ACCOUNTING READING GROUP 1

Accounting Department

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Objectives

The goal of the reading group is to expose students to contemporary topics in corporate governance. Broadly speaking, the reading group will focus on shareholder dynamics and their interrelationships with corporate disclosure choices and real firm outcomes. For instance, we will cover empirical studies on shareholder activism, voting dynamics, shareholder preferences, and the role of governance intermediaries. We will also examine how firms respond to shareholder pressures, particularly those arising from litigation risks. Finally, we will explore the role of information in engaging with shareholders, especially in the context of emerging forms of financing.

For each topic, we will discuss the underlying theory, research design, data, econometric techniques, and empirical challenges. The assigned readings primarily serve as examples to illustrate and debate methodological issues in empirical corporate governance research. We will conclude by considering promising avenues for future research in the field.

Materials

Below is a list of readings for the class. Please obtain published articles from the library via their e-journal website. Please let me know if you have trouble finding a required readings or assigned materials.

Format

The class format will be discussion-based. I will try to make class as informal as possible to facilitate discussion and questions. I will also draw extensively on students to summarize and discuss papers. This format requires preparation on your part, and it is essential that you have read papers prior to coming to class. Each class will last 3 hours (from 9am to 11.45am).

Reading Assignments

Each topic has a set of three readings (i.e., papers that have been published in the last five years or so in top journals in the field) that will be discussed in depth. Each student should be prepared to discuss the following questions for each paper:

1. Is the paper well motivated? Why is the research question (un)interesting? What's the paper's contribution?
2. How compelling are the hypotheses?
3. What's the study's research design? Consider sample selection, identification strategy, and empirical tests.
4. How well is the research design tied to the research question? To what extent is the design capable of distinguishing between alternative hypotheses?
5. What are the major results? How do authors interpret these results? How do you interpret them?

The responsibility to lead the discussion for this paper will be assigned to one person in advance (no need to prepare slides or handout). We will assign papers in the first class. There is no restriction on bilateral exchanges of papers but let me know.

In addition to read the papers assigned to each class, each student is expected to generate a research idea based on the topic discussed during the class. The idea will be pitched in class considering the following elements:

1. Research question
2. Why is important/relevant
3. (Expected) contribution
4. Research approach (archival, survey-based, analytical), and strategy (i.e., data and research design)

The idea is to exercise your ability to generate new ideas and questions while learning how to evaluate potential research projects.

Course outline

Below is a tentative schedule of the topics and readings to be covered each week. We may adjust it over the course of the quarter.

Class 1: Do shareholders (always) influence firms? (Week 4th February)

General readings:

1. Brav, A., Cain, M., & Zytnick, J. (2022). Retail shareholder participation in the proxy process: Monitoring, engagement, and voting. *Journal of Financial Economics*, *144*(2), 492-522.

2. Appel, I. R., Gormley, T. A., & Keim, D. B. (2019). Standing on the shoulders of giants: The effect of passive investors on activism. *The Review of Financial Studies*, *32*(7), 2720-2774.

3. Abramova, I., Core, J. E., & Sutherland, A. (2020). Institutional investor attention and firm disclosure. *The Accounting Review*, *95*(6), 1-21.

Additional readings:

1. McCahery, J. A., Sautner, Z., & Starks, L. T. (2016). Behind the scenes: The corporate governance preferences of institutional investors. *The Journal of Finance*, *71*(6), 2905-2932.

2. Levit, D., Malenko, N., & Maug, E. (2024). Trading and shareholder democracy. *The Journal of Finance*, 79(1), 257-304.

Class 2: Shareholders' influence (Week 11th February)

1. Aggarwal, D., Eldar, O., Hochberg, Y. V., & Litov, L. P. (2022). The rise of dual-class stock IPOs. *Journal of Financial Economics*, *144*(1), 122-153.

2. Slager, R., Chuah, K., Gond, J. P., Furnari, S., & Homanen, M. (2023). Tailor-to-target: Configuring collaborative shareholder engagements on climate change. *Management Science*, *69*(12), 7693-7718.

