

22E00210 - Financial Accounting Theories/ H.Ojala 12.1.2021 (feedback section updated 15.2.2021)

Instructions for the term paper

The layout

The term paper should be written with Times New Roman 12. Use APA style ([How to format your paper in APA style in 2020 - YouTube](#)) in the term paper, including the layout of the bibliography. Tables, figures, sketches, and mind maps can be used if they are necessary and serve as useful learning material to other students in the course. Insert page numbers. The total length should be approximately 15 pages.

The cover page

The cover page shall include a title, the names and the student numbers of all (three) group members.

The structure of the term paper

A: Describe the topic of the term paper using the textbook (Scott, 7th edition, or earlier) or research articles that has been published before 2010

Describe the topic (see Appendix for potential topics) carefully by using the material presented in the textbook. Explain:

What are the most important theoretical concepts of the topic?

When and how did these concepts emerge in the research literature?

What are the most relevant previous studies that address the topic?

What kind of evidence have they provided?

What do we understand better with the help of the topic?

Are there any other aspects that are important?

This section of the term paper should have a length of approximately four pages.

B: Use five (5) high-quality research articles to describe what are the recent developments within the area of the topic.

Identify five (5) research articles published in 2010 or afterward in high-quality accounting journals (use journals listed here:

http://www.mysmu.edu/faculty/rogerloh/links/journal_rankings.htm) that address the topic.

Please the search of the articles from <https://scholar.google.fi/>

If there are not enough recent articles addressing the topic, use articles that are as close as possible to the topic.

Concerning each article, explain:

What is the purpose of the article?

What is the research question of the article?

What are the most important theoretical concepts of the article?

How has the research question been operationalized^{*)} in the methodology section of the article?

Explain how each of the articles contributes to prior literature.

Provide an opinion of the strengths and weaknesses of the article.

^{*)}Operationalization here means how the theoretical concepts (often mentioned in the research question or the hypotheses) are addressed using empirical models and data (either statistical analysis or qualitative analysis). Please see <https://en.wikipedia.org/wiki/Operationalization> for more information on operationalization.

Select a limited number of key concepts from these articles. Explain the concepts in an easily understandable way. Explain, how the articles have improved the understanding of those concepts.

This section of the term paper should have a length of approximately five pages.

C: Brainstorm and describe three new research designs related to the topic.

Brainstorm three new research designs from the area of the topic that was selected and described in A and B. Focus on research designs that assess could use in a master thesis project.

Explain:

The research gap,

The research question,

The key theoretical concepts,

The empirical operationalization and

What kind of new and interesting scientific knowledge could emerge as an outcome of the research ideas that were described above?

This section of the term paper should have a length of approximately three pages.

D: Prepare a Conclusions section at the end of the term paper.

Try to summarize and explains the main arguments and results, evidence, and research contribution of the articles in sections A, B, and C.

Provide an overall evaluation of the topic of this term paper. Try to describe typical research questions, methods, and scope of the research within the selected topic. This section of the term paper should have a length of approximately two pages.

E: Prepare a bibliography (the list of references).

Prepare a complete list of all cited articles. The layout of the listing should follow (any) one of the research articles that you presented in B. Follow the layout of your choice consistently. This section of the term paper should have a length of approximately one page.

Save as a pdf-document and name using last names.

Save the term paper as a pdf-file. Name the file using the last names of the authors (in ascending alphabetic order): LastName1_ LastName2_ LastName3.pdf.pdf.

Presentation:

The presentation should take approximately 6 minutes. The feedback group will follow-up that this time is kept.

Feedback to another group

Feedback group shall get familiar with the term paper. After that they prepare a written document of approximately two pages or and/or a power point presentation where they explain what was missing from the term paper. For example. "You missed concept YYY." "Concept YYY means that (the explanation follows)." "It is important because (the explanation follows)." They present their feedback after the term paper. Their presentation should take approximately 2 minutes.

Assessment criteria

The more pedagogical the term paper is, the better. The word 'pedagogical' means that, for other students, it is easy to learn from your term paper and presentation.

Appendix A. Term paper topics

- Accounting scandals and subsequent changes in accounting regulation
- Original (historical) cost or current value accounting
- Better communication project of the IASB (<https://www.ifrs.org/projects/better-communication/>)
- Single-Person Decision Theory
- The concept of (Hick's) economic income in the accounting context
- The Capital Asset Pricing Model in the accounting context
- How Ball and Brown (1968) – type of a study would contribute to our understanding today?
- The strengths and weaknesses of earnings response coefficient (ERC) studies
- How does value relevance approach help to analyze alternative accounting policies?
- Earnings persistence studies in accounting research
- Short window studies in accounting research
- The use of analysts' forecasts in accounting research

- Ohlson's Clean Surplus Theory
- Auditors' Legal Liability and accounting conservatism
- Conditional and unconditional conservatism
- Decision usefulness and measurement approach
- Management overconfidence and accounting choices
- Risk-taking and gender in accounting research
- Using financial reporting to control adverse selection
- Using financial reporting to control moral hazard
- Debt contracts in accounting research
- Compensation contracts in accounting research
- The role of trust in accounting research
- Holmström's agency model in accounting research
- The role of sensitivity and precision of accounting income in accounting research
- Risk and executive compensation
- Politics of executive compensation
- Power theory of executive compensation
- Reputation on managerial labour market as an incentive to work hard
- Assessing the level of executive compensation (are managers overpaid?)
- Real actions to manage earnings
- Accrual-based earnings management
- Income smoothing
- Dechow & Dichev (2002) type of earnings management models in accounting research
- Proprietary and non-proprietary information in accounting research
- First-best information production in accounting research
- Market failures in information production and accounting research
- The Coase theorem and accounting research
- Public interest and interest group theories
- Effects of customs and institutions on financial reporting
- Role of auditor in the enforcement of accounting standards
- Benefits to countries adopting IASB standards
- IASB versus FASB standards?

-Or send a proposal to the instructor for his approval