

Bachelorarbeitsthemen im Studiengang Betriebswirtschaftslehre 2022

Thema	Titel	Betreuer/in	Sprache
1	Literature Review: the Role of Ethnicity and Gender in the Audit Process.	<i>Felix Vetter</i>	<i>Deutsch/ Englisch</i>
2	Literature Review: the Role of Ethnicity and Gender in Monitoring and Screening Processes.	<i>Felix Vetter</i>	<i>Deutsch/ Englisch</i>
3	Moonlighting among Members of the European Parliament and the Debate of Accounting Regulation.	<i>Benjamin Tödtmann</i>	<i>Deutsch/ Englisch</i>
4	The Use of Pictures in Corporate Communication.	<i>Benjamin Tödtmann</i>	<i>Deutsch/ Englisch</i>
5	Corporate Communication on Twitter – Do Firms Tweet about their Social Responsibility?	<i>Benjamin Tödtmann</i>	<i>Deutsch/ Englisch</i>
6	How is IFRS Implemented and Enforced in China?	<i>Reeyarn Li</i>	<i>English</i>
7	Climate-related Disasters and Impact on Businesses.	<i>Reeyarn Li</i>	<i>English</i>
8	IFRS Label: Does it Matter?	<i>Sara Alsarghali</i>	<i>Englisch</i>
9	What Characterizes an Accounting Scandal and Accounting Fraud?	<i>Sara Alsarghali</i>	<i>Englisch</i>
10	EY and the Wirecard Scandal – Expected Spillovers.	<i>Sara Alsarghali</i>	<i>Englisch</i>

11	Review of Enforcement Changes in Germany.	<i>Sara Alsarghali</i>	<i>Englisch</i>
12	Adopting a Unique Global Identifier: Progress to Date and Expected Benefits.	<i>Carol Seregni</i>	<i>Englisch</i>
13	Climate Change Related Disclosures: Developing Mandatory and Voluntary Regimes.	<i>Carol Seregni</i>	<i>Englisch</i>
14	Unintended Consequences of Mandated Disclosure: Regulatory Avoidance and Uneven Regulation	<i>Carol Seregni</i>	<i>Englisch</i>
15	Crowd-Based Forecasting: What do we know? – A Literature Review	<i>Matthias Uckert</i>	<i>Deutsch/ Englisch</i>
16	Mobile-Based Financial Communication and Investments – An Overview of the Current Landscape	<i>Matthias Uckert</i>	<i>Deutsch/ Englisch</i>
17	European Single Electronic Format – What do we know and where are we heading to?	<i>Matthias Uckert</i>	<i>Deutsch/ Englisch</i>

Topic 1:

Literature Review: The Role of Gender and Ethnicity in the Audit Process

Supervisor: Prof. Felix Vetter, Ph.D.

Topic Description:

Fostering a more diverse accounting and auditing profession is a core goal of many recent policy initiatives. While these diversity, equity, and inclusion (DEI) initiatives continue to grow at high rates, we know surprisingly little about the possible role of ethnicity and gender in the audit process. Summarizing whether and how these attributes map into audit outcomes is an important first step for projecting how a more diverse profession may possibly shape audit markets in the long run.

This thesis will summarize the nascent literature on the role of ethnicity (and gender) in the audit process. The thesis will specifically cover whether audit outcomes differ by ethnicity and gender of both the auditor as well as the auditee.

Introductory Literature:

- Berglund, N., J. Eshleman (2019). Client and Audit Partner Ethnicity and Auditor-Client Alignment. *Managerial Auditing Journal*. 34(7): 835-862.
- Pham, A., M Pham, C. Truong (2022). Audit Quality: An Analysis of Audit Partner Cultural Proximity to Client Executives. *European Accounting Review*, forthcoming.

Topic 2:

Literature Review: The Role of Ethnicity and Gender in Monitoring and Screening Processes

Supervisor: Prof. Felix Vetter, Ph.D.

