Faculty	Business	Department	Accounting
Course number	0502797	**Course title**	**Special Topics in Accounting**
Number of credit hours	3	Pre-requisite/co-requisite	---

Brief course description
The main objective of the course is to provide an introduction to the empirical financial accounting; reporting and capital markets research literature. The course is designed to familiarize students with several important areas in empirical financial accounting and reporting research. This course discusses the fundamentals of positive accounting research, the agency theory and the efficient market hypothesis.

	Course goals and learning outcomes
Goal 1	Provide students with the recent research literature in accounting
Learning outcomes	1.1 The student will be able to demonstrate knowledge and understanding in accounting areas 1.2 The student will be able to communicate effectively, both oral and written in accounting topics and research 1.3 The student will apply critical thinking skills by solving problems requiring quantitative and/or qualitative analysis
Goal 2	Train students on how to deal with the different research methodologies by discussing and analyzing recent research articles and papers.
Learning outcomes	2.1 The student will apply critical thinking skills by solving problems requiring quantitative and/or qualitative analysis
Goal 3	Discuss the fundamentals of positive accounting research, the agency theory and the efficient market hypothesis.
Learning outcomes	3.1 The student will be able to demonstrate knowledge and understanding in accounting areas
Goal 4	Require students to prepare an empirical research project.
Learning outcomes	4.1 The student will be able to communicate effectively, both oral and written in accounting topics and research
Textbook	No Textbook Required
Supplementary references	Sekaran, U. and Bougie R. (2016). Research Methods for Business: A Skill Building Approach. 7th Edition. John Wiley and Sons.

Course timeline				
Week	**Number of hours**	**Course topics**	**Pages (textbook)**	**Notes**
01	**1** **1** **1**	**1. Capital Markets Overview:** Watts Ross L. and Jerold L. Zimmerman, Positive Accounting Theory, 1st edition, Prentice Hall, 1986, USA.		
02	**1** **1** **1**	Kothari, S. P. (2001), Capital markets research in accounting. Journal of Accounting and Economics (September), 105-231. Beaver, W. (2002), Perspectives on recent capital markets research. The Accounting Review 77 (April), 453-474.		
03	**1**	**2. Stock Return-Earnings Relationship:**		

	1 1	Lennox, C., and C. Park (2006), The informativeness of earnings and management's issuance of earnings forecasts. Journal of Accounting and Economics 42, 439-458. Hayn, C. (1995), The information content of losses. Journal of Accounting and Economics 20, 125-153.		
04	1 1 1	Dechow, P., Kothari, S., Watts, R. (1998), The relation between earnings and cash flows. Journal of Accounting and Economics 25, 133-168. Ball, R., and P. Brown (1968), An empirical evaluation of accounting income numbers. Journal of Accounting Research (Autumn), 159-178. Kormendi, R. and R. Lipe (1987), Earnings innovations, earnings persistence, and stock returns, Journal of Business (July), 323-345.		
05	1 1 1	**3. Valuation Models:** Francis J. P. Olsson, and D. Oswald. (2000), Comparing the accuracy and explainability of dividend, free cash flow, and abnormal earnings equity value estimates, Journal of Accounting Research 38 (1), 45-70. Baginski, S. and J. Wahlen. (2003), Residual income risk, intrinsic value, and share prices, The Accounting Review 78 (1), 327-351.		
06	1 1 1	Botosan, C., M., Plumlee, and Y. Xie. (2004), The role of information precision in determining the cost of equity capital, Review of Accounting Studies 9, 233-259. Botosan, C. and M. Plumlee. (2002), A re-examination of disclosure level and the expected cost of equity capital, Journal of Accounting Research 40 (1), 21-40. Ohlson, J. (1995), Earnings, book value, and dividends in security valuation, Contemporary Accounting Research (Spring), 661-687.		
07	1 1 1	**4. Earnings Benchmarks & Earnings Management:** Bartov, E., D. Givoly, and C. Hayn. (2002), The rewards to meeting or beating earnings expectations, Journal of Accounting and Economics (2002), 173-204. Lougee, B. and Marquardt, C. (2004), Earnings informativeness and strategic disclosure: an empirical examination of 'Pro Forma' earnings, The Accounting Review (July), 769-795. Dechow,P., and I. Dichev. (2002), The quality of accruals and earnings: the role of accrual estimation errors, The Accounting Review 77 (supplement), 35-59.		
08	1 1 1	McNicholes, M. (2002), Discussion of the quality of accruals and earnings: the role of accrual estimation errors, The Accounting Review 77 (supplement), 61-69. Klein, A. (2002), Audit committee, board of director characteristics, and earnings management, Journal of Accounting		

