



BUSINESS SCHOOL

THE BACHELOR OF COMMERCE (HONOURS)
RESEARCH ESSAY IN ACCOUNTING AND FINANCE

SOME GUIDELINES

2021

This document addresses what is typically a major source of anxiety and uncertainty for Honours students, the completion of their research essay. The Department fully appreciates these anxieties and has attempted to structure the entire research/write-up exercise in ways which reduce them.

FINDING A TOPIC

The first, and often most worrisome task, is actually finding a research topic. You can do this yourself or you can work on a topic which is brought to your attention by other people. This section outlines how you can try to find an interesting topic and how you can judge the relevance of a topic.

An interesting topic is often found by examining the existing academic literature to discover an issue which is unresolved, in dispute, warranting extension or further investigation. An alternative approach starts with the “real world”. Regardless of which starting point is chosen both approaches should lead to similar products: both need to be linked into the existing academic literature, and both need to be able to demonstrate real world relevance.

Under the latter approach, you may have some ideas which you want to explore. Academic staff and businesses can often suggest topics. But beware: many students often want to explain “God, Man, and the Universe” or something equally infeasible in what is really an apprenticeship. Also beware that what is sometimes referred to as research in business circles is little more than data gathering, description, speculation etc., and not suitable at an academic level.

Under the former approach a likely source of good ideas for a research topic will be your first and second semester courses. All of these courses are structured as state of the art reviews of contemporary research. In the act of critiquing the research papers discussed in those courses, you are bound to uncover many researchable opportunities. For example, two studies may produce conflicting results because both have omitted a variable which accounts for the difference in results. A study which incorporates this omitted variable would be worthwhile. A study may fail to confirm its expectations because of weaknesses in empirical method, the theoretical underpinnings of the expectations themselves, or both. A study employing improved methods or theory would be encouraged. A study completed using overseas data may produce results which are not expected to generalize to New Zealand due to institutional or regulatory differences. A replication of that study, predicting the nature of the differences in results on the basis of institutional/regulatory differences in New Zealand, is a very popular style of project.

Students could also “browse” the contents of journals in areas of interest. Recent journals indicate where current research interest lies, techniques commonly used, and how research is conducted. Sometimes a title will draw your interest, and closer examination of the article will prompt some thoughts about how techniques might be applied to New Zealand data, how the study could be done better, or how it can be linked with or set against other articles you have read.

These are just examples of how the existing literature can be your richest source of potential ideas. By building on the existing literature in a systematic, logical way, coherence is maintained and we advance the stock of knowledge.

ENSURING YOUR TOPIC IS VIABLE

Some students run into problems because:

- necessary data are unattainable;
- the topic/question chosen is too big;
- the topic/question chosen is too trivial.

Once you think you have a topic, immediately focus on issues of data and scope. Staff have the experience to advise here – but you will get best advice if you present your ideas in a coherent fashion. Prepare a two-page written outline setting out the questions, data requirements, main literature references, etc., and present this to staff to read and think about your ideas. This enables whatever subsequent discussion that takes place between you and staff to be structured and focused. Much better advice will be received than in an unprepared and casual office visit to a staff member.

Two rules should be remembered here:

- If carrying out an empirically based research essay, data will always take a lot of time to collect and analyse;
- The scope of most topics will expand as you get into them and new questions appear. So start small!

MOTIVATING YOUR RESEARCH QUESTION

You will hear much of the idea of “motivation” for a research question. The motivation for a research question is an answer to a question like: “Why is this topic worth studying?”; “Who will be better off once we have an answer?”. Put simply, it is often known as the “so what” question. By building on the existing literature, you have a head start in motivating your research question. This is because you can consider and use as the motivation, the very arguments offered by those undertaking the research you are extending. If you are persuaded that a strong motivation is demonstrated by the author of a paper which you believe you can usefully extend, modify or clarify, then you have your own motivation, virtually ready made.

Remember, naive intellectual curiosity is a necessary condition for finding a suitable topic. But it is not enough. You have to be able to persuade others that a topic is interesting. We assume that you find your topic interesting!

STRUCTURING THE RESEARCH ESSAY

The structure of your essay should resemble the following:

(1) A Title Page

This page should include in the following order (using centered alignment on your page):

- The title of your research essay;
- The following statement:

A research essay presented in part fulfilment of the requirements for the degree of Bachelor of Commerce (Honours) in the Department of Accounting and Finance at The University of Auckland.
- Your name;
- Year.

(2) A Table of Contents Page, and a List of Figures/Tables Page (if relevant)

(3) An Acknowledgments Page

(4) Abstract

About half a page in length, this should briefly state the research question and its significance, the method, results and conclusions.

(5) The basic content of your research essay should include:

The Research Question

Your introduction should clearly state what exactly the research question is. Remember, there must be a question driving the whole process. Word the statement so as to make the scope of it completely beyond doubt. For instance, the following is far too vague and imposes virtually no restrictions on scope: “Trading systems on securities markets”. “The influence of the tick size on the bid-ask spread” is a much more concise statement.

The Motivation

Here, you answer the “so what” question. Remember, how persuasive you are here will govern the enthusiasm with which the reader continues.

Previous Literature/Theory

In this section, you can describe how you came up with your research question, what previous literature you are extending, how, and what you expect the outcome to be. This is the key section of the research essay. It is more than just a literature review with a number of disjointed paragraphs. Students must demonstrate an understanding of the literature by using prior research to provide a coherent and convincing argument.