Topic Description:

Fostering a more diverse workforce is core objective in many professional services industries and in the public sector. While these diversity, equity, and inclusion (DEI) initiatives continue to grow at high rates, we still know little about the role of ethnicity (and gender) in monitoring and screening processes (e.g., loan approval decisions, enforcement of quality standards, law enforcement). Summarizing whether and how these attributes map into screening and monitoring outcomes is of first order importance to better understand how diversity efforts shape professional and public services (e.g., banking, legal services, policing) in the long run.

This thesis will summarize the nascent literature on the role of ethnicity (and gender) in monitoring and screening processes. Specifically, this thesis covers whether monitoring or screening process outcomes differ by ethnicity and gender of i) the monitoring individual, ii) the monitored individual.

Introductory Literature:

- Abrams, D., Bertrand, M., and S. Mullainathan (2012). Do Judges Vary in Their Treatment of Race? *The Journal of Legal Studies* 41(2): 347-349.
- Goncalves, F., and S. Mello (2021). A Few Bad Apples? Racial Bias in Policing. *American Economic Review* 111(5): 1406-1441.
- Howell, S., T. Kuchler, D. Snitkof, J. Stroebel, and J. Wong (2021). Automation in Small Business Lending Can Reduce Racial Disparities: Evidence from the Paycheck Protection Program. *Working Paper*. Internet: <https://www.nber.org/papers/w29364>, as of: 21.11.2021, accessed on 23.03.2022.

Topic 3:

Moonlighting among Members of the European Parliament and the Debate of Accounting Regulation

Supervisor: Benjamin Tödtmann, M.Sc.

Deutscher Titel: Zweitbeschäftigungen von EU-Parlamentariern und die Debatte um Rechnungslegungsvorschriften

Topic Description:

Members of the European Parliament (MEPs) are legally allowed to carry out paid or unpaid jobs in addition to their political mandate. This is often referred to as ‘moonlighting’. In fact, more than 50% of MEPs have some kind of additional occupation, either in the political domain or in the form of industry employment. At the same time these MEPs debate and decide about regulation that directly affects firms, such as accounting regulation. Hence, the question arises whether politicians tend to favor political positions that fit the interests of their side employer.

The goal of this bachelor thesis is twofold. In a first step, the student should consolidate the literature on moonlighting by political agents with a specific focus on the European setting. In a second step, the student will be provided with a dataset about a selected set of MEPs that discuss accounting regulations and is tasked to gather data on these MEPs moonlighting activities from their EP-website. Finally, this data should be analyzed with the question in mind, whether politicians that have a side job do discuss accounting issues differently than their peers that do not have such an additional employment.

Introductory Literature:

- Bischof, J., Daske, H., & Sextroh, C. J. (2020). Why do Politicians Intervene in Accounting Regulation? The Role of Ideology and Special Interests. *Journal of Accounting Research*, 58(3), 589-642.
- Geys, B., & Mause, K. (2013). Moonlighting Politicians: A Survey and Research Agenda. *The Journal of Legislative Studies*, 19(1), 76-97.
- Hurka, S., Daniel, W. T., & Obholzer, L. (2018). Determinants of Moonlighting in the European Parliament. *The Journal of Legislative Studies*, 24(1), 127-147.

Topic 4:

The Use of Pictures in Corporate Communication

Supervisor: Benjamin Tödtmann, M.Sc.

Deutscher Titel: Die Nutzung von Bildern in der Unternehmenskommunikation

Topic Description:

The way in which corporate information is disseminated to a firm's stakeholders has changed drastically over the past decades. In addition to the annual report as traditional tool of corporate communication, digital information channels such as firms' websites and social media accounts have become central elements in a firm's self-presentation. A feature that all communication channels have in common is that firms combine qualitative (text) and quantitative (numbers) information with visual elements, such as photographs. Even though images used in firms' communications have the power influence readers by subtly transporting a corporate image, they have been rarely in the focus of accounting researchers.

