AIS 971D: Advanced Behavioral Accounting Research

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This course is designed to provide students with background necessary for performing behavioral accounting research. Because of the diversity of methods and volume of literature in the area, I have pursued a selective and deep approach for course. That is, we will not attempt to survey every major area of behavioral accounting. Instead, we will study a few key research programs/conversations in depth. While we will study research in all four functional areas of accounting (auditing, financial, managerial and tax), auditing is heavily represented because of the popularity of behavioral research in that area. The focus will be on cognitive and judgment/decision-making research rather than on social psychological topics (although we will see a few aspects of social psychology in the work).

How to Contact the Instructor

Office: 4104 Grainger Hall
Office Hours: 9:30–10:30 MW and by appointment
Office Phone: 608.263.4264
Email: jdavis@bus.wisc.edu

You can also instant message me on AIM using the name “durandiel.” However, I don’t guarantee I’ll reply.

Class web page: https://uwmad.courses.wisconsin.edu (Log in with your WiscWorld ID and use your birthday as password (in 6 digit format, so 012392 is January 23, 1992). For security, be sure and change your password after logging in.

Class Times and Rooms

2:25–5:25 M, 2169 Grainger

Texts

The following texts are assigned as background reading during the summer preceding the course:


All readings assigned for the semester will be distributed on CD and will be in PDF format.
Instructor’s Course Objectives

1. Provide students with knowledge about some of the important research programs/conversations in behavioral accounting.
2. Provide students with knowledge about some of the methods used in behavioral accounting research and some of the issues and judgment calls that arise when performing behavioral research.
3. Develop and refine students’ ability to critique academic research.
4. Develop students’ abilities to talk about research.
5. Provide a platform for generating new research programs that behavioral accounting Ph.D. students can pursue.

Course Organization

This course is organized into six parts. Five units adopt an historical perspective and examine some of the significant areas of behavioral research over the last 20 years. The sixth unit is forward looking:

Part I. Preliminary Issues. 2 days. In this unit, we will review key concepts from the first behavioral seminar, discuss the role of context in behavioral research, and try to get a sense of the scope of behavioral research.

Part II. Experience and Expertise Research. 2 days. This unit examines early research on the role of experience in performance and the shift in behavioral research from looking at experience as a measure of expertise to focusing on the relations between knowledge, memory, and performance.

Part III. Memory and Knowledge Research. 4 days. Here we will study some of the varieties of memory and knowledge research in accounting, including the role of error frequency knowledge in performance of certain audit tasks, the effect of domain-specific knowledge and incentives on performance, and work on the explanation effect and output interference.

Part IV. Research on Hypothesis Testing. 2 days. This unit examines research on hypothesis testing strategies in public accounting, including work on the “confirmation bias,” presentation effects, and hypothesis frame.

Part V. Accountability and Justification Research. 2 days. In this unit, we will look at research on the role of accountability and justification in public accounting. Some of this work examines justification as a kind of performance, while some looks at the effects of accountability and justification on other types of performance.

Part VI. New and Different. 3 days. Three “new and different” days are scattered throughout the semester. These days will be used to explore new possibilities for research introduced by class participants. During each of these days, students will be required to assign one “behavioral” reading for the class from a journal from either another area of business (management or marketing) or from another field (e.g., psychology, sociology, anthropology, political science, and medical decision making but NOT economics). Each student will be charged with leading a discussion on the paper and how it relates to an important issue in accounting.
Course Rules

Prerequisites, Registration and Drop/Add
You must be officially registered for this course or you will not receive a grade under any circumstances. The introductory behavioral research seminar is a prerequisite for this course (although students who haven’t completed the seminar are invited to audit the class).

Class Format
The class will be conducted as a seminar. Consequently, attendance is essential. In addition, everyone must complete and be prepared to discuss all reading assignments by the date indicated on the course schedule. During class, we will discuss course readings (discussions will generally be led by one of the students, selected in advance), discuss issues that arise in students’ ongoing research, and discuss other issues pertinent to behavioral research. Because of the nature of discussion, we won’t have the opportunity in every class to discuss every paper that was assigned. This does not relieve students from their responsibility to read all of the assigned work and to prepare for leading discussions.