Hypotheses and/or Model

A good quantitative paper will have a (theoretical) answer to the research question(s). This forms the hypothesis. A standard approach from the

financial economics literature, for example, is the specification of a model outlining postulated theoretical relationships. In that framework, the hypothesis is a testable statement about signs of model coefficients.

Method

This section describes the data necessary to undertake the empirical examination of the research question, or to test the hypothesis. Sources of data and means of collection are thoroughly described and where alternative research methods were possible the reasons for the chosen method are described.

Results (assuming an empirical investigation is carried out)

For quantitative studies, the statistical analysis is presented. The exact nature of the necessary statistical tests can usually be inferred from the hypotheses/method section, so it is important that the reader be able to make straightforward link between reported statistics and the research question. Tables of results should “stand alone”. That is, a reader must be able to interpret from a table exactly what statistical test has been undertaken, with what variables/measures, and with what results. Of course, all tables/exhibits and so on must be referred to, and tie in with, the text.

For qualitative empirical studies, this section should describe and explain the analyzed data with reference to the selected theoretical lens or framework.

Discussion/Limitations/Future Research/Conclusion

Perhaps more than a single section, these matters are almost always canvassed in the final section of the write-up.

(6) References

List alphabetically. The format should be consistent with that prescribed by the *Journal of Accounting and Economics* or *Journal of Financial Economics*. And remember, list only those references you actually cite. The reference list does not have the purpose of demonstrating the breadth of your reading!

The above structure should be taken as a guide only - not all research essays will fit this framework. Copies of research essay from previous years from students in this department can be found in the Commerce Graduate Library.

LENGTH AND FORMAT OF WRITE-UP

“As long as necessary but as short as possible” is what we want. Generally, we expect the write-up to not exceed 10,000 words, double-spaced typed text. Exhibits, tables and

references would be extra. Something less than 10,000 words is implied by this word limit suggestion.

Important points to remember here are:

- If you do not think that another useful thing can be written about the topic, that there are no unresolved issues left, etc., you've probably missed the big picture. The whole research process is likely to throw up additional questions which warrant further study. In the concluding section of your essay spell some of these out – i.e., indicate where future research should build on what you have done.
- For quantitative research essays, your research report won't be judged on the significance of statistical results. For example, an econometric study with an R^2 of zero is not inferior, for the purposes of the research report, to one with an R^2 of 0.9. Admittedly, it will be less satisfying, but our concern is with how you go about the research process. In that regard, make sure that your write-up explains the work you had to do, the problems you faced and overcame or side-stepped, the alternatives you considered and dismissed, and so on.

RESEARCH ESSAY SUBMISSION

When you believe your research essay is ready for submission, show it to your supervisor for final approval. Do not submit your research essay until the supervisor has finally approved it.

When final approval is granted, you should submit a soft copy no later than the specified due date. Submit these via e-mail to the Director of the Postgraduate Programme.

For the final submission please observe the following stylistic requirements:

- Each copy will be double-spaced on A4 sized paper;
- You are to use Times New Roman 12 point as the font type and size;
- A margin of at least 1 inch width shall be provided at the sides and the top and bottom of each page;
- The alignment of paragraphs is to be fully justified;
- The pages for the table of contents, list of tables, acknowledgments, and abstract should be numbered consecutively using roman numerals (small caps) centered at the top of each page;
- All other pages should be numbered using arabic numerals centered at the bottom of each page;
- Referencing and the reference list should follow a format consistent with that prescribed by the *Journal of Accounting and Economics* or *Journal of Financial Economics*. Use of referencing software such as Endnote or Refworks is advised.

SUPERVISION

Students need to strike a balance here. Obviously you will need some level of guidance and advice from your supervisor as you prepare your proposal/undertake the research/write-up. On the other hand, originality and independence of thought are valued attributes when the research essay is being assessed. Remember, the research essay needs to be seen as your own work. The brilliant study undertaken with virtually no supervisory

help (a low probability event!) will outscore the equally brilliant study completed only after daily, hour-long consultations with your supervisor. The correct balance is somewhat in the middle and while staff differ in their view as to what constitutes the appropriate level of supervisory input, all will tell you if you are over-doing the call for help. Think of supervision on a “just-in-time” as opposed to “just-in-case” basis. Your supervisor should know at all times what you are up to.

HINTS FOR SMOOTH SAILING

You will develop your own research technique and everyone has different approaches but consider some of the following:

- You are embarking on a project where some project management skills (planning, scheduling, coordination, recording, filing, etc.) are crucial;
- Often it is the act of putting words on paper that clarifies ideas – write early and often;
- Your submitted research report should probably be about the fourth major draft. The first will probably be awful – since you are getting ideas down. The second or third is probably good enough to distribute for comments (and don’t expect others to drop everything to read it overnight – expect a lag of a week or more!);
- Learn to use a word processor – the short run pain will be amply rewarded when you get to the twentieth draft. And backup your computer files!;
- Make sure you keep a full reference list as you go on the word processor! There is nothing worse than entering the final full stop and then discovering another week’s work in tidying up references, trying to remember where that crucial article was published;
- Remember, completing the research report will always take longer than you anticipate – the data will take longer to gather, the computing software will take longer to learn, finding the right words to express your ideas will take longer, and so on.

In addition to help from your supervisor and other staff, don’t ignore an obvious resource – your fellow Postgraduate students. The more people you talk to about your ideas, the better articulated the ideas become, the more the number of brains you have working subconsciously on those ideas, the more research assistants you have noticing relevant articles in journals, etc. You might find once you are into the project you will know much more about it than virtually anyone you talk to about it, but concepts, facts and ideas that you think of as obvious will still need to be explained.