The goal of this bachelor thesis is to conduct a review of the emerging literature focusing on the use of photographs and pictures in corporate communications. Thereby the focus should be on both standard reporting tools such as the annual report and digital information channels such as firms' social media accounts and websites. Besides the different communication channels, the student could further describe the different approaches employed by researchers to (automatically) analyze visual elements in firms' communication.

Introductory Literature:

- Ben-Rephael, A., Ronen, J., Ronen, T., & Zhou, M. (2021). Do Images Provide Relevant Information to Investors? An Exploratory Study. *Working Paper*. Internet: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3954219, as of 08.11.2021, accessed on 23.03.2022.
- Brown, N. C., Elliott, W. B., & Grant, S. M. (2018). Gaming Regulation with Image-Based Tweets. Internet: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3080994, as of 25.01.2022, accessed on 23.03.2022.
- Bujaki, M. L., Durocher, S., Brouard, F., & Neilson, L. C. (2021). Conflicting Accounts of Inclusiveness in Accounting Firm Recruitment Website Photographs. *European Accounting Review*, 30(3), 473-501.
- Lock, I., & Araujo, T. (2020). Visualizing the Triple Bottom Line: A Large-Scale Automated Visual Content Analysis of European Corporations' Website and Social Media Images. *Corporate Social Responsibility and Environmental Management*, 27(6), 2631-2641.

Topic 5:

Corporate Communication on Twitter – Do Firms Tweet about their Social Responsibility?

Supervisor: Benjamin Tödtmann, M.Sc.

Deutscher Titel: Unternehmenskommunikation auf Twitter – Twittern Firmen über ihre soziale Verantwortung?

Topic Description:

Firms' disclosures have been in the focus of researchers for several decades. In the past decade, the increasing use of social media by firms has changed the corporate information environment significantly. Thereby, the social network Twitter has proven to be particularly influential in capital markets, due to its characteristic of a timely dissemination of information. A second trend is the public and political demand for information on firms' social responsibility. Examples are firm disclosures on sustainability and diversity within a company.

The goal of this bachelor thesis is to conduct a review of the literature focusing on corporate use of the social networks, in particular twitter, to disclose capital markets relevant information. After giving a general overview over corporate communication on social media, the thesis is expected to focus on firms' dissemination of information in the broader context of corporate social responsibility in social networks.

Introductory Literature:

- Blankespoor, E., Miller, G. S., & White, H. D. (2014). The Role of Dissemination in Market Liquidity: Evidence from Firms' use of Twitter™. *The Accounting Review*, 89(1), 79-112.
- Gómez-Carrasco, P., Guillamon-Saorin, E., & Garcia Osma, B. (2021). Stakeholders Versus Firm Communication in Social Media: the Case of Twitter and Corporate Social Responsibility Information. *European Accounting Review*, 30(1), 31-62.
- Miller, G. S., & Skinner, D. J. (2015). The Evolving Disclosure Landscape: How Changes in Technology, the Media, and Capital Markets are Affecting Disclosure. *Journal of Accounting Research*, 53(2), 221-239.

Topic 6:

How is IFRS Implemented and Enforced in China?

Supervisor: Reeyarn Li, Ph.D.

Topic Description:

As a major economy in the world, China has converged its national accounting standard towards International Financial Reporting Standard (IFRS) since 2007, improving its accounting quality and facilitating international comparability (Chen et al., 2019). However, notable differences remain (China Italy Chamber of Commerce, 2020). In addition, Chinese government also imposes restrictions on foreign regulators such as U.S. PCAOB and financial institutions such as big-four auditors and credit rating agencies (Ng, 2010, O’Keeffe, 2011, Du and Stevens, 2013, Ghosh et al., 2017, Rapoport, 2018, Leung et al., 2019, Mohapatra et al., 2022). Recent accounting scandals like Luckin Coffee and the dramatic exchanges between the Chinese and U.S. regulators on PCAOB inspection of U.S. cross-listed Chinese firms further puts the issue into the spotlight (Rubio, 2019, Burke et al., 2020, Eaglesham, 2022). It is therefore interesting to study how IFRS are implemented and enforced in China and whether this process results in different reporting outcomes and economic consequences.

