. G. 1996. Do stock prices fully reflect information in accruals and cash flows about future earnings? *The Accounting Review* 71: 289-315.

Blankespoor, E., E. deHaan, J. Wertz, and C. Zhu. 2019. Why do individual investors disregard accounting information? The roles of information awareness and acquisition costs. *Journal of Accounting Research* 57: 53-84.

Further required reading:

Balakrishnan, K., M. Billings, B. Kelly, and A. Ljungqvist. 2014. Shaping liquidity: On the causal effects of voluntary disclosure. *Journal of Finance* 69: 2237-2278.

Blankespoor, E., G. Miller, and H. White. 2014. The role of dissemination in market liquidity: Evidence from firms' Use of Twitter. *The Accounting Review* 89: 79-112.

- Amiram, D., E. Owens, and O. Rozenbaum. 2016. Do information releases increase or decrease information asymmetry? Evidence from analyst forecast announcements. *Journal of Accounting and Economics* 62: 121-138.
- Bushee, B., M. Cedergrén, and J. Michels. 2020. Does the media help or hurt retail investors during the IPO quiet period? *Journal of Accounting and Economics* 69: 1-19.
- Blankespoor, E., E. deHaan, and I. Marinovic. 2020. Disclosure processing costs, investors' information choice, and equity market outcomes: A review. *Journal of Accounting and Economics* 70: 101344.

Week 6: Generative AI in accounting research

This session will discuss new empirical research on the use of the AI and state-of-the-art techniques in accounting research. Specifically, we will focus on research opportunities and limitations, and compare AI with some of the previous novel techniques (e.g., “old-school” machine learning).

Assigned papers:

- Bradshaw, M.T., C. Ma, B.P. Yost, Y. Zou. 2025. Generative AI use by capital market information intermediaries: Evidence from Seeking Alpha. Working paper, available at: <https://www.chicagobooth.edu/-/media/research/arc/docs/jar-annual-conference-papers/bmyz-conference-version.pdf>.
- Levy, B. 2025. Caution ahead: Numerical reasoning and look-ahead bias in AI models. Working paper, available at: <https://www.chicagobooth.edu/-/media/research/arc/docs/jar-annual-conference-papers/levy-conference-version.pdf>.

Further required reading:

- Blankespoor, E., E. deHaan, Q. Li. 2025. Generative AI in financial reporting. Working paper, available at: <https://www.chicagobooth.edu/-/media/research/arc/docs/jar-annual-conference-papers/bdl-conference-version.pdf>.
- Chen, X., Y.H. Cho, Y. Dou, and B. Lev. 2022. Predicting future earnings changes using machine learning and detailed financial data. *Journal of Accounting Research* 60: 467-515.

Week 7: Methodological issues in accounting research

This session will introduce two recent papers addressing important research design choices affecting most of the empirical papers in accounting. By discussing these papers, the session will not only provide suggestions for appropriate and state-of-the-art research design choices, but will also introduce a new (relative to what was covered before this week) type of accounting papers—methodological studies.

Assigned reading:

- Armstrong, C., J.D. Kepler, D. Samuels, and D. Taylor. 2022 Causality redux: The evolution of empirical methods in accounting research and the growth of quasi-experiments. *Journal of Accounting and Economics* 74 (2–3): 101521.
- Breuer, M., E. deHaan. 2024. Using and interpreting fixed effects models. *Journal of Accounting Research* 62 (4): 1183-1226.

Further required reading (on the clustering of standard errors):

Most cited paper—

Petersen, M.A. 2009. Estimating standard errors in finance panel data sets: Comparing approaches. *The Review of Financial Studies* 22 (1) 435-448.

State of play—

Abadie, A., S. Athey, G.W. Imbens, J.M. Wooldridge. 2023 When should you adjust standard errors for clustering? *The Quarterly Journal of Economics* 138 (1): 1-35.

History and bootstrapping—

Cameron, A.C., J.B. Gelbach, and D.L. Miller. 2008. Bootstrap-based improvements for inference with clustered errors. *The Review of Economics and Statistics* 90 (3): 414-427.

Cameron, A.C., J.B. Gelbach, and D.L. Miller. 2011. Robust inference with multiway clustering. *Journal of Business and Economic Statistics* 29 (2): 238-249.

Week 8 (note that, different to all prior sessions, the duration of this session is 4 hours):

Reporting of empirical results

Assigned paper:

Goncharov, I., V. Ioannidou, & M.C. Schmalz (2023). (Why) do central banks care about their profits? *The Journal of Finance* 78 (5): 2413-3049.

The second part of this class, unlike prior lectures, will involve more “frontal teaching” (I will share with you the slides after the class) and will focus on the discussion of how empirical results are (or should be) reported in the paper. To illustrate, we are going to use the assigned paper above and two papers on fair value reporting:

Riedl, E. J., and G. Serafeim. 2011. Information risk and fair values: an examination of equity betas. *Journal of Accounting Research* 49 (4): 1083-1122.

Christensen, H., and V. Nikolaev. 2013. Does fair value accounting for non-financial assets pass the market test? *Review of Accounting Studies* 18 (3): 734-775.

We are not going to discuss these two fair value papers in detail during class. However, I expect you to know the key details of these two papers (research question, estimated equations, main findings).

Further required reading:

Schwabish, J.A. 2014. An economist’s guide to visualizing data. *Journal of Economic Perspectives* 28: 209-34.

Miller, J. E., and Y. v. d. M. Rodgers. 2008. Economic importance and statistical significance: Guidelines for communicating empirical research. *Feminist Economics* 14: 117-149.

Armstrong, C.S., J. Kepler, D. Samuels, and D. Taylor. 2022. Causality redux: The evolution of empirical methods in accounting research and the growth of quasi-experiments. *Journal of Accounting and Economics* 74: 101521.

Referee report:

There is no standard way to write a referee report. Referee reports vary in style. However, there are also many commonalities. A referee report usually starts with a brief summary of the manuscript. The following comments can be subdivided into major and minor; some referee reports also summarize the strengths and weaknesses of the manuscript before providing detailed comments.

The following comments focus on the major aspects of the study including its contribution, the soundness of theoretical arguments, alternative explanations, empirical methods, and the link between results and conclusions. Whether all of these areas need to be covered depends on the reviewed manuscript and the chosen focus of the referee report. Berk et al. (2016) provide a good introduction to what editors expect to see in a good referee report or when critiquing papers in general. Copies of actual reports will be distributed during the first session and discussed in class.

The brief summary of the manuscript at the beginning of the referee report will provide the *reviewer's interpretation* of the research question, main design choices and results of the manuscript.

The further comments can look for further clarifications on the following issues:

- Does the paper sufficiently motivate its analysis?
- What is the incremental contribution of the paper? What are the novel aspects of the paper and does the paper manage to change the way we think about a certain phenomenon?
- Is the chosen theory appropriate for the research question?
- How well does the empirical strategy correspond to predictions?
- Are test variables good empirical contracts for theoretical constructs the paper sets forth to examine? Is the choice/construction of test variables well justified?
- Do results make economic sense? Are the magnitudes of estimated effects economically plausible/important?
- Are there alternative interpretations for the results?
- Are research methods up to the current standard? (What should be this standard?)
- Does the paper document association or a causal relationship? Does the “tone of the paper” correspond well to the relationship that the paper shows?
- Are conclusions supported by the empirical evidence? Are they too broad given what the paper shows? What else needs to be shown empirically to justify the conclusions?

Throughout your review think of the links between the paper's theory and its empirics, and how the paper is related to other research in its area.