Prof. Dr. Robert Gillenkirch

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Master Course: Behavioral Management Accounting
March 7-9, 2016, at the University of Osnabrück

Objectives of the Course:

The purpose of this course is to introduce participants to the experimental research method, and how it can be successfully applied to investigate accounting research questions. The focus of the course will be on how to derive an experimental design from an accounting research question which provides a valid test of the hypotheses developed from the research question. Course work will focus on discussing recent research papers that provide insights into state-of-the-art experimental accounting research, and which will also give the participants the opportunity to practice evaluating research.

List of Research Papers:

In the course, six research papers will be discussed:

1. Arnold (2015): The Effect of Superiors' Exogenous Constraints on Budget negotiations. The Accounting Review 90 (1), 31-57.
2. Bonner, Clor-Proell, Koonce (2014): Mental Accounting and Disaggregation Based on the Sign and Relative Magnitude of Income Statement Items. The Accounting Review 89 (6), 2087-2114.
3. Cardinaels, van Veen-Dirks (2010): Financial versus non-financial information: The impact of information organization and presentation in a Balanced Scorecard. Accounting, Organizations and Society 35 (6), 565-578.
4. Fanning, Agoglia, Piercey (2015): Unintended Consequences of Lowering Disclosure Thresholds. The Accounting Review 90 (1), 301-320.
5. Hannan, McPhee, Newman, Tafkov (2013) The Effect of Relative Performance Information on Performance and Effort Allocation in a Multi-Task Environment. The Accounting Review 88 (2), 553-575.
6. Johnson, Feischman, Valentine, Walker (2012): Managers' Ethical Evaluations of Earnings Management and Its Consequences. Contemporary Accounting Research 29 (3), 910-927.

The papers can be organized along the Financial vs. Managerial Accounting and the Decision Usefulness versus Stewardship categories:

	Financial Accounting	Management Accounting
Decision Usefulness of Accounting Information	2,4	3
Stewardship Value of Accounting Information	6	1,5

Course Language:

Presentations and discussions will be either in English or German language, as preferred by the participants.

Room:

Please come to the seminar room no. 29/E13 in Rolandstr. 8.

Course Requirements:

A Introductory Reading

In preparing for the course, participants are required to read the following literature:

- Friedman, D., and Sunder, S. 1994. Experimental Methods. Chapters 1-3.
- Libby, R., Bloomfield, R. and Nelson, M. W. 2002. Experimental research in financial accounting. Accounting, Organizations and Society 27: 775–810.
- Sprinkle, G.B. (2003): Perspectives on experimental research in managerial accounting. Accounting, Organizations and Society 28, 287-318.

You may prefer to focus on one of the survey papers (either Libby et al. or Sprinkle) according to your own field of interest.

B Discussion Paper

For one research paper from the list of six, you are required to write a discussion paper. Please carefully read the paper and provide a discussion (Word count = approx. 1500). The discussion has to be submitted to Prof. Gillenkirch via E-Mail no later than *Feb 29, 2016*. It has to address at least the following issues: (i) To which area of accounting research does the research paper belong to? What are the main topics the paper deals with? What is the main literature the research builds upon? (ii) What is the research question of the paper? What is the answer to the research question, as reported in the paper? (iii) What is the experimental design, i.e. what is the decision situation, what is the sequence of events, and what are the participants' tasks? (iv) How are results derived, which statistical analyses are used? - In the course, students will discuss the papers after an informal introductory presentation (10-15 minutes). Presenters will be assigned by Prof. Gillenkirch on March 1, 2016. Presenters will serve as discussion leaders, i.e., will moderate the discussion. Presenters will be primarily doctoral students, but may also be master students.

Participants are expected to come prepared to the course, implying that they have read *all* papers from the list of six. In reading the papers, make sure that you can answer the questions (ii) and (iii) as above.

C Design of an Experiment

Participants are required, in groups of 2 or 3 students, to develop an experimental research design and present the design on day 3 of the seminar. Provide a slide presentation or a written manuscript and submit it to Prof. Gillenkirch via E-Mail no later than *Feb 29, 2016*. In developing the experimental research design, proceed as follows: (i) Specify your research question and make clear that you can classify your experiment according to the 2x2 matrix above: Is the research question you are going to investigate a financial or management accounting question? Is it about decision making or control? (ii) Carefully develop the decision situation. Most importantly, make clear who the decision maker(s) is (are), what their task is, what the sequence of events is, what information they have. Make clear whether there is any uncertainty and/or information asymmetry. (iii) Decide about whether and how you plan to manipulate the decision situation in order to find out how participants' decisions change with changes in the decision situation. The research question you want to investigate has to guide the manipulations. (iv) Derive a benchmark prediction of behavior in the situation you have developed. The benchmark prediction has to follow from standard economic assumptions about behavior (i.e., self-interest, rationality). (v) Explain whether and how you expect actual behavior to deviate from the standard rational prediction.

In order to find help on how to design an experiment, use the Friedman and Sunder book from the reading list. It is further recommended that you review classic experimental papers from the economic/psychology literature with very simple designs. For example, if you plan to design an experiment with interactions of two or more decision makers, read Güth, Schmidtberger, Schwarze (1982), *An Experimental Analysis of Ultimatum Bargaining,* Journal of Economic Behavior and Organization 3, 367-388. Or, if you plan to design an experiment with a single decision maker, read Gigerenzer, Hoffrage (1995), *How to Improve Bayesian Reasoning without Instruction*, Psychological Review 102, 684-704.

Course Schedule *(Starting time might be changed according to doctoral participants' travel schedules)***:**

Day 1: 10:00 - 11:30 Introduction to experimental research in accounting • 11:30 - 11:45 Coffee Break • 11:45 - 13:00 Testing theory by way of an experiment • 13:00 - 13:45 Lunch Break • 13:45 - 15:00 Experimental Design Issues (1) • 15:00 - 15:15 Coffee Break • 15:15 - 16:30 Experimental Design Issues (2) • 16:30 - 16:45 Coffee Break • 16:45 - 18:00 Analyzing experimental data.

Day 2: 9:00 - 10:30 Presentations 1 and 2 • 10:30 - 10:45 Coffee Break • 10:45 - 12:15 Presentations 3 and 4 • 12:15 - 13:00 Lunch Break • 13:00 - 14:30 Presentations 5 and 6 • 14:30 - 15:30 Wrap-up.

Day 3: 9:00 - 13:00 Presentations of Experiments and Discussion

Day 1 will be lectures by Prof. Gillenkirch, day 2 and 3 will be classroom discussions.

Course registration and Discussion Assignments:

Please contact Prof. Gillenkirch for all questions regarding the course.
Contact: robert.gillenkirch@uni-osnabrueck.de

Registration is open until Feb. 15, 2016. That is, to participate in the course, you have to register by writing an E-Mail to Prof. Gillenkirch. With your E-Mail, please provide a *Leistungsnachweis* as an attachment.

When registering for the course, please provide a full preference list over the six papers. Also announce whether you want to build a group with other participants for tack C. After the registration deadline, assignments of participants to papers and to groups will be made and announced.

If two participants are assigned to a paper, they are expected to work independently on their discussion.