



Accounting Department

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Luzi Hail

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Ph.D. Seminar

Market-Based Research in International Accounting, Part II: Applications & Special Topics

October 1st-3rd, 2025, University of Zurich

Course Overview and Objectives:

Market-based research in international accounting uses cross-border comparisons and within-country analyses exploiting the unique features of the local institutional environment to study how public and private institutions affect the properties and uses of accounting information. More recent studies go beyond descriptive analyses and attempt to better understand how economic institutions affect the role of accounting information in capital markets, financing decisions, and corporate governance.

The course consists of two parts: in Part I, we cover the foundations and discuss some of the basic concepts of international accounting research (e.g., disclosure and cost of capital). In Part II, we apply these concepts to specific areas. Specifically, the topics of Part II cover the impact of institutional factors on accounting outcomes, the economic consequences of IFRS adoption, the role of regulation and enforcement, and information intermediaries. Note that it is suggested but not required that students attend both parts of the course in sequence.

The objective of the course is to develop your ability to critically evaluate and conduct empirical research in an international context. In particular, you should get (1) an appreciation for the role of theory in applied work, (2) an understanding of research designs commonly used in international accounting research, and (3) the necessary skills to design and conduct empirical research in a cross-border setting. Overall, this course provides an overview of this fast-evolving area, and discusses economic hypotheses, research methods, data issues, and limitations to this type of research.

Conduct of Course:

We will be holding the course in person using a seminar format. Therefore, you are expected to take an active part in discussing and evaluating the readings assigned for each course session. In general, the class discussions will be centered around two to three papers per session, and we will

dedicate about the same time to each paper. I expect you to be familiar with the required readings.

For each paper, I will assign one or more discussion leaders who will each prepare a two-page summary before the course starts. In addition, your task as a discussion leader consists of briefly summarizing the paper, highlighting the contribution, and pointing out/discussing some critical research design choices. This presentation should take no more than 25 minutes (if two people are assigned to the same paper, they can prepare the presentation jointly). I will of course help you with that task. The course language is English.

On top of the required readings, I have indicated additional reading material for each class. This is just a small selection of papers that I find important or closely related to the topic of the session. We will not have the time to cover those papers in detail, but I expect you to skim the content of the papers to get a basic sense for the results and the research approach. This will help you to put the main readings into a broader context and also serves as a good starting point to probe further into any of the areas covered.

Moreover, I will offer students the opportunity to present their own work during one of the sessions. This allows you to improve your presentation skills and receive feedback on your work. Ideally, we would have two student presentations in a workshop-style format (45 minutes each) over the course of the three days. If interested, please, contact the course administrator in advance to discuss the details.

I will also dedicate special time to the discussion of the process and peer-review system of publishing in academic journals.

Course Requirements:

In preparation of the course:

- Carefully work through the required readings with a focus on the research question, the contribution to the literature and the research design.
- Skim the additional readings to get a basic sense for the research question.
- Prepare a two-page summary of the assigned paper to be distributed before class.
- Prepare a two-page research proposal for a research question of your interest; it does not have to be an international research question, but it would be great if you came up with such an idea (the research proposal has to be handed in electronically to the course administrator before the beginning of the course; be prepared to present your idea in a short, five-minute “elevator” pitch).

During the course:

- Lead the class discussion of the assigned paper (together if multiple people are assigned to the same paper).
- Contribute to class discussions when you are not the leader.

Course Logistics:

Time: October 1st (beginning at 10:30 am) to October 3rd, 2025 (ending at 3:00 pm)
Location: University of Zurich
Participants: 20 max.
Cost: no charge (participants will have to cover their travel expenses)
Target audience: Master students interested in academic research; PhD students in their first or second year of the program

Summary of Course Schedule:

Session I (October 1st, 10:30-12:00 am): Overview

Lecture on “Identification as a Key Issue in International Accounting Research.” (Luzi Hail).

Session II (October 1st, 1:00-3:30 pm): The Role of Reporting Incentives

Required readings:

Ball, R., S.P. Kothari and A. Robin. (2000). “The Effect of International Institutional Factors on Properties of Accounting Earnings.” *Journal of Accounting and 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.

Additional readings:

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

Isidro, H., D. Nanda and P. Wysocki. (2020). “On the Relation between Financial Reporting Quality and Country Attributes: Research Challenges and Opportunities.” *The Accounting Review* 95, 279–314.

Preparing for your Elevator Pitch (2 hours)

Put aside two hours either at the end of today’s session or before tomorrow’s session starts to prepare your elevator pitch. I will pair you up in groups of two so that you have a sparring partner for the preparation.

Session III (October 2nd, 9:45-11:45 am): Regulation and Enforcement (1)

Required readings:

Barth, M., W. Landsman and M. Lang. (2008). “International Accounting Standards and Accounting Quality.” *Journal of Accounting Research* 46, 467–498.

Christensen, H., L. Hail and C. Leuz. (2013). “Mandatory IFRS Reporting and Changes in Enforcement.” *Journal of Accounting and Economics* 56 (Supplement 1), 147–177.

Additional readings:

Daske, H., L. Hail, C. Leuz and R. Verdi. (2008). “Mandatory IFRS Reporting Around the World: Early Evidence on the Economic Consequences.” *Journal of Accounting Research* 46, 1085–1142.

De George, E., X. Li and L. Shivakumar. (2016). “A Review of the IFRS Adoption Literature.” *Review of Accounting Studies* 21, 898–1004.

Session IV (October 2nd, 1:15-3:45 pm): Regulation and Enforcement (2)

Required readings:

Iliev, P. (2010). “The Effect of SOX Section 404: Costs, Earnings Quality, and Stock Prices.” *The Journal of Finance* 65, 1163–1196.

Christensen, H., L. Hail and C. Leuz. (2016). “Capital-market Effects of Securities Regulation: Prior Conditions, Implementation, and Enforcement.” *Review of Financial Studies* 29, 2885–2924.

Mehta, M. and W. Zhao. (2020). “Politician Careers and SEC Enforcement against Financial Misconduct.” *Journal of Accounting and Economics* 69, 101302.

Additional readings:

Hail, L., A. Tahoun and C. Wang. (2018). “Corporate Scandals and Regulation.” *Journal of Accounting Research* 56, 617–671.

Leuz, C. and P. Wysocki. (2016). “The Economics of Disclosure and Financial Reporting Regulation: Evidence and Suggestions for Future Research.” *Journal of Accounting Research* 54, 525–622.

Session V (October 3rd, 9:45-11:45 am): Information Intermediaries and Dissemination (1)

Required readings:

Engelberg, J. and C. Parsons. (2011). “The Causal Impact of Media in Financial Markets.” *The Journal of Finance* 66, 67–97.

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.

Additional readings:

Bushee, B., J. Core, W. Guay and S. Hamm. (2010). “The Role of the Business Press as an Information Intermediary.” *Journal of Accounting Research* 48, 1–19.

Session VI (October 3rd, 1:00-3:00 pm): Information Intermediaries and Dissemination (2)

Required readings:

You, J., B. Zhang and L. Zhang. (2018). “Who Captures the Power of the Pen?” *Review of Financial Studies* 31, 43–96.

Heese, J., G. Pérez-Cavazos and C. Peter. (2022). “When the Local Newspaper Leaves Town: The Effects of Local Newspaper Closures on Corporate Misconduct.” *Journal of Financial Economics* 145, 445–63.

Additional readings:

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.