Course Outline
Corporate Reporting and Disclosure Strategies: Theory, Practice and Trends
JMSB
Fall 2010

General Information
Course Number: AMDI 861 A
Credits:
Class time:
Class location:

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Learning Outcomes

This course provides an overview of corporate disclosure by focusing on selected topics that are currently deemed of particular interest to financial reporting.

We focus on three main themes. First, we will debate International Financial Reporting Standards (IFRS), in particular their origins and consequences. Second, we will discuss the response of the accounting profession to the financial crisis. Third, we will debate the consequences of disclosure, both economic and social. Our focus will be on what exactly those consequences are, and how these consequences can be influenced via impression management.

Overall, this course develops your understanding of the salient aspects of corporate disclosure, based on current theoretical and empirical academic research. This understanding will further your ability to conduct independent research in the field of disclosure.

Learning Approach

The learning approach for this course has three building blocks:

1. You are expected to come to class prepared, that is, to do the required readings for each class and any other assigned work (further described in the class schedule starting on page 4).
2. You are expected to actively participate in the lectures. Class participation enhances your learning process, because it encourages active thinking on your part.
3. You are expected to work on an individual research paper proposal, the topic of which you get to choose. This project provides you with the opportunity to critically analyze a corporate disclosure issue of interest to you.

Required Course Material

The primary materials for this course are the articles detailed in the class schedule starting on page 4. These articles are available through the Concordia University Library’s website.

Additional required material may be distributed to you.

Course Evaluation Grid

The final grade for the course is based on the following components:

1. Class participation 20%
2. Papers to read 10%
   - Critiques
   - Questions
3. Project 50%
   - Paper
   - Presentation

Any work that is handed in late is subject to a 5% penalty per day of being late.
Course Evaluation Details

1. Class participation
   You are expected to actively participate in each lecture, that is, to ask and answer questions, as well as volunteer thoughts. Our lectures are based on the papers that are detailed in the class schedule. You are expected to have worked through these papers in a way that lets you actively contribute to the class discussions of these papers.

2. Papers to read
   • **Critiques**
     Each week, every student has to pick one paper amongst the list of papers scheduled for that week, and prepare a written critique of that paper.
     The critique addresses the following questions:
     - What is the paper’s research question?
     - What is the paper’s contribution (i.e. why are the research question and the paper’s answer to it important and new)?
     - How does the paper answer the research question (i.e. what are the theories and methods used to answer the research question)?
     - Is the paper’s conclusion satisfactory and convincing (i.e. do you buy the paper’s own answer to its research question)?
     The critique is limited to **two** pages of text. The student who critiques a particular paper is expected to guide the class discussion of that paper.
   • **Questions**
     The students who do not critique a paper in a given week have to provide **two** questions for that paper that they deem relevant and interesting.
     The questions have to be handed in.

3. Project
   • **Paper** (due in the last week of the course)
     Each student has to write a paper proposal on a topic of their choosing that relates to corporate disclosure.
     The paper is between 9 to 10 pages long, and organized into clearly delimited sections that guide the reader through your report.
     Your grade of the paper is based on the extent to which you include the following elements (and respect the formatting guidelines above):
     - **Introduction** (2-3 pages):
       - **What is your topic about?** Be specific in defining your topic (you need to understand what elements are and are not part of your project). Give only the background information necessary to
understand what you write about.

- **Why is your topic important?** Write about why you think that anyone should care about your topic.

- **What is your main argument?** Provide a succinct summary of the main arguments based on which you intend to develop the answer(s) to your topic question.

  - Main argument (6-7 pages): The main argument provides the outline of your analysis, and develops the hypotheses (if there are any)
    - Focus on the research question. Include only elements in the main argument that directly speak to your research question.
    - Be neutral, in order to consider all possible sides of the argument.
    - Use simple logic and common sense.

In addition to the 9-10 pages of text, you can (but you do not have to) include appendices in the proposal (with tables and/or graphs). If you cite other people’s work, include at least one appendix with the alphabetized references of all the work that you cite. Not providing proper references is plagiarism, which is a grave academic offense (see Concordia’s Code of Conduct below for more information on this).

