



Fall Term 2017 (HS 2017)

**Doctoral Seminar Analytical Research in Accounting:
On the Demand for Noise and Bias**

Course schedule and reading list

1) Session and exercise schedule

Session	Day	Time	Room
1	Monday, 23.10.2017	10:30 – 12:00	KO2-F-156
2	Monday, 23.10.2017	13:30 – 15:00	KO2-F-156
3	Monday, 23.10.2017	15:30 – 17:00	KO2-F-156
4	Tuesday, 24.10.2017	10:30 – 12:00	KO2-F-152
5	Tuesday, 24.10.2017	14:00 – 15:30	RAI-J-031
Research Seminar	Tuesday, 24.10.2017	16:15 – 17:45	RAI-J-031
6	Wednesday, 25.10.2017	10:30 – 12:00	RAA-E-30
7	Wednesday, 25.10.2017	13:30 – 15:00	RAA-E-30
8	Wednesday, 25.10.2017	15:30 – 17:00	RAA-E-30

On Tuesday, 24.10.2017, 16:15-17:45 Prof. Hemmer will present his latest research paper in the IBW's Research Seminar in Accounting, Auditing & Governance (AAG), see www.business.uzh.ch/professorships/managerialaccounting/lehre/aag.html. The seminar talk is considered as a part of the doctoral seminar.

Seminar content

This seminar covers economic theories that involve biased communication of information and implications hereof.

Session 1: Bias and the “Revelation Principle”

Required Readings:

Myerson (1979): Incentive Compatibility and the Bargaining Problem, *Econometrica*, Vol. 47, No. 1 (Jan, 1979), 61-74.

Session 2: Bias and the “Revelation Principle”

Required Readings:

Dye (1988): Earnings Management in an Overlapping Generations Model, *Journal of Accounting Research*, Vol. 26, No. 2 (Autumn, 1988), 195-235

Arya et. al. (1998): Earnings Management and the Revelation Principle, *Review of Accounting Studies*, 3, 7–34





Session 3: Conservative Reporting

Required Readings:

Gigler and Hemmer (2001): Conservatism, Optimal Disclosure Policy, and the Timeliness of Financial Reports, *Accounting Review*, Vol. 76, No. 4 (Oct., 2001), 471-493.

Session 4: Income Smoothing

Required Readings:

Lambert, R., (1983): Long-Term Contracts and Moral Hazard, *The Bell Journal of Economics* 14, 441-152.

Lambert, R., (1984): Income Smoothing as Rational Equilibrium Behavior, *The Accounting Review* 59, 604-618.

Session 5: Income Smoothing

Required Readings:

Hemmer, T., (2017): Income Smoothing as Rational Equilibrium Behavior? A Second Look

Session 6: Reversing Biases and Reporting Precision

Required Readings:

Drymiotis, G., and T. Hemmer (2013): On the stewardship and valuation implications of accrual accounting systems, *Journal of Accounting Research*, Volume 51, Issue 2, 335–347.

Session 7: Renegotiations

Required Readings:

Fudenberg D, Tirole J. (1990): Moral Hazard and Renegotiation in Agency Contracts. *Econometrica* 58, 1279-1320.

Session 8: Renegotiations and Noise

Required Readings:

Gigler, F., and T. Hemmer, (2004): On the Value of Transparency in Agencies with Renegotiation, *Journal of Accounting Research*, December