



PhD in Economics and Management
- Financial Accounting -
[Syllabus 2024]

Prof Antonio Parbonetti

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0. Scheduling, Timetable and Venues:

In each session students will be assigned a set of research papers and other relevant suggested readings. Attendance to Weekly Department Seminars is required. The Timetable will be updated – if necessary – and shared.

1. Course Objectives & Learning Outcomes

The objectives of this unit entail dealing with issues in designing, carrying out and interpreting empirical research in financial accounting. The unit explores a range of theories and methods widespread in the accounting field; it offers students the opportunity to identify potential topics and research questions (RQs) requiring investigation. The focus will be on thinking about and evaluating research questions alongside with discussing research design choices, interpretation of results and placement of research findings in the literature.

Upon completion of this unit, students should be able to:

1. Describe and evaluate the different theoretical bases underlying empirical research in accounting
2. Review a range of extant accounting research to critically analyse and assess the fit between a stated research questions and the execution that authors suggest
3. Develop a written referee report targeting an academic audience whereby you highlight the main issues authors of a manuscript should take into account when re-working their paper
4. Discuss, and present in a competent academic style, research outputs from their own and other researchers' work in the field of accounting.

2. Course Content & Structure

This unit aims at developing a student's critical knowledge and skills in the formal review of a broad range of topics within the accounting literature. Through the exploration of key theories and research methods applied in accounting, this unit prepares students to complete their proposed research topic [if applicable].

Students are expected to read the material prior to the lectures. Lecturing will be limited to the analysis of the key issues that are of paramount importance when evaluating a research paper. Students will review a range of theories and research approaches applied in the accounting field and identify potential topics and research questions requiring investigation.

Students are required to:

- (i) submit written critiques of the research papers prior to the relevant class and
- (ii) be prepared to discuss and debate alternative views of the theories, research methods and findings advanced in the readings.

This unit encompasses contemporary accounting research in financial accounting, auditing and corporate governance. The following are topic areas may be included:

- Conservatism
- Fair value accounting
- Earnings management
- Accounting in the banking industry

3. Teaching Material and Resources

Scott W. Financial Accounting Theory. Pearson Education (Canada), 2014. 7e

Journal articles and working papers for each relevant session are listed below. Articles should be retrieved from the journal website. These are available through the UniPD library services.

Lecture slides and teaching material will be made available through the Moodle online platform prior to the classes (<https://elearning.unipd.it/economia/>).

4. Examination Method & Assessment Criteria

1. Assessment Item 1: Paper Presentation & In-class Participation

Weighting: 40% of final grade.

This is an individual activity aiming at developing your presentation skills in an academic environment. Seminar Presentation and Participation marks will be awarded for preparedness and contributions to class discussion on assigned readings and other relevant material.

- A.** Paper Presentation: students will be assessed on two presentations worth 15 marks each for a total of 30 marks. Each student will be required to act as lead discussant on two pre-assigned articles. You are expected to use slides and lead the in-class discussion. This activity will commence after the first three/four sessions and students will be randomly assigned to two sessions/papers. Each presentation will last 30 min + 15 min Q&A.
- B.** In-class participation: the remaining 10 marks will be awarded to the in-class participation. In-class participation will be recorded for 7 sessions starting from session 3. The best 5 out of 7 results will be retained and count towards the final mark. Students are expected to actively contribute to the discussion mainly through questions during the sessions. The volume of turns does not correlate with quality: therefore, you are not expected to talk a lot, nor to dominate the discussion but to contribute to the evaluation of the papers/articles presented.

2. Assessment Item 2: Presentation of a Referee Report

Weighting: 60% of final grade.

The Presentation of a Referee Report is an individual piece of assessment aiming at testing your ability to critically analyse a paper in the relevant domain of interest. Each student will receive a paper and will present the referee report during our last class and will send it by email. Students are expected to write a full referee report in a constructive manner.

Length: The Report can normally be completed in 8 dedicated hours.

5. Office Hours & Student Consultation

It is strongly recommended that students use the Moodle forum to post general questions (e.g. about time, readings, activities or assessment) that might be of interest to the whole class.

Revised and updated information about student consultation will be available on Moodle from Week 1.

Prof Antonio Parbonetti: Any time – by appointment via email to Antonio.parbonetti@unipd.it.

Should you experience any issues, please contact us via email at antonio.parbonetti@unipd.it

6. Use of Moodle Platform

All students are strongly encouraged to use the Moodle platform available through the Department webpage (<https://elearning.unipd.it/economia/>). All relevant information about teaching activities, assessment and last-minute updates will be released via Moodle that syncs automatically with your institutional email address. It is required enrolling into the Financial Accounting Course on Moodle. You can self-enrol using the single-sign (SSO) on and your student email address (@studenti.unipd.it).

PhD Economics and Management
– Course: **Financial Accounting -**
[2024]

Dr Antonio Parbonetti

Reading List

Session 1: Introduction to Research in Financial Accounting: Accounting under conditions of certainty and uncertainty

Ball, R. & Brown, P. (1968). An Empirical Evaluation of Accounting Income Numbers. *Journal of Accounting Research*, 6(2), 159-178.

Sloan, R. G. (1996). Do Stock Prices Fully Reflect Information in Accruals and Cash Flows About Future Earnings? *The Accounting Review*, 71(3), 289-315.

Penman, S. (2007). Financial reporting quality: is fair value a plus or a minus? *Accounting and Business Research*, pp.33-44.

Suggested:

Akerlof, G. A. (1970). The Market for "Lemons": Quality Uncertainty and the Market Mechanism. *The Quarterly Journal of Economics*, 84(3), 488–500. <http://doi.org/10.2307/1879431>

Evans, J. H., III, 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.