- **Presentation** (in the third to last week of the course)

  Your presentation is an outline of your final paper, and contains its major ingredients. We will provide you with feedback on where you are heading with your project based on your proposal. You are expected to revise your paper based on our feedback.

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**Academic Integrity**

The Code of Conduct at Concordia University states that the “integrity of University academic life and of the degrees, diplomas and certificates the University confers is dependent upon the honesty and soundness of the instructor-student learning relationship and, in particular, that of the evaluation process. As such, all students are expected to be honest in all of their academic endeavors and relationships with the University.” (Undergraduate Calendar, section 16.3.14 or Graduate Calendar 2005-2006, pages 667-680). **No work should be submitted under your name unless you are the sole author/preparer. Examinations must be written without the use of any unauthorized material.** All students enrolled at Concordia are expected to familiarize themselves with the contents of this Code. You are strongly encouraged to visit http://johnmolson.concordia.ca/ugrad/conduct.cfm, which provides useful information about proper academic conduct.
**Class Schedule**

If not otherwise indicated, the papers in this class schedule are available through the Social Sciences Research Network website [http://www.ssrn.com](http://www.ssrn.com) or through Concordia’s library website [http://www.library.concordia.ca/](http://www.library.concordia.ca/).

1. **Week 1 (xx/xx/2010): What are the origins of IFRS? (Spence)**

   Sebastian Botzem, Sigrid Quack, ‘(No) Limits to Anglo-American accounting? Reconstructing the history of the International Accounting Standards Committee: A review article’, *Accounting, Organizations and Society*, vol.34, issue 8, 2009, pp.988-998


2. **Week 2 (xx/xx/2010): What are the consequences of IFRS? (Mangen)**


   O’Brien, P., 2009, Changing the concepts to justify the standards, *Accounting Perspectives* 8 (4) 263-275


3. **Week 3 (xx/xx/2010): What are the consequences of IFRS? (Spence)**

   Parmod Chand, Michael White, ‘A critique of the influence of globalization and convergence of accounting standards in Fiji’, *Critical Perspectives on Accounting, volume 18, issue 5, July 2007*, pp.605-622


7. Week 7 (xx/xx/2010): Does strategic disclosure work? The case of capital markets (Mangen)


Spina Pinello, A., 2008, Investors’ differential reaction to positive versus negative earnings surprises, Contemporary Accounting Research 25 (3) 891-920

Keung, E., Z. Lin, and M. Shih, 2010, Does the stock market see a zero or small positive earnings surprise as a red flag? Journal of Accounting Research 48 (1) 105-137

8. Week 8 (xx/xx/2010): Does strategic disclosure work? The case of executive compensation (Mangen)


9. **Week 9 (xx/xx/2010): What are the motivations for social and environmental disclosures?** (Spence)


José M. Moneva, Pablo Archel, Carmen Correa, ‘GRI and the camouflaging of corporate unsustainability’, *Accounting Forum, Volume 30, Issue 2, June 2006, Pages 121-137*

10. **Week 10 (xx/xx/2010): What are the motivations for social and environmental disclosures?** (Spence)


11. **Week 11 (xx/xx/2010): What was the role of the accounting profession in the financial crisis?** (Mangen)


12. **Week 12 (xx/xx/2010): What was the role of the accounting profession in the financial crisis?** (Spence)

Christopher Humphrey, Anne Loft, Margaret Woods, “The global audit profession and the international financial architecture: Understanding regulatory relationships at a time of financial crisis”, *Accounting, Organizations and Society, Volume 34, Issues 6-7, August-October 2009, Pages, 810-825

Prem Sikka, “Financial crisis and the silence of the auditors”, *Accounting, Organizations and Society, Volume 34, Issues 6-7, August-October 2009, Pages 868-873*
Henri Guénin-Paracini, Yves Gendron, “Auditors as modern pharmakoi: Legitimacy paradoxes and the production of economic order”, *Critical Perspectives on Accounting, Volume 21, Issue 2, February 2010, Pages 134-158*

Patricia J. Arnold, Global financial crisis: The challenge to accounting research *Accounting, Organizations and Society, Volume 34, Issues 6-7, August-October 2009, Pages 803-809*