Seminar in Managerial Accounting
„Earnings management and reporting bias“
Winter semester 2017/2018
Beleg-Nr.: 170707

Timetable

- Application should be submitted by 4 pm on Wednesday, August 30, 2017.
- Preliminary talk and topic assignments on Wednesday, September 6, 2017 at 10 am in Niedersachsensaal.
- Mid-term talks on Thursday, September 21, 2017 at 10 am and on Thursday, October 5, 2017 at 10 am in Niedersachsensaal.
- Discussion paper and presentation should be handed in by Thursday, October 19, 2017.
- Blocked course in Niedersachsensaal on:
  o Thursday, October 26, 2017
  o Friday, October 27, 2017

Performance requirements

- Full attendance (mandatory)
- Discussion paper - approximately 20 pages long (in teams of 2 students)
- Presentation and discussion (30 min + 20 min per team)
- Oral participation and discussion of other papers and presentations
- It is highly recommended to participate in the seminar preparation course “Wissenschaftliches Arbeiten” held by our Institute in the winter semester 2017.
Details:

- The seminar is held in English.
- Asymmetric information between the managers and the shareholders leads to agency problems. The managers often have incentives to engage in actions which are beneficial to them, but detrimental to the capital providers. This seminar will focus on the agency conflicts resulting from asymmetric information between the managers, shareholders and the market. On the one hand, earnings management can be thought of as the use of manager’s judgement in the reporting process or as the manager’s intervention into the reporting process. On the other hand, it can be thought of as a deliberate misstatement or omission of material facts. In this seminar we will look at the economic trade-offs of earnings management in different settings (corporate governance, disclosure etc.).
- For each topic we will assign an analytical paper focusing either on moral hazard or adverse selection problems in this specific topic.
- The main task is to describe and explain the formal model, both in the discussion paper and in the presentation, as well as a detailed analysis of the topic and relevant literature.
- Each topic will be analyzed by two students. The topic and teams will be set in advance.

Topics:

**Topic 1**  Association between earnings management and voluntary earnings forecasts  
**Topic 2**  Corporate governance and the reporting bias  
**Topic 3**  Earnings management and the violation of the Revelation Principle  
**Topic 4**  Earnings management and the accounting standards  
**Topic 5**  Disclosure costs and biasing of the reports  
**Topic 6**  Disclosure and the information asymmetry  
**Topic 7**  Valuation relevance and the accounting bias  
**Topic 8**  Accounting conservatism and the incentives for earnings management