

Research on Real Effects of Reporting Standards
Tamkang University
October 2025
Katherine Schipper

The objective of the presentation/workshop is to consider certain practical issues in designing and carrying out empirical-archival research, organizing and presenting research findings, and interpreting and assessing research designs and research findings. We will think about and evaluate, among other things, research questions and motivating questions, choices required in developing research designs, construct validity of empirical proxies for/measures of unobservable constructs, presentation and interpretation of results (including how a reader might assess the author's interpretations), placement of research findings in the literature and whether a standard setter or securities regulator should be interested in the findings and if so, why.

The specific focus is research that considers whether required reporting (more broadly required information provision) has real effects (sometimes called economic consequences) and if so, what are those effects and their implications. Accounting researchers use the term "real effects" to refer to management's operating, investing and financing decisions. This type of research belongs to a broad stream of inquiry as to whether rules about accounting information provision or information provision generally are consequential and if so how. Although we may touch on matters related to identification and causality, our discussion will not focus on econometric techniques designed to support a causal interpretation.

The presentation will be based on part on analysis of a published paper by Y-C Chen et al., 2018, "The effect of mandatory CSR disclosure on firm profitability and social externalities: evidence from China," *Journal of Accounting and Economics*. This paper is provided separately, and I think you will find it helpful to read the paper before the presentation/workshop. Our purpose is not to criticize or to praise this paper but rather to analyze the authors' decisions about issue identification, research design, empirical proxies/measures for otherwise-unobservable constructs, estimation approaches and presentation of results.

The following examples illustrate the kinds of (general) questions the presentation will consider. Other questions might be drawn from the matters we will discuss. Please keep in mind that we will consider matters not mentioned here.

1. What is the research question (the question the authors intend to answer) and what is the motivating question (the question that makes the research question and empirical findings consequential)?
2. What are the most important assumptions and why are they important?
3. What are the most important design choices and why are they important?
4. What are the main (the most important) findings and how should a reader interpret these findings?