

**PhD in Economics and Management**  
**- Empirical Tools in Accounting & Finance -**  
**[Syllabus 2021]**

Instructor: Prof. Michele Fabrizi

**COURSE OBJECTIVES & LEARNING OUTCOMES**

The objective of this course is to introduce students to the execution of empirical archival research in accounting and finance. The course has a very strong operative focus and - by using the software STATA – participants will learn how to carry out a rigorous empirical analysis starting from the raw data until the final results. The course will combine applicative sessions to theory sessions in which specific accounting/finance topics and the connected empirical challenges are investigated.

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

1. Start from a database containing raw data and conduct an empirical analysis to test an hypothesis
2. Identify strengths and weaknesses of an empirical study published in an accounting/finance journal
3. Evaluate different techniques to test an hypothesis and identifying the methodology more suited in a specific research setting

**SCHEDULING, TIMETABLE AND VENUES:**

Classes will comprise 6 three-hour sessions and 1 two-hour sessions for a total of 20 hours. Classes will be held online via Zoom at the following link <https://unipd.zoom.us/j/3164622846>.

Students must have a version of STATA in their laptop. Information on how to get access to STATA can be get by sending an email to [informatica.economia@unipd.it](mailto:informatica.economia@unipd.it)

Date	Time	Class	Topic / Activity	Readings	Background Readings
March 9th	15.00-18.00	#1	Introduction. Anatomy of an Empirical Study.	Bloomfield, Nelson & Soltes (2016 JAR); Chow and Harrison (2002, JAccEdu)	Frankel et al. (2002, TAR); Kinney & Libby (2002, TAR); Baum (2009)
March 16th	15.00-18.00	#2	Empirical Lab (I): data management	Introductory Guide to Using Stata in Empirical Financial Accounting Research by David Veenman	
March 19th	9.00-12.00	#3	Empirical Lab (II): Model and variables		
March 23rd	15.00-18.00	#4	Empirical Lab (III): Results and robustness tests		
March 26th	9.00-12.00	#5	IFRS Adoption: Theory and Application	Christensen, Hail, & Leuz (2013, JAE) ; Daske; Hail, Leuz & Verdi (2008, JAR)	Leuz & Wysocki (2016, JAR, Only Intro and section 5); Daske; Hail, Leuz & Verdi (2012, JAR, Only Intro)
March 30th	15.00-18.00	#6	Earnings Management: Theory and Applications	Leuz Nanda & Wysocky (2003, JoFE); Brown and Caylor (2005, TAR)	Dechow, Sloan and & Sweeney (1995,TAR)



April 2nd	9.00-11.00	#7	Analysts: Theory and Applications	Brown (2001, JAR); Simpson (2010, CAR)	Ramnath, Rock & Shane (2008, IJFo)
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All students are expected to study the reading material **before** class and be ready to discuss it.

#### EXAMINATION METHOD & ASSESSMENT CRITERIA

Evaluation will be made on the basis of three components:

- SEMINAR PRESENTATION: 30%
- IN-CLASS PARTICIPATION: 20%
- REPLICATION PROJECT: 50%

The replication project is an individual piece of assessment aiming at testing your ability to:

- use a statistical software such as STATA, in order to
- perform a replication of a previously published study.

You will be provided with the databases needed to replicate the following paper:

- Cheng, S. (2004). R&D Expenditures and CEO Compensation, *The Accounting Review*, 79 (2), 305-328.

Using the software STATA and the data provided by the instructor, each student is required to individually replicate Table 1, Table 2, and Table 3 in Cheng (2004). More details on the projects will be given in class. Please notice that students can consult with each other on the main issues faced during the replication study, but the execution of the project must be carried out **individually**. The project is due by May 31<sup>th</sup>, 2021.

#### OFFICE HOURS & STUDENT CONSULTATION

Any time by appointment via email to [michele.fabrizi@unipd.it](mailto:michele.fabrizi@unipd.it)