This bachelor thesis aims to investigate the institutional settings of China’s implementation and enforcement of the IFRS-converging accounting standard since its substantial convergence in 2007, with a focus on developments in recent years. The student is expected to review relevant news reports, regulatory statements by the government, regulators, and standard setters in China, including the HKSAR, and in the United States, as well as empirical studies concerning the IFRS, financial reporting quality, and capital market outcomes related to Chinese firms.

Introductory Literature:

- Burke, J. J., Hoitash, R., & Hoitash, U. (2020). The Use and Characteristics of Foreign Component Auditors in US Multinational Audits: Insights from Form AP Disclosures. *Contemporary Accounting Research*, 37(4), 2398-2437.
- Chen, C., Lee, E., Lobo, G. J., & Zhu, J. (2019). Who Benefits from IFRS Convergence in China?. *Journal of Accounting, Auditing & Finance*, 34(1), 99-124.
- China Italy Chamber of Commerce. (2020). Chinese Accounting Standards (CAS) vs. IFRS: What are the Main Differences? Available at: <https://www.cameraitacina.com/en/news/chinese-accounting-standards-cas-vs-ifrs-what-are-main-differences>, as of 01.07.2020, accessed on 23.03.2022.
- Du, N., & Stevens, K. (2013). Big Four Audit Independence and Oversight in China. *The CPA Journal*, 83(7), 6.
- Eaglesham, Jean. (2022). China-Based Auditors Pose Risks for U.S. Companies, Study Shows. Wall Street Journal. Available at: <https://www.wsj.com/articles/china-based-auditors-pose-risks-for-u-s-companies-study-shows-11642674601>, as of 20.01.2022, accessed on 23.03.2022.

- Ghosh, A., Peltier, E., & Xing, C. (2017). Audit Quality of Chinese ADR Engagements. *Accounting Horizons*, 31(2), 25-43.
- Leung, N. W., Liu, J. J., & Wong, B. (2019). The Emergence of Second-Tier Auditors in China: Analysis of Audit Fee Premium and Audit Quality. *Asia-Pacific Journal of Accounting & Economics*, 26(6), 684-708.
- Mohapatra, P. S., Elkins, H., Lobo, G. J., & Chi, W. (2022). The Impact of PCAOB International Registration on Audit Quality and Audit Fees: Evidence from China. *Journal of Accounting and Public Policy*, 106947.
- Ng, Serena. (2010). Ex-Moody's Manager Sues Over Firm's Comments. Wall Street Journal. Available at: <https://www.wsj.com/articles/SB10001424052748703466704575489981096091758>, as of 14.09.2010, accessed on 23.03.2022.
- O'Keeffe, Kate. (2011). Fitch sees risk in China accounting standards. Wall Street Journal. Available at: <https://www.wsj.com/articles/SB10001424052702303661904576452870078092198>, as of 18.07.2011, accessed on 23.03.2022.
- PCAOB. (2021). China-Related Access Challenges. Available at: <https://pcaobus.org/oversight/international/china-related-access-challenges>, as of: 31.12.2021, accessed on 23.03.2022.
- Rapoport, Michael. (2018). The Chinese Blind Spot in U.S. Companies' Financials. Wall Street Journal. Available at: <https://www.wsj.com/articles/the-chinese-blind-spot-in-u-s-companies-financials-1532170801>, as of 21.07.2018, accessed on 23.03.2022.
- Rossetti, S., & Verona, R. (2017). International Differences in IFRS Policy Choice and the Persistence of Accounting Classification: the Case of China. *International Journal of Business and Management*, 12(2), 27-46.
- Rubio, Marco. (2019). You Can't Trust a Chinese Audit. Wall Street Journal. Available at: <https://www.wsj.com/articles/you-cant-trust-a-chinese-audit-11559687739>, as of 04.06.2019, accessed on 23.03.2022.

