DAR Ph.D. Seminar Summer 2018

Empirical Research on Disclosure, Reporting, and Transparency in Markets and Regulation

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Format
The class format will be a mixture of lectures and discussion. I will try to make class as informal as possible to facilitate discussion and questions. I will also draw extensively on students to summarize and criticize assigned papers. This format requires preparation on your part and it is essential that you have read papers prior to coming to class.

Reading Assignments
Each topic has a set of readings. I distinguish between two types of readings. General readings will introduce you to the topic and provide an overview and a background for the class discussion. So you can skim parts of them. I tried to give you some pointers. The assigned papers will be discussed in more detail. Each student should be prepared to discuss the following questions for each assigned paper:

1. Is the paper well motivated? Why is the research question (un)interesting? What is the paper’s contribution?
2. How compelling are the hypotheses?
3. What is the study’s research design and identification strategy?
4. How well is the research design tied to the research question? To what extent is the design capable of distinguishing between alternative hypotheses?
5. What are the major results? How do the authors interpret them? How do you interpret them?
6. What new research questions do the results raise?

Write-ups
Each student is required to submit a short write-up of each assigned paper (but not for the general readings). The write-up should be shorter than a page and can be bullet points. It should briefly state your view of contribution, design, and major issues. It should not be an abstract. The write-ups are a way to make sure everybody has read the papers. The write-ups are due at the beginning of each class and to be printed out (double-sided so there is one page per participant).
Course Outline

Below is a schedule of the topics and readings to be covered.

Class 1 (Tue 13-15h):

Causal Inferences in Accounting

This class will be an (interactive) big-picture lecture focusing on research design as well as discussing identification challenges in accounting research more generally.

General Reading (only):
3. Gow, Larcker, and Reiss, 2016, Causal Inference in Accounting Research, Journal of Accounting Research. (Read intro and then the section on structural modeling)

Class 2 (Tue 16-18h):

Shocks and Financial Disclosure

General Reading:
1. Leuz and Schrand, 2009, Disclosure and the Cost of Capital: Evidence from Firms’ Responses to the Enron Shock, Working paper (Just read new intro)

Assigned Papers:
Class 3 (Wed 9-12h):

International Accounting and the Effects of Accounting Standards

General Reading:


2. Leuz and Verrecchia, 2000, The Economic Consequences of Increased Disclosure, *Journal of Accounting Research* 38, 91-124. (We will not discuss this paper in detail but you should be familiar with its motivation and basic findings as I will use it as an example in class.)

Assigned Papers:


Class 4 (Wed 14-17h):

Regulation of Disclosure and Reporting

General Reading:


Assigned Papers:


Class 5 (Thu 9-12h):

Real Effects of Disclosure Regulation

General Reading:

1. Dranove and Jin, 2010, Quality Disclosure and Certification, *Journal of Economic Literature* 48, 935–963. *(Read to get a basic sense for literature)*

Assigned Papers:


Class 6 (Thu 13-15.30h):

Proprietary Costs of Transparency

General Reading:


2. Cho, 2015, Segment disclosure transparency and internal capital market efficiency: Evidence from SFAS No. 131, *Journal of Accounting Research* 53, 669-723. *(Just skim to get a sense for literature on segment disclosure)*

Assigned Papers:
