



Future Research in Financial Reporting

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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
 - ...

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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!

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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

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Keys to publishing in top journals?

- 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?

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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 setter are smart people who deal in precise terminology

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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

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Questions?

