

**University of Illinois at Urbana-Champaign**  
**Accountancy 494 (& 493)**  
**Seminar in Behavioral Science Applied to Accounting<sup>1</sup>**  
**Spring 2003**

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**Required Materials:**

1. Ashton, R.H., and A. H. Ashton. (Eds). 1995. *Cambridge Series on Judgment and Decision Making: Judgment and Decision-Making Research in Accounting and Auditing*. Cambridge University Press. (Hereafter abbreviated as A&A)
2. Various articles and working papers as outlined in the course calendar.

**Prerequisite:**

I presume familiarity with behavioral accounting and psychology research.

**Course Objectives:**

This seminar will provide you with opportunities to pursue accounting research questions that are at least partially answerable by applying or extending psychology theories via experimentation. It also will provide you with opportunities to think through practical and methodological issues related to pursuing such research questions. Development of a proposed dissertation is the overarching goal for students who enroll as 494 participants.

**Course Requirements:**

All students are required to:

- a. study assigned readings and participate in class discussions (lead class on your days);
- b. write three critical and constructive reviews. I will assign one of the reviews to the whole class, one to you (and perhaps a few other students) in particular, and you will choose the third paper for review;
- c. write a research proposal. For students enrolling in the course as 494 should strive for this proposal to be a draft of your proposed dissertation. For other students, more modest proposals are potentially acceptable. You will present your proposal during the last few weeks of class.

Proposals must identify an interesting accounting issue, draw on a guiding framework or theory, and feature an experimental research design. They should provide an integrative and forward-looking review of relevant research as well as specify and support hypotheses. Proposals should have an introduction that summarizes why the issue is important, what we already know about it, and the incremental learning to be provided. Inclusion of pilot data is encouraged but not required.

**Course Grade:** I will use the University's plus and minus grading system and base final grades on the following allocation:

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<sup>1</sup> I thank Rob Bloomfield, Sarah Bonner, Joan Luft, Steve Kachelmeier, Lisa Koonce, Jane Kennedy, Bob Libby, and Ira Solomon for supplying me with their syllabi and helpful ideas for this seminar.

Class discussion and questions	30%
Three written reviews	30%
Research proposal	40%

### Course Calendar

<b>Date</b>	<b>Topic</b>	<b>Readings</b>
1. Jan 27	Introduction	A&A, Ch. 4, Maines A&A, Ch. 6, Solomon and Shields A&A, Ch. 9, Gibbins and Swieringa
	Discuss areas of interest	
2. Feb 3	Accountability, Consultation, and Justification	Kennedy (1993) Peecher (1996) Kennedy, Kleinmuntz and Peecher (1997) Perkins (2003)
3. Feb 10	Motivated reasoning	Hackenbrack and Nelson (1996) Hunton and McEwen (1997) Kadous (2000)
4. Feb 17	Motivated reasoning	Wilks (2002) Philips (2002) Kadous, Kennedy, & Peecher (forthcoming) Hales (2002)
5. Feb 24	Strategic systems auditing	Bell, Peecher, & Solomon (2002 -- monograph) Sweeney and Stermann (2000) Weideneir (2002)
6. March 3	Strategic systems auditing	McDaniel, Martin, and Maines (2002) O'Donnell and Schulz (2002) Choy and King (2002)
7. March 10	Strategic interactions	Tan and Jamal (2001) Trotman, Wright and Wright (2002) Tan and Jamal (2002) Zimelman and Waller (1999)
8. March 17  (March 24 is during spring break)	Financial disclosures	Libby and Kinney (2000) Mercer (2002) Kennedy, Mitchell and Sefcik (1998) Forsythe, Lundholm and Rietz (1999)
9. March 31	Detecting, preventing, and trading off different kinds of errors	Lundholm (1999) Hirst, Koonce and Miller (1999) Hirst, Jackson, and Koonce (CAR forthcoming) Soll (1999) Peecher, Rich, and Tubbs (2002)

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10. April 7	Auditor Skepticism	McMillan and White (1993) Brown Peecher and Solomon (1999) Cushing (2000a) and Cushing (2000b) Kinney (2000)
11. April 14	Functional Fixation?	Hopkins (1996) Hopkins, Houston, and Peters (2000) Hirst and Hopkins (1998) Luft and Shields (2001)
12. April 21	Functional Fixation?	Krische (2002) Elliott (2002) Hodge, Kennedy, and Maines (2002)
13. April 28	Proposal Presentations	
14. May 5	Proposal Presentations	

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## References

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