



Spring Term 2013 (FS 2013)

**Doctoral Seminar Analytical Research in Financial Accounting:  
Economics of Bias and Precision in Financial Statements**

**Course schedule and reading list**

**1) Session and exercise schedule**

Session	Day	Time
1	Monday, 09.09.2013	10.30 - 12.00
2	Monday, 09.09.2013	13.30 - 15.00
Exercises	Monday, 09.09.2013	15.30 - 17.00
3	Tuesday, 10.09.2013	10.30 - 12.00
4	Tuesday, 10.09.2013	13.30 - 15.30
Research Seminar Talk Prof. Hemmer	Tuesday, 10.09.2013	16.00 - 17.30
5	Wednesday, 11.09.2013	10.30 - 12.00
6	Wednesday, 11.09.2013	13.30 - 15.00
Exercises	Wednesday, 11.09.2013	15.30 - 17.00

On Tuesday, 10.09.2013, 16.00-17.30 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](http://www.business.uzh.ch/professorships/managerialaccounting/lehre/aag.html)), the seminar talk is considered as a part of the doctoral seminar.

Rooms will be announced by September 02. at [www.vorlesungen.uzh.ch/](http://www.vorlesungen.uzh.ch/)

**2) Seminar content**

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

**Session 1: Imprecise Information Endowments and Biased Disclosures**

**Required Readings**

Shin (1994): News Management and the Value of Firms, RAND Journal of Economics, Vol. 25, No. 1 (Spring, 1994), 58-71.

**Session 2: Cheap Talk and Precision of Disclosures**

**Required Readings**

Crawford and Sobel (1982): Strategic Information Transmission, Econometrica, Vol. 50, No. 6 (Nov., 1982), 1431-1451.





### **Session 3: Bias and the “Revelation Principle”**

Required Readings:

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

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 4: Window Dressing**

Required Readings:

Dutta and Gigler (2002): The Effect of Earnings Forecasts on Earnings Management, *Journal of Accounting Research*, Vol. 40, No. 3 (Jun., 2002), 631-655.

### **Session 5: 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 6: Reversing Biases and Reporting Precision**

Required Readings:

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

Assignment material will be distributed based on the number of students enrolled for the course.