



Course Outline 2017
ACCTG 701 / FINANCE 701
RESEARCH METHODS IN ACCOUNTING / FINANCE

Semester 2 (1175)

COURSE PRESCRIPTION

This course examines the theory and application of modern research methods in accounting and finance. The purpose is to provide students with an understanding of how research is conducted in accounting and finance, sufficient such that they may critically evaluate the academic literature and have a foundation on which to build towards carrying out their own research projects.

GOALS OF THE COURSE

The course is divided into two parts. Part I covers research design issues and provides students with tools to evaluate the design and contribution of a research study. Part II provides students with the opportunity to evaluate a broad cross section of accounting and finance research studies. These studies are chosen to demonstrate the application of all commonly used research methods in accounting and finance, and the studies are concerned with topical issues spanning major accounting and finance sub-disciplines, such as auditing, financial accounting, management accounting, investments and corporate finance.

LEARNING OUTCOMES

Students will get an understanding and appreciation of the research carried out in the discipline of accounting and finance. They will also learn why various methods, in particular the scientific approach, are predominantly used in carrying out research in this discipline. Further, the knowledge learned in this course should be enough to allow students to carry out a basic research project.

The specific abilities that students will be able to demonstrate are as follows:

1. evaluate accounting and finance related issues/research at an advanced level;
2. explain accounting and finance related issues/research critically and intelligently;
3. demonstrate verbal, written, and interpersonal communication skills, to a level where students can communicate knowledge clearly and succinctly;
4. evaluate the benefits and role of research and advanced scholarship in the practice and the advancement of knowledge of accounting and finance, which will provide a desire and pathway to continue learning at higher levels.

LEARNING RESOURCES

Texts and other useful references

The textbook for this course is "Research methods in business studies: A practical guide – Fourth edition", by Pervez Ghauri and Kjell Gronhaug (Prentice-Hall, 2010). The text provides readings that supplement and add to the material that is taught in this course, and which will provide a useful reference for your future studies at postgraduate level. Other readings will be handed out in advance of each class. The main library also has a collection of research method textbooks that you might find as useful references.

The main library also has a subject librarian for accounting and finance. The subject librarian's contact details are: Lucy Dong, Subject Librarian for Accounting and Finance, Business and Economics Information Services, Room M21 on Level M of the General Library, Ph.: 373 7599 ext. 87547, Email: l.dong@auckland.ac.nz

Canvas

Canvas will be used as a means to distribute lecture notes, other notes and/or readings, and for making formal announcements.

TEACHING STAFFCourse Coordinator and Lecturer

Professor David Mayes

Office number: Room 551, Owen G. Glenn Building

Telephone: 373 7599 ext. 87618

Email address: d.mayes@auckland.ac.nz

Office hours: by appointment

Please remember to give your name and AUID number when corresponding with the lecturer, especially in email and voicemail messages.

LEARNING AND TEACHING

There is one 3 hour session every Thursday from noon till 3pm. The venue is Room 040C on level 0 in the OGGB.

ASSESSMENT

The total course mark used to calculate your overall grade is determined as follows:

	MARKS
1 project	20
1 assignment	20
Practical	20
Final examination	40
Total Course Mark	100

Project: To be handed in to Course Co-ordinator by 0900 on Monday 14 August

Students prepare a taxonomy of research issues related to a major sub-discipline within the field of accounting or finance e.g., financial accounting, management accounting, auditing, corporate finance, or investments. Although overlapping, each sub-discipline has its own special research issues. For example, one might ask: What is the effect of financial accounting data on share prices?; What incentive compensation arrangement best motivates managers to act in the best interests of shareholders?; What factors affect the quality of auditors' judgements regarding the ability of a client to continue as a going concern?; What factors affect the relation between a firm's capital structure and its cost of equity capital?; or What is the effect of a change in dividend policy on a firm's share price? Identify questions, such as those above, that relate to the sub-discipline and that have been addressed in the accounting or finance literature. Journals that you are strongly recommended to search include: *Accounting and Finance*; *Accounting, Organizations and Society*; *The Accounting Review*; *Journal of Accounting and Economics*; *Journal of Accounting Research*; *Contemporary Accounting Research*; *Journal of Business Finance and Accounting*; *Management Accounting Research*; *Journal of Finance*; *Journal of Financial Economics*; *Journal of Financial and Quantitative Analysis*; *Pacific Accounting Review*; and *Review of Financial Studies*.