3. Brochet, F., Chychyla, R., & Ferri, F. (2024). Virtual shareholder meetings. *Management Science*, 70(9), 5896-5930.

Class 3: Governance intermediaries (Week 18th February)

1. Lehmann, N.. "Do corporate governance analysts matter? Evidence from the expansion of governance analyst coverage." *Journal of Accounting Research* 57, no. 3 (2019): 721-761.

2. Hayne, C., & Vance, M. (2019). Information intermediary or de facto standard setter? Field evidence on the indirect and direct influence of proxy advisors. *Journal of Accounting Research*, *57*(4), 969-1011.

3. Bonetti, P., & Ormazabal, G. (2023). Boosting foreign investment: the role of certification of corporate governance. *Journal of Accounting Research*, *61*(1), 95-140.

Class 4: Shareholders' preferences (Week 25th February)

1. Park, J., Sani, J., Shroff, N., & White, H. (2019). Disclosure incentives when competing firms have common ownership. *Journal of Accounting and Economics*, *67*(2-3), 387-415.

2. Dikolli, S. S., Frank, M. M., Guo, Z. M., & Lynch, L. J. (2022). Walk the talk: ESG mutual fund voting on shareholder proposals. *Review of Accounting Studies*, *27*(3), 864-896.

3. Jacob, M., & Michaely, R. (2017). Taxation and dividend policy: The muting effect of agency issues and shareholder conflicts. *The Review of Financial Studies*, *30*(9), 3176-3222.

Class 5: Shareholders' disclosure (Week 4th March)

1. DeHaan, E., Song, Y., Xie, C., & Zhu, C. (2021). Obfuscation in mutual funds. *Journal of Accounting and Economics*, *72*(2-3), 101429.

2. Honigsberg, C. (2019). Hedge fund regulation and fund governance: Evidence on the effects of mandatory disclosure rules. *Journal of Accounting Research*, *57*(4), 845-888.

3. McDonough, R., Nagar, V., & Schoenfeld, J. (2024). Voluntary disclosures by activist investors: the role of activist expectations. *Review of Accounting Studies*, 29(3), 2031-2081.

Class 6: Corporate litigation (Week 11th March)

1. Huang, S., Roychowdhury, S., Sletten, E., & Xu, Y. (2025). Just Friends? Managers' Connections to Judges. *Journal of Accounting Research*, *63*(1), 461-502.

2. Barrios, J. M., & Wollmann, T. G. (2024). A new era of midnight mergers: Antitrust risk and investor disclosures. *American Economic Journal: Microeconomics*, *16*(4), 77-111.

3. Ferrell, F. A., Manconi, A., Neretina, E., Powley, W., & Renneboog, L. (2025). Corporate litigation, governance, and the role of law firms. *Journal of Accounting Research*.

Class 7: Disclosure in face of takeover threat (Week 18th March)

1. Chen, S., Miao, B., & Valentine, K. (2022). Corporate control contests and the asymmetric disclosure of bad news: Evidence from peer firm disclosure response to takeover threat. *The Accounting Review*, *97*(1), 123-146.

2. Chapman, K. L., Miller, G. S., Neilson, J. J., & White, H. D. (2022). Investor relations, engagement, and shareholder activism. *The Accounting Review*, 97(2), 77-106.

3. Stewart, C. R. (2023). Appraisal rights and corporate disclosure during mergers and acquisitions. *Journal of Accounting and Economics*, *75*(1), 101527.

Class 8: Less -explored investors (Week 25th March)

1. Baik, B. K., Berfeld, N., & Verdi, R. S. (2025). Do Public Financial Statements Influence Private Equity and Venture Capital Financing?. *The Accounting Review*, *100*(2), 1-20.

2. Pawliczek, A., Skinner, A. N., & Zechman, S. L. (2024). Signing blank checks: The roles of disclosure and reputation in the face of limited information. *The Accounting Review*, *99*(2), 395-419.

3. Bourveau, T., De George, E. T., Ellahie, A., & Macciocchi, D. (2022). The role of disclosure and information intermediaries in an unregulated capital market: Evidence from initial coin offerings. *Journal of Accounting Research*, *60*(1), 129-167.