Future Research in Financial Reporting

Mary E. Barth
Stanford University

IAAER and ACCA Early Career Researcher Consortium
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Agenda

• What are current trends in financial reporting research?
• What are keys to publishing your research in top journals?
• What are keys to having your research impact standard setting?
• What should you do and not do in international research?
Current trends in research?

• Familiar research questions still looking for answers
  – Financial reporting technical issues
  – Globalization of financial reporting
  – Role of accounting information in valuation
  – Mechanism for processing accounting information
  – Accounting information as complement or substitute for other information
  – Effects of incentives and institutions
  – Political economy of standard setting
  – ...

Current trends in research?

• Research builds on itself
  – Objective is to extend our knowledge
  – Means that current research begets future research
• Familiar research questions still looking for answers
  – New data, new techniques, new insights
• Need to judge when we’ve had enough
  – One more dial-turn is not interesting!
  – It must tell us something new that we want to know
• Best to be a trend-setter!
Keys to publishing in top journals?

- New insights—this is a necessary condition
- Use the scientific method
  - Theoretical framework and motivating question
  - Form hypothesis
  - Ensure internal and external validity
  - Conduct critical analysis
- What is plausible alternative hypothesis?
- Not about supporting a point of view
- Inferences must derive from analysis; do not over-interpret results

Write clear, concise, precise, integrated paper
- Understandable, replicable, logical flow
- Prior literature only to explain how it affects analysis or interpretation

Introduction gives overview answers to 4 questions
- What is the research question?
- Why do we care?
- How do you address the question?
- What do you find?
Keys to impacting standard setting?

• Identify a question of interest to standard setters

• Understand the standard setting issue, institutional details of the relevant accounting, and setting
  – Standard setters understand and will dismiss your research if it appears that you do not
  – Results in research designs that take advantage of key aspects of institutions

• Explain analyses and inferences so that standard setters can understand and relate to them
  – Standard setters are smart people who deal in precise terminology

Do and do not do in international research

• Do
  – Exploit international differences to obtain new insights and highlight where institutional features cause reporting differences
  – Link to existing literature
  – Use care with cross-country data and controlling for cross-country differences
  – Be creative about overcoming data availability issues

• Do not
  – Presume conducting an old analysis in a new country is interesting
Questions?