Begin your search with the most recent issues of each journal and work your way back until you find 10 articles addressing questions in your sub-discipline. Your taxonomy's reference list should record the 10 articles alphabetically by author consistent with the style of the APA, *Journal of Accounting and Economics* or *Journal of Financial Economics*. Skim your articles simply to identify research issues addressed and the methods used to address them. Do not confuse yourself by trying to understand any theoretical modelling, statistical analysis or anything else in the article. Simply (but carefully) identify the research question and method/design as input to your taxonomy.

There are two requirements in this project. First, for the 10 articles that you choose, you are required to: (i) describe the research issue/question addressed in each study, and (ii) describe how each study was carried out by identifying aspects of the research method/design used. Second, and more importantly, you are required to thoughtfully organize the research issues/questions and research method/design according to any patterns or relationships that you may observe (for example, the valuation consequences of management incentive compensation arrangements could be addressed using any of the following methods: theoretical modelling, field/case study, laboratory experiment, questionnaire survey, or quasi-experimental use of archival empirical data) and to discuss the organizational structure you have identified. Choose whatever format you like, but be sure to clearly identify each research issue/question addressed, the article(s) addressing it, and the research method/design aspects used. Also show, where possible, how the issues/questions addressed and/or the research method/design used in your 10 articles relate to one another. At the outset, you should describe and justify the organizational structure you have chosen for your taxonomy.

The results will provide you with an idea of the many interesting issues and problems that need research in an area of accounting or finance that interests you.

The taxonomy must be typed and double-spaced, use a 12 point size font, margins (top, bottom, and sides) should be at least 1 inch, and should be no more than 10 pages long (Note: This includes any appendices, tables, figures, and the reference list). It must also be submitted to Turnitin.

Assignment: To be handed in to Course Co-ordinator by 0900 Monday 16 October

You should work individually to write an essay describing and critically evaluating one research article chosen from your taxonomy. Your essay should begin by carefully identifying and describing the research issue/question and hypotheses (if any) of the study. The essay should also include a discussion of the importance of the research issue/question. Why is it or is it not important to seek an answer to this issue/question? You should also identify the research method and discuss its appropriateness. Does this method have the potential to expand our knowledge with respect to the research issue/question? What are the strengths and weaknesses of this method in this context? Then your essay should critically evaluate the design of the study with particular attention to issues of internal, external, statistical, and construct validity. How effectively did the study deal with these issues? Finally, you should describe the results of the study and carefully evaluate the appropriateness of any inferences the author(s) draw from the results. At the end, you should also include a summary statement describing the degree to which the study fulfilled its intended purpose and your view of the overall contribution of the study.

The essay must be typed and double-spaced, use a 12 point size font, margins (top, bottom, and sides) should be at least 1 inch, and should be no more than 10 pages long (Note: This includes any appendices, tables, figures, and the reference list). It must also be submitted to Turnitin.

Participation

You will earn marks for participation if you come to class having studied the reading material assigned for the day and if you participate in class discussion by offering appropriate/relevant comments and seeking clarification of important issues. The practical exercise also lies at the heart of this assessment.

Final Examination

The final examination will have a choice of essay questions covering all aspects of the course.

CHEATING IN EXAMINATIONS AND COURSEWORK

The University of Auckland will not tolerate cheating, or assisting others to cheat, and views cheating in coursework as a serious academic matter. The work that a student submits for grading must be the student's own work, reflecting his or her learning. Where work from other sources is used, it must be properly acknowledged and referenced. This requirement also applies to sources on the internet. A student's assessed work may be reviewed against electronic source material using computerised detection mechanisms. Upon reasonable request, students may be required to provide an electronic version of their work for computerised review.

The following information should be read in conjunction with the University of Auckland's Examination Regulations (see University Calendar, General Statutes and Regulations).

What is cheating?

To cheat in the context of university assignments and examinations is to attempt to gain an unfair advantage by violating the principles of intellectual and scholarly integrity. To cheat is to be intellectually dishonest by passing off as your own work that which has been done by someone else. To cheat is also unjust in that it devalues the grades and qualifications gained legitimately by other students. All students and staff have a responsibility to prevent, discourage and report cheating.

Cheating may take various forms, some of which are:

- Copying from another student during a test or examination. This is cheating whether or not there is collusion between the students involved. Collusion with another student who wishes to cheat from you exposes both parties to penalties under University Regulations.
- Using the work of other scholars or students when preparing an assignment or writing an examination, and pretending it is your own work by not acknowledging where it came from. This is called plagiarism and is outlined in a separate section below.
- Copying from another student's on-course work whether that copying is with or without the knowledge of that student. This includes:
 - Copying all or part of someone else's assignment
 - Allowing someone else to copy all or part of your assignment

- Having someone else do all or part of an assignment for you
- Doing all or part of someone else's assignment for them.
- Impersonating someone else in an examination, or arranging such impersonation.
- The use of forbidden material in a test or examination, whether printed or in electronic form. For example, the attempted use of a non-standard calculator in a restricted calculator examination.

