THE UNIVERSITY OF IOWA
6A:287 - EXPERIMENTAL RESEARCH IN ACCOUNTING
FALL 2001

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Office: W276 PBB
Office Phone: 335-0848
Office Hours: By appointment.
Class Time and Site: 2:30-5:00 MF C250 PBB

REQUIRED MATERIAL:


COURSE OBJECTIVES:

This seminar has four primary objectives: to introduce some methodological issues that seem particularly relevant for experimental research, to introduce a subset of the experimental literature in accounting, to develop the participant’s skills in critically evaluating this literature, and to provide a background for further pursuit of experimental research.

GRADING:

Grades will be determined by performance on the following components:

<table>
<thead>
<tr>
<th>Component</th>
<th>Proportion of Final Grade</th>
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<tbody>
<tr>
<td>Seminar Participation</td>
<td>.40</td>
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<tr>
<td>Referee’s Report</td>
<td>.10</td>
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<tr>
<td>Term Paper</td>
<td>.25</td>
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<td>Final Examination</td>
<td>.25</td>
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<tr>
<td>Total</td>
<td>1.00</td>
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SEMINAR PARTICIPATION:

All participants are expected to come to class prepared (i.e., with written notes) to summarize and critically assess the theoretical, methodological and practical issues and implications of each paper. In addition, they should be prepared to discuss three important insights that they acquired related to the assigned readings. Participants are expected to evaluate and expand upon other participant’s comments. Seminar participation will be evaluated primarily on the basis of quality.

REFEREE’S REPORT:

All participants will be assigned to a group whose responsibility will be to write a “blind” referee’s report for an unpublished research paper following the guidelines for referees of the Accounting Review. The research paper will be distributed on October 15, and the referee’s report will be due on October 29.

TERM PAPER:

All participants are responsible for writing a term paper on an approved topic of their choice. The paper should be written to agree with the Accounting Review’s editorial policy and style format. Topic approval is required by October 5. Participants will be assigned to present a progress report on their term paper to the seminar on December 3 or 10. Final reports are due on or before December 21.

Participants should focus in depth on an experimental topic within their area of substantive interest in accounting (auditing, financial, managerial, systems, or taxation). Two options exist: (1) scrutinize the literature related to the topic and consider the synergistic insights that can be learned from that literature or (2) develop an original research proposal.

Option 1: Select a topic that has been a focus of attention in experimental research in accounting. Identify the articles that currently comprise the literature for that topic, and do the following:

1. Summarize and categorize the principal findings from the literature.

2. Comment on any synergy that can be obtained from considering the various research contributions and perspectives taken. That is, can more be learned from the literature as a whole than from a summary of the individual studies? Non-experimental perspectives and findings should be incorporated if they are relevant to the topic.

3. Given the current state of the art, assess the needed directions for future experimental research in the area.

The literature review should be about 20 typed and double-spaced pages in length. The evaluation of the manuscript will be based upon the quality of presentation and the significance of its contribution (i.e., evidence of going beyond descriptive summaries).

Option 2: Develop an experimental research idea into a workable proposal. It is suggested
(but not required) that a topic that extends an existing study be chosen. Motivate the topic, explain why it is important, develop a theoretical structure and hypotheses, and then describe in detail how one would carry out a test of those hypotheses.

Ideally, the completed proposal should resemble the front end of a quality research manuscript, setting up the experiment and doing everything short of actually carrying out the study and analyzing its results.

It is often the case that experimental ideas sound great until one tries to implement them. Accordingly, another requirement for this option is to draft the experimental instructions and other instruments that would be used in carrying out the study.

The proposal length should be about 15 typed and double-spaced pages, excluding the drafts of instructions and instruments. The evaluation of the manuscript will be based upon the quality of presentation, the significance of its potential contribution, and the concern for validity displayed.

**FINAL EXAMINATION**

There will be a final examination over the material covered in the seminar on Wednesday, December 19 at 4:30 p.m. Questions on the exam will be similar in scope to those that typically appear on the comprehensive examination in accounting.

**ACKNOWLEDGMENTS**

The following individuals generously provided advice and/or syllabi for similar Ph.D. seminars that greatly aided in the construction of this syllabus: Mike Bamber, Stan Biggs, Sarah Bonner, Vicky Hoffman, Steve Kachelmeier, Bob Libby, Laureen Maines, Bill Messier, Al Schepanski, and Geoff Sprinkle.
<table>
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<tr>
<th>Week of</th>
<th>Topic</th>
<th>Reading</th>
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Libby 1989 (include Joyce discussion)  
Kinney 1986  
Shadish et al. 2001, Ch. 1 |
| 9/3     | Philosophy of Science | Friedman 1953  
Simon 1968  
Christensen 1983 |
| 9/10    | Validity | Campbell and Fiske 1959  
Shadish et al. 2001, Ch. 2-3 |
| 9/17    | Validity | Shadish et al. 2001, Ch. 8  
Lynch 1982  
Swieringa and Weick 1982 |
| 9/24    | Lens Model and Probabilistic Judgment | Libby 1981, Ch. 2-3  
Einhorn et al. 1979  
Trotman and Wood 1991  
Smith and Kida 1991 |
| 10/1    | Psychological Measurement | Schepanski 1983a  
Schepanski 1983b  
Vandervelde et al. 2001 |
| 10/8    | Learning, Memory, and Expertise | Libby and Luft 1993  
Libby 1985  
Bonner and Lewis 1990  
Tubbs 1992 |
| 10/15   | Learning, Memory, and Expertise | Moeckel and Plumlee 1989  
Sprinkle and Tubbs 1998  
Tan and Libby 1997 |
| 10/22   | Decision-Making Under Uncertainty | Schoemaker 1982  
Kahneman and Tversky 1979 |
| 10/29   | Decision-Making Under Uncertainty | Schepanski and Kelsey 1990  
Schepanski and Shearer 1995  
Schepanski 2001 |
| 11/5    | Financial Accounting | Maines 1995  
Maines and Hand 1996  
Tan et al. 2001 |
| 11/12   | Financial Accounting | Libby et al. 2001  
Camerer et al. 1989  
Bloomfield and Hales 2001 |
| 11/19   | Managerial Accounting | Sprinkle 2001  
Evans et al. 2001 |
| 11/26   | Managerial Accounting | Lipe and Salterio 2000  
Luft 1994  
Fisher et al. 2001 |
| 12/3    | Presentations |
| 12/10   | Presentations |
BIBLIOGRAPHY


Evans, J.; R. Hannan; R. Krishnan; and D. Moser. 2001. Honesty in managerial reporting. Working paper, University of Pittsburgh, Georgia State University, Michigan State University.