Ball, R. & Brown, P. (2014). Ball and Brown (1968): A Retrospective. *The Accounting Review*, 89(1), 1-26.

Session 2: Conservatism: Theory

Watts, R. L. (2003). Conservatism in Accounting Part I: Explanations and Implications. *Accounting Horizons*, 17(3), 207-221.

Watts, R. L. (2003). Conservatism in Accounting Part II: Evidence and Research Opportunities. *Accounting Horizons*, 17(4), 287-301.

Basu, S. (1997). The conservatism principle and the asymmetric timeliness of earnings 1. *Journal of Accounting and Economics*.

Suggested:

Bagnoli, M., & Watts, S. G. (2005). Conservative accounting choices. *Management Science*, 51(5), 786–801.

Session 3: Conservatism vs fair value

Badia, M., Duro, M., Penalva, F. & Ryan, S. (2017). Conditionally Conservative Fair Value Measurements. *Journal of Accounting and Economics*, 63, 75-98.

† Magnan, M., Menini, A. & Parbonetti, A. (2015). Fair Value Accounting: information or confusion for financial markets? *Review of Accounting Studies*, 20:559-591.

Session 4: Accounting Quality: Theory and Measurement part 1

BALL, R., & Shivakumar, L. (2005). Earnings quality in UK private firms: comparative loss recognition timeliness. *Journal of Accounting and Economics*, 39(1), 83–128.

Gassen, J. & Fülbier, U.R. (2015) Do Creditors Prefer Smooth Earnings? Evidence from European Private Firms. *Journal of International Accounting Research* 14:2, 151-180.

Suggested:

Dechow, P., Ge, W., & Schrand, C. (2010). Understanding earnings quality: A review of the proxies, their determinants and their consequences. *Journal of accounting and Economics*, 50(2), 344-401.

Session 5: Accounting Quality: Theory and Measurement part 2

†Dichev, I. D., Graham, J. R., Harvey, C. R., & Rajgopal, S. (2013). Earnings quality: Evidence from the field. *Journal of Accounting and Economics*, 56(Supplement), 1–33.
Jan 20th

FRANCIS, J., LAFOND, R., Olsson, P. M., & Schipper, K. (2004). Cost of Equity and Earnings Attributes. *The Accounting Review*, 79(4), 967–1010.

Session 6: The role of reporting incentives

Ball, R., S.P. Kothari and A. Robin. (2000). "The Effect of International Institutional Factors on Properties of Accounting Earnings." *Journal of Accounting & Economics* 29, 1–51.

† Burgstahler, D., L. Hail and C. Leuz. (2006). "The Importance of Reporting Incentives: Earnings Management in European Private and Public Firms." *The Accounting Review* 81, 983–1016. Jan 23rd

Session 7: Trade-off real and accrual earnings management

† Cohen, D. A, A. Dey, and T.Z. Lys. 2008. Real and accrual-based earnings management in the pre- and post- Sarbanes-Oxley periods. *The Accounting Review* 83 (3): 757-787. Wed 25

Cohen, D. A, and P. Zarowin. 2010. Accrual-based and real earnings management activities around Seasoned Equity Offerings. *Journal of Accounting and Economics* 50 (1): 2 -19.

Suggested:

Graham, J., R. Harvey, and S. Rajgopal. 2005. The economic implications of corporate financial reporting. *Journal of Accounting and Economics* 40 (1.3): 3.73.

Session 8: IFRS adoption

† Christensen, H. B., Hail, L., & Leuz, C. (2013). Mandatory IFRS reporting and changes in enforcement. *Journal of Accounting and Economics*, 56(2-3), 147-177. Mon 30

† Ahmed, A. S., Neel, M., & Wang, D. (2013). Does mandatory adoption of IFRS improve accounting quality? Preliminary evidence. *Contemporary Accounting Research*, 30(4), 1344-1372. Fri 3rd

Suggested:

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.

Session 9: Money Laundering and criminal firms

† Bianchi, P. A., Marra, A., & Pecchiari, N. Organized Crime and Firms' Financial Statements: Evidence from Criminal Investigations in Italy. *Organized Crime and Firms' Financial Statements*. The Accounting Review. Feb 13

Ravenda, D., Giuranno, M. G., Valencia-Silva, M. M., Argiles-Bosch, J. M., & García-Blandón, J. (2020). The effects of mafia infiltration on public procurement performance. *European Journal of Political Economy*, 64, 101923.

Papers for the final exams feb 22nd

[Anti-Mafia Police Actions, Criminal Firms, and Peer Firm Tax Avoidance](#)

J Chircop, M Fabrizi, P Malaspina, A Parbonetti - *Journal of Accounting Research*, 2022

Ball, R., A. Robin and J. Wu. (2003). "Incentives Versus Standards: Properties of Accounting Income in Four East Asian Countries." *Journal of Accounting & Economics* 36, 235–270.

García Lara, J. M., García Osma, B., & Penalva, F. (2011). Conditional conservatism and cost of capital. *Review of Accounting Studies*, 16(2), 247–271.

Real Effects of a Widespread CSR Reporting Mandate: Evidence from the European Union's CSR Directive. PETER FIECHTER, JÖRG-MARKUS HITZ, NICO LEHMANN. *Journal of Accounting Research* 60(4) Pages 1499-1549

Leveraging Big Data to Study Information Dissemination of Material Firm Events. BIN LI, MOHAN VENKATACHALAM *Journal of Accounting Research*. 60(2) Pages 565-606

Coins for Bombs: The Predictive Ability of On-Chain Transfers for Terrorist Attacks DAN AMIRAM, BJØRN N. JØRGENSEN, DANIEL RABETTI *Journal of Accounting Research*. 60(2) Pages 427-466

--- end of reading list ---

† Indicates assigned articles for the presentation in each session (assessment item #1);