		& Economics 33, 375-400. Bartov, E., F.A. Gul, and J.S.L. Tsui. (2000), Discretionary accruals models and audit qualifications, Journal of Accounting and Economics 30, 421-452.		
09	**1 1 1**	**5. Contracting Perspectives:** Beatty, A. and J. Weber. (2003), The effects of debt contracting on voluntary accounting method changes, The Accounting Review 78, 119-142. Dichev, I., and D. Skinner. (2002), Large-sample evidence on the debt covenant hypothesis. Journal of Accounting Research, Vol. 40, No. 5, 1091-1123.		
10	**1 1 1**	Biddle, G., G. Hilary, and R. Verdi. (2009), How does financial reporting quality related to investment efficiency?, Journal of Accounting and Economics 48, 112-131. Erickson, M., M. Hanlon, and E. Maydew. (2006), Is there a link between executive equity incentives and accounting fraud?, Journal of Accounting Research 44 (1), 113-143. Lambert, R. (2001), Contracting theory and accounting. Journal of Accounting and Economics (December), 3-87.		
11	**3**	**MIDTERM EXAM**		
12	**1 1 1**	**6. Disclosure Overview:** Lang, M. and R. Lundholm (1996), Corporate disclosure policy and analyst behavior, The Accounting Review 71 (4), 467-492. Ajinkya, B., S. Bhojraj, and P. Sengupta (2005), The association between outside directors, institutional investors and the properties of management earnings forecasts, Journal of Accounting Research 43 (3), 343-376.		
13	**1 1 1**	Kothari, S., X. Li, and J. Short (2009), The effect of disclosures by management, analysts, and business press on cost of capital, return volatility, and analyst forecasts: a study using content analysis, The Accounting Review 84 (5), 1639-1670. Francis, J., D. Nanda, and P. Olsson (2008), Voluntary disclosure, earnings quality, and cost of capital, Journal of Accounting Research 46 (1), 53-99. Healy, P. M. and K. G. Palepu (2001), Information asymmetry, corporate disclosure, and the capital markets: a review of the empirical disclosure literature, Journal of Accounting and Economics (September), 405-440.		
14	**1 1 1**	**7. Empirical Regularities:** Ogneva, M., K. Subramanyam, and K. Raghunandan (2007), Internal control weakness and cost of equity: evidence from SOX section 404 disclosure, The Accounting Review 82 (5), 1255-1297. Gintschel A. and S. Markov (2004), The effectiveness of Regulation FD, Journal of Accounting and Economics 37, 293-314.		

		Ettredge, M., S. Kwon, D. Smith, and P. Zarowin. (2005), The Impact of SFAS No. 131 business segment data on the market's ability to anticipate future earnings, The Accounting Review 80 (3), 773-804. Wang, I. (2007), Private earnings guidance and its implications for disclosure regulation.,The Accounting Review 82 (5), 1299-1332. Z. Palmrose, G. Richardson, and S. Scholz. (2004), Determinants of market reactions to restatement announcements, Journal of Accounting and Economics (February), 59-89. Holthausen, R. W. and R. L. Watts. (2001), The relevance of the value-relevance literature for financial accounting standard setting. Journal of Accounting and Economics (September), 3-75.		
15	**1 1 1**	**8. International Accounting:** Kallapur, S., and Kwan, S. (2004), The value relevance and reliability of brand assets recognized by UK firms, The Accounting Review (January), 151-172. Francis, J., D. Nanda, and X. Wang. (2006), Re-examining the effects of regulation fair disclosure using foreign listed firms to control for concurrent shocks, Journal of Accounting and Economics 41, 271-292. Lang, M., K. Lins, and D. Miller (2003), ADRs, analysts, and accuracy: does cross listing in the United States improve a firms' information environment and increase market value?, Journal of Accounting Research 41 (2), 317-345. Lang, M., K. Lins, and D. Miller (2004), Concentrated control, analyst following, and valuation: do analysts matter most when investors are protected least?, Journal of Accounting Research 42(3), 589-623.		
16	**3**	**FINAL EXAM**		

Theoretical course evaluation methods and weight	Participation = 30% Midterm exam 30% Final exam 40%	**Practical (clinical) course evaluation methods**	Semester students' work = 60% (Reports, research, quizzes, etc.) Final exam = 40%

Approved by head of department	Dr. Abdallah Atieh	**Date of approval**	30/8/2017

Extra information (to be updated every semester by corresponding faculty member)

Name of teacher		Office Number	
Phone number (extension)		Email	_____@zuj.edu.jo
Office hours			