



SYLLABUS

COURSE DESCRIPTION		
Type of the course: (x) Normal () Teaching Assistant (TA) () Thesis/Dissertation		
Course Title: Advanced Accounting Theory		
Periodicity: (x) Annual () Semestral () Sporadic		
Academic term: Trimester		
WORKLOAD		
Workload: 60-hour course		Credits: 4
Theoretical: (1 credit = WL 15)	Research: (1 credit = WL 15)	Theoretical-empirical: (2 credits = WL 30)
Academic Degree: () Master () PhD (x) Master and PhD		
Course Type:		
Master: (x) Elective - () Compulsory		Doctorate: (x) Elective - () Compulsory
COURSE INSTRUCTOR		
AREA OF CONCENTRATION / LINE OF RESEARCH		
Research Area: Controllershship and Governance		
Research Line: Financial Accounting and Governance		
COURSE PURPOSE		
<p>a) Knowledge - provide students with knowledge about advanced topics related to financial accounting and the impact of financial information to capital market;</p> <p>b) Skills - develop critical skills to judge the quality of accounting information and its usefulness in a market economy perspective; and</p> <p>a) Attitudes - motivate students to critical reflection through research and scientific production in this area of knowledge.</p>		
COURSE DESCRIPTION		
Financial information in a market economy. Regulation. Models of earnings quality. Accounting choice. Financial reporting environment. Financial Analysts and accounting information.		
COURSE CONTENT		
<ol style="list-style-type: none"> 1. Role of financial information in a market economy: <ul style="list-style-type: none"> ✓ Adverse Selection problem (Valuation); ✓ Moral Hazard problem (Stewardship) 2. Regulation <ul style="list-style-type: none"> ✓ Economic theories of regulation; ✓ Lobbying; ✓ Managers discretionary power and consequences for accounting information. 3. Earnings Quality for investors and creditors <ul style="list-style-type: none"> ✓ Conditional and unconditional conservatism; ✓ Timeliness, persistence and income smoothing; ✓ Value Relevance (Earnings response models); ✓ Earnings Management (Accruals and Operational models); ✓ Comparability of financial information (Similarity of accounting function, T-index and uniformity). 4. Accounting Choices <ul style="list-style-type: none"> ✓ Determinants of accounting policy choice and economics response of capital markets; ✓ Incentives and disincentives for manage accounting policies. 		



5. Financial Reporting Environment
 - ✓ Institutional reporting environment and consequences of accounting information;
 - ✓ Determinants of voluntary disclosure;
 - ✓ Analysts forecasts, managers forecasts and economic consequences of regulating disclosure.
6. Financial Analysts and Accounting Information
 - ✓ Role and relevance of financial information to analysts and creditors.

METHODOLOGY

Lectures, discussions and case studies. Simulation with the use of models applied in financial accounting.

GRADING POLICY

Participation in activities or cases provided in the classroom (30%); participation in group presentation of pre-selected topics of the discipline (40%); final examination (30%).

MAIN REFERENCES

BALL, R.; BROWN, P. An empirical evaluation of accounting income numbers. **Journal of accounting research**, Autumn, p.159-179, 1968.

BASU, S. Discussion of international differences in the timeliness, conservatism, and classification of earnings. **Journal of Accounting Research**, v. 37, n. 2, p. 89-99, 1999.

BEAVER, W. H.; McNICHOLS, M. F.; WANG, Z. Z. Increased market response to earnings announcements in the 21st century: An empirical investigation. **Journal of Accounting and Economics**, v. 69, p 1-21, 2020.

BEYER, A.; COHEN, D. A.; LYS, T. Z.; WALTHER, B. R. The financial reporting environment: Review of the recent literature. **Journal of Accounting and Economics**, v. 50. n. 2-3. p. 296-343, 2010.

CARMO, C. H. S.; RIBEIRO, A. M.; CARVALHO, L. N. G. Lobbying na regulação contábil: desenvolvimentos teóricos e pesquisas empíricas. **Revista Universo Contábil**, v.12, n. 2, p 59-79, 2016.

DECHOW, P. M.; GE, W.; SCHRAND, C. Understanding earnings quality: A review of the proxies, their determinants and their consequences. **Journal of Accounting and Economics**, v. 31, n. 2-3, p. 344-401, 2010.

HEALY, P.; PALEPU, K. G. Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. **Journal of Accounting and Economics**, v. 31, p. 405-440, 2001.

KOTHARI, S. P.; WASLEY, C. Commemorating the 50-year anniversary of Ball and Brown (1968): The evolution of capital market research over the past 50 years. **Journal of Accounting Research**, v. 57, n. 5., p. 1117-1159, 2019.

LI, N.; RICHARDSON, S.; TUNA, I. Macro to micro: Country exposures, firms fundamentals and stock returns. **Journal of Accounting and Economics**, v. 58, p. 1-20, 2014.

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ROYCHOWDHURY, S.; SHROFF, N.; VERDI, R. S. The effects of financial reporting and disclosure on corporate investment: A review. **Journal of Accounting and Economics**, v. 68, 101246, 2019.

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OTHER REFERENCES

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BASU, S. Discussion of international differences in the timeliness, conservatism, and classification of earnings. **Journal of Accounting Research**, v. 37, n. 2, p. 89-99, 1999.

BEAVER, H.; LAMBERT, R. A.; RYAN, S. G. The information content of security prices: A second look. **Journal of Accounting and Economics**, v. 9, p. 139-157, 1987.

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