Participation
Participation in class discussions constitutes one of four course requirements. Students will be expected to participate daily and to take a lead in discussions. There may also be various projects assigned during the course of the semester. These projects will be included in the participation component of students’ grades.

Paper Critiques
Each student is required to prepare written critiques for four papers (selected by the student) and to turn them in by the start of class on the day the paper is to be discussed. Students may not critique papers on which they have been assigned the role of discussion leader. These written critiques will be graded on a scale of 1 to 5 (1 being the lowest grade and 5 being the highest) and, as indicated below, will account for 20% of the grade.

Research Journal
For this course, students will be required to maintain a research journal during the entire semester. The maintenance of the journal will be included in the grade for the course. In the journal, students should include their notes on all of the papers that they read, write down reactions to papers as they think about what they are reading, record research ideas and notes on ongoing research. The journal should include notes on all assigned readings for this class and for any other readings (for other classes or for workshops) during the semester. The journal can be either electronic or on paper. However, if it is electronic, you should maintain backup copies.

Ongoing Research
Students enrolled in this class should all have ongoing research projects. They will be asked to provide me with a report describing the state of their work at the beginning of the semester. They will report on their progress throughout the semester and, at the end, provide me with an updated report of their progress. Progress made on their research during the semester will be incorporated in the class grade.
Exams

There will be no mid-term exams and no final exam in this course. However, you will be tested all material assigned in this class (including background readings) on the written portion of your preliminary examination.

Assessment

Grades will be determined using the following weights:

- Participation (40%)
- Research Journal (20%)
- Paper Critiques (20%)
- Research Proposal (20%)

Absence from Class

An unexcused absence from class will affect your participation grade. In general, absence will affect neither deadlines imposed for class assignments nor your responsibility to complete the required reading. If you expect to miss a class in which an assignment is due, you will be expected to deliver the assignment early, to my office (preferably via email). In extenuating circumstances (determined by the instructor), where early delivery of the assignment is impossible, you will be allowed to turn in the assignment at the earliest possible time. NOTE: you will be deemed absent for cause only under extenuating circumstances (as judged by the instructor).

Other Policies

This syllabus and the list of assignments should be viewed as tentative. The instructor reserves the right to change dates or modify assignments during the semester. The instructor will announce all changes in class and periodically update the schedule of assignments via email. If you miss class, it is your responsibility to find out if any changes have been made.
## AIS 971D Course Schedule

### Part I: Preliminary Issues

#### September 8

**Review and the Scope of Behavioral Research**

*For Discussion*


#### September 15

**Context**

*Background Reading*


*For Discussion*


**Part II: Experience and Expertise Research**

**September 22**

**Historical Background and a New Perspective**

*Background Reading*


*For Discussion*


**September 29**

**Knowledge, Experience and Performance**

*Background reading*


*For Discussion*


**October 6**

**New and Different Day**

Each of you is responsible for assigning 1 or 2 papers to read for today. The readings must be from a journal outside accounting…

**Part III: Memory and Knowledge Research**

**October 13**

**Error Frequency Knowledge in Auditing**

**Background Reading**


**For Discussion**


**October 20**

**Domain-Specific Knowledge and Incentives**

**Background Reading**


For Discussion


**October 27**

**Explanation Effect**

Background Reading


For Discussion


**November 3**

**New and Different Day**

**November 10**

**Output Interference**

Background Reading


For Discussion


**Part IV: Hypothesis Testing**

**November 17**

**Hypothesis Testing Strategies**

**Background Reading**


For Discussion


Church, B. K. 1991. An examination of the effect that commitment to a hypothesis has on auditors’ evaluations of confirming and disconfirming evidence. Contemporary Accounting Research (Spring): 513–534.
November 24

“Confirmation Bias,” Positive and Negative Hypothesis Testing, and Groups

Background Reading


For Discussion


December 1

New and Different Day

Part V: Accountability and Justification

December 8

Accountability, Pt. 1

Background Reading


For Discussion


**December 15**

**Accountability, Pt. 2**

**Background Reading**


**For Discussion**


