Management Control
and Incentives

November 29, 2017, 08:15-18:00, Location: see KSL.
November 30, 2017, 10:15-17:00, Location: see KSL.

Introductory session: September 19, 2017, 13:15-16:00, Location: see KSL.

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1. Content

This course is a research seminar for master students in Accounting, Control, and Finance. As a pre-requisite, participants should have a basic expertise in managerial accounting, finance and principal-agent-theory. The course language is English. The number of participants is constrained to a maximum of 14.

The purpose of the course is twofold: first, students will deepen their knowledge of some central accounting topics with a specific focus on management control and incentives in firms. Second, students will gain insights into how to understand, analyze and conduct empirical accounting research (e.g., experiments and surveys) and how to prepare a research proposal. Introductory literature into the methodology of experimental research will be uploaded to ILIAS and represents mandatory reading material.

The seminar will be organized in four blocks of different fields of accounting research: Budgeting, Incentive Contracts, Target Setting, and Team Incentives. Students will be assigned to one of these blocks and provided with some relevant research literature in this field. Each student's task consists in developing his/her own research question and proposal in the assigned field of accounting research and to write a seminar paper on this research proposal (in English; max. 12 pages without title page, index and bibliography; 12pt font size; 1.5 line spacing), that has to be submitted by November 12, 2017 (23h59). Therefore, students will have to search for further literature and understand the current state of the art, its limitations and gaps in the field before developing their own research question.¹ Based on their knowledge of the relevant literature in the field

¹ Good journals include, e.g. Accounting, Organizations and Society; The Accounting Review; Contemporary Accounting Research; Journal of Accounting and Economics; Journal of Accounting
and the topics treated in this field, students will develop their own research idea. They are then supposed to develop their own theory, hypotheses and research design. The methodology of their research proposal can be either experimental, empirical (archival or survey) or analytical, depending on what method fits best to answer the research question. Hence, the seminar papers are not mere summaries of the existing research; students are explicitly required to provide in-depth explanations of the theories and empirical findings as well as to challenge the findings they present later to the class.

The seminar paper is expected to include the following points: i) current state of literature, ii) identification of an interesting research question, iii) theory leading to the hypotheses and iv) sketch of the research design including the so called Libby-Boxes\(^2\) that will be explained in the introductory session.

The content of the seminar paper will then be presented (~30min). Afterwards, the project will be discussed in group (~15min). To facilitate the discussion, each students prepares a short handout (max. 2 pages) for his/her presentation containing the most important points of your paper and the before mentioned Libby-Boxes.

All students are prepared for every session, i.e. they prepare the corresponding readings and handouts and they participate actively in the class discussions. Comments based on scientific arguments are expected to be inquisitive, thoughtful and helpful for the presenters. Therefore, when preparing the presentation, they should think about some questions and problems they can share with their fellow students, making it easy to start a discussion in class.

Participants are required to be present during all sessions, i.e. also during the introductory session in which preferences for topics can be stated and the workshop on literature research (except those, who verifiably already participated).

The final deadline to register is September 1, 2017 (23h59) by email to beatrice.pidoux@iuc.unibe.ch. Together with the registration, the current profile sheet ("Studienblatt") is required as well as additional information about the stage of studies and the motivation for the seminar (e.g. plans for the master thesis). A participant list will be uploaded to the institute’s homepage. The topics will be assigned after the introductory session, no later than September 23, 2017.

Whenever the number of registrations exceeds the maximum number of 14 participants for this seminar, we will select students based on the following criteria:

- Grades in accounting classes,
- Motivation letter,
- Current state of master studies.

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Research: Review of Accounting Studies; Journal of Management Accounting Research; Behavioral Research in Accounting or Management Science.

Course Evaluation

- Classroom contribution (20%)
- Presentation and handout (40%)
- Written seminar paper (40%)

Workshop on Literature Research

Mr. Beda Scherrer holds a mini-workshop on how to most efficiently organize a literature research on September 19, 2017, from 12:00 to 13:00 (Kursraum Engehalde (PC), Room -105, Neubrückstrasse 10 (Areal Engehalde). All students (except those, who verifiably already participated) are required to participate in this workshop.

2. Organization

The course takes place on November 29, 2017 from 8:15 to 18:00 and on November 30, 2017 from 10:15 to 17:00. Students who like to participate must attend the introductory session on September 19, 2017, from 13:15-16:45.

Please reserve the following dates in your agenda:

- September 19, 2017, 12:00-13:00, and 13:15-16:45
- November 29, 2017, 8:15-18:00,
- November 30, 2017, 10:15-17:00.

Remember also, that students must register with their profile sheet (Studienblatt) until September 1, 2017 (23h59) by email to beatrice.pidoux@iuc.unibe.ch. Note that the registration is decisive and binding.

Students who will be presenting send their slides and handouts until November 26, 2017 (23h59) to christoph.hoerner@iuc.unibe.ch, so that the handouts can be made available to the whole group on ILIAS. Minor adjustments can be made afterwards; the grades will be based on the versions students present in class.

The seminar paper has to be submitted until November 12, 2017 (23h59) to markus.arnold@iuc.unibe.ch and christoph.hoerner@iuc.unibe.ch. Missing the deadline will definitely lead to the attribution of the minimal mark (1.0). Basic literature will be made available shortly after the registration deadline.
3. Topics and Readings

**Basic Mandatory Reading on Experimental Methodology:**


Optional:


**Basic Reading “Budgeting”:**


**Basic Reading “Incentive Contracts”:**


**Basic Reading “Target Setting”:**


**Basic Reading “Team Incentives”:**


*All papers and reading materials are available at the Institute for Accounting.*