What is plagiarism?

Plagiarism is a form of cheating. A definition of plagiarism is: "The deliberate copying of another person's material and the presentation of it as one's own". Plagiarism is the inclusion in your work of material closely copied or paraphrased from someone else's writings (including work by other students or material off the internet) without explicit indication of the source of the material, that is, not referencing. Any material downloaded from the internet must have the source properly acknowledged (such as a reference and URL in the bibliography). Plagiarism is not acceptable in any written work presented for assessment.

How to avoid plagiarism

The work and the ideas of other people must be acknowledged by correct referencing procedures. While students are encouraged to consult expert opinion, particularly in the form of books and journals and websites, to assist them in better understanding and in the completion of their assignments, such opinion must be acknowledged by explicit reference to the work consulted. In this course, students are encouraged to work collaboratively with another and this is an important part of the University experience. However, within the particular permission granted in this course to submit in pairs, it is also expected that the submitted work reflects the student's own understanding of the topic. If in any doubt about any of these issues, you should talk with a staff member to clarify your concerns.

Preventing cheating

Typically students cheat because they are having difficulty with the course content, the language of the course or both. Cheating and/or plagiarism can be a temptation when students are having difficulty with a heavy workload in the course and seek to save time by copying others work. The University provides many services to help students do better or to make thoughtful decisions about whether to continue. Within the Department, students should first seek help from the lecturer. Outside the Department, the University offers help at the Student Learning Centre, and the English Language Acquisition Programme offers a range of courses to assist students whose first language is not English. There is a difference between getting help and cheating. The former is directed towards assisting you to understand the material and the assignment questions so that you are in a better position to create your own answers. Cheating involves supplying or being supplied with other people's answers.

CLASS REPRESENTATIVE

The course is entitled to a class representative. The class representative will freely discuss any student concerns with the lecturer. The representatives are also invited to staff/student consultative meetings if these are operative. This is the appropriate forum for raising any unresolved concerns you have about the running of the paper. Student representatives will be made known to the class as a whole.

We emphasise "unresolved concerns" since most problems can be resolved very simply by approaching the lecturer concerned (or any of the teaching staff). We are there to help.

PROGRAMME AND COURSE ADVICE

Students passing this course will have the necessary knowledge to complete the more specialised discipline specific courses in the Honours, PGDipCom, and Masters programmes at The University of Auckland. The course also provides a foundation for students wishing to pursue further higher studies, such as in a doctoral programme.

CONTENT OUTLINE

The session dates in the content outline below are approximate. Due to the level of discussion/participation that may take place in the classes, some topics may run into other sessions.

SESSION	DATE	TOPIC	READINGS*	LECTURER
1	24 July 1000-1200 only	Library research This class will take place in Computer Lab 5 on level 0 in the OGGB		Lucy Dong
2	31 July	Module 1 Introduction to business research	Chapters 1, 2, 3, & 4 of GG	David Mayes
3	7 August	Module 1: Introduction to business research	Chapters 1, 2, 3, & 4 of GG (Chapter 13 of GG, optional reading, but highly recommended)	David Mayes
4	14 August	Module 2: Research design I	Chapter 5 of GG	David Mayes
5	21 August	Module 3: Research design II	Chapter 6 & 7 of GG	David Mayes
6	28 August	Module 3 Research Design II	Chapters 8, 9 & 10 of GG	David Mayes
MID-SEMESTER BREAK				
7	18 September	Module 4: Data Analysis	Chapter 11 of GG	David Mayes
8	25 September	Module 4: Data Analysis	This will be a practical session in computer lab X on level 0 in the OGGB	David Mayes
9	2 October	Module 4: Data Analysis		Steven Cahan
10	9 October	Module 4: Data Analysis		Paul Rouse
11	16 October	Module 4: Data Analysis		John Lee
12	23 October	Module 5: Writing, Presentation and Review		David Mayes

GG = Pervez Ghauri and Kjell Gronhaug, "Research methods in business studies: A practical guide – Fourth edition" (Prentice- Hall, 2010).

You may find the following helpful:

A S Huff "Designing Research for Publication" (Sage, 2010)

J Bell "Doing Your Research Project" (Open University Press, 2010)

A Bryman and E Bell "Business Research Methods" (Oxford University Press, 2011)

J D Angrist and J-S Pischke "Mostly Harmless Econometrics: an Empiricist's Guide" (Princeton University Press, 2008)

* **NOTE:** Some of the readings may cover issues that overlap with other sessions.