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UNIVERSITÄT  
BERN



#### XIV. Summer School on Accounting 2018

Accounting, Relationships, and  
Contracts

with

**Professor Jonathan Glover**

(Columbia University)

**Munich, July 9–11, 2018**

[www.accounting-summer-school.eu](http://www.accounting-summer-school.eu)

#### Course description

This course is designed for PhD students and other researchers interested in accounting theory.

The course will largely view accounting theory as a subfield of information economics and will focus on the contracting role of accounting, where contracting includes both explicit contracts that can be enforced by the courts and implicit/relational contracts that must be self-enforcing (typically through repeated encounters). The first part of the course will cover basic models. The second part will take up particular applied topics, reviewing existing results and with an eye toward developing new directions.

#### Basic Models:

- Adverse selection and moral hazard
- Relational contracts (single- and multi-agent)
- Decentralization
- Corporate culture

#### Applied Topics:

- Information system design as a substitute for commitment
- Earnings management
- Reporting frequency
- Accounting conservatism
- Corporate governance (including the role of the board of directors)
- Non-verifiable performance measures
- Accountability viewed as a relational contract
- Accounting and corporate culture (within and across firms)
- Financial reporting regulation and standard setting

The primary objective of the course is to identify avenues for future research.

#### Introductory readings

(read in the order listed):

- Arya, A., J. Glover, and S. Sunder. "Earnings management and the revelation principle." *Review of Accounting Studies* 3.1-2 (1998): 7-34.
- Levin, J. "Relational incentive contracts." *American Economic Review* 93.3 (2003): 835-857.
- Halac, M. "Relational contracts and the value of relationships." *American Economic Review* 102.2 (2012): 750-79.
- Baldenius, T., J. Glover, and H. Xue. "Relational contracts with and between agents." *Journal of Accounting and Economics* 61.2-3 (2016): 369-390.

#### Course Requirements

This course is lecture based. A list of the course readings will be sent to the participants in time. It will be the student's responsibility to read the assigned papers prior to the course, and to be ready to engage in discussion with the class. We expect an active cooperation from the participants. Therefore, it is essential to become acquainted with the assigned papers and underlying analytical methods.



#### Instructor

The seminar leader is **Prof. Jonathan Glover** (Columbia University), an internationally highly recognized colleague.

For more details, see:

<https://www8.gsb.columbia.edu/cbs-directory/detail/jg3463>

### Venue and Schedule

The course will be held at the Ifo Institute-Leibniz Institute for Economic Research at the University of Munich, Poschinger Straße 5, 81679 Munich.

- Mon., July 9, 9 am to 5 pm
- Tue., July 10, 9 am to 5 pm
- Wed., July 11, 9 am to 5 pm



### Course language

The course language is English.

### Organization

The summer school is jointly organized by

- Prof. Dr. Christian Hofmann (LMU Munich),
- Prof. Dr. Alexis H. Kunz (University of Bern), and
- Prof. Dr. Thomas Pfeiffer (University of Vienna).

### Fees

No enrollment fees apply.

### Admission requirements

The course focuses on issues of managerial accounting, performance measurement and cost accounting on an advanced level. The participants should therefore exhibit, apart from analytic abilities, knowledge within the range of these topics. A close relation of the participant's scientific work to the course content is desirable. The number of participants is limited.

### Application

The **deadline** for applications is **March 31st, 2018**. A complete application includes (i) a short personal record (Curriculum Vitae), (ii) a list of visited lectures in accounting, economics or finance and (iii) a short description of the thesis and/or postdoctoral lecture qualification in English.

Please mail the documents as a single pdf file (yourname\_youruniversity.pdf) to [iuc@bwl.lmu.de](mailto:iuc@bwl.lmu.de).

Participants will be informed upon their acceptance by email till mid-April.



### Brief history

The summer school takes place each year alternating among Vienna, Munich and Bern. Previous summer courses were held by Joel Demski (University of Florida), Paul Fischer, Christopher Ittner (University of Pennsylvania), Madhav Rajan, Stefan Reichelstein (Stanford University), John Christensen (University of Southern Denmark) and Steven Huddart (Penn State University).

### Contact

Mrs. Kornelia Samlan  
Secretary of Prof. Dr. Christian Hofmann  
Ludwig-Maximilians-Universität München  
Munich School of Management  
Institute for Accounting and Control  
Geschwister-Scholl-Platz 1  
80539 München  
+49 (0) 89 218 068 92

<http://www.iuc.bwl.uni-muenchen.de>  
[iuc@bwl.lmu.de](mailto:iuc@bwl.lmu.de)