Topic 7:

Climate-Related Disasters and Impact on Businesses

Supervisor: Reeyarn Li, Ph.D.

Topic Description:

Anecdotal evidence and empirical studies by natural science researchers suggest an increase in climate-related natural disasters (CRD) around the globe, such as drought, flood, hurricane, storm, and extreme temperature events, especially in recent decades (Thomas and López, 2015). Such natural disasters may disturb the economic activities and impose high economic costs on individual firms in the region (Burgess et al., 2018). However, there are few firm-level studies on whether such CRD impacts businesses and how large such impact's economic magnitude is.

This bachelor thesis aims to explore both natural and social science studies on climate-related natural disasters in recent decades. Students are expected to conduct a literature review on the related economic, finance, and accounting studies on CRD and their business impacts.

Introductory Literature:

- Aragón, F. M., Oteiza, F., & Rud, J. P. (2021). Climate Change and Agriculture: Subsistence Farmers' Response to Extreme Heat. *American Economic Journal: Economic Policy*, 13(1), 1-35.
- Burgess, C. P., Taylor, M. A., Spencer, N., Jones, J., & Stephenson, T. S. (2018). Estimating Damages from Climate-Related Natural Disasters for the Caribbean at 1.5 C and 2 C Global Warming Above Preindustrial Levels. *Regional Environmental Change*, 18(8), 2297-2312.
- Thomas, V., & López, R. (2015). Global Increase in Climate-Related Disasters. *Asian Development Bank Economics Working Paper Series*, (466).

Topic 8:

IFRS Label: Does it Matter?

Supervisor: Sara Alsarghali, M.Sc.

Topic Description:

The International Financial Reporting Standards (IFRS) are required or allowed in more than 150 jurisdictions. However, the number of jurisdictions requiring or allowing companies to state that they comply with IFRS is much smaller. Instead of using the IFRS label, jurisdictions use a spectrum of nationalized labels, which could be highly indicative of IFRS (e.g., IFRS as adopted by the EU) or rather be difficult to associate with IFRS (e.g., Uruguay Accounting Standards). There is no academic evidence of whether such variation has economic consequences, and there is no theoretical discussion on whether the IFRS label could matter.

This bachelor thesis aims to develop theoretical arguments on whether IFRS label usage could economically matter. Specifically, it should cover the expected benefits and costs of using and deviating from a standardized IFRS label. The student should consult literature from other fields (e.g., marketing) and consider different perspectives (e.g., cognitive psychology and information economics). The student should not be restricted to “labels” per se but expand the search to related terminologies similar in constructs, such as brands, trademarks, and certifications.

Introductory Literature:

- Blankespoor, E., Dehaan, E., Wertz, J., & Zhu, C. (2019). Why do Individual Investors Disregard Accounting Information? The Roles of Information Awareness and Acquisition Costs. *Journal of Accounting Research*, 57(1), 53-84.
- Erdem, T., & Swait, J. (1998). Brand Equity as a Signaling Phenomenon. *Journal of Consumer Psychology*, 7(2), 131-157.
- Keller, K. L. (1993). Conceptualizing, Measuring, and Managing Customer-Based Brand Equity. *Journal of Marketing*, 57(1), 1-22.
- Nobes, C. W., & Zeff, S. A. (2008). Auditors' Affirmations of Compliance with IFRS Around the World: An Exploratory Study. *Accounting Perspectives*, 7(4), 279-292.
- Norberg, H. M., Maehle, N., & Korneliussen, T. (2011). From Commodity to Brand: Antecedents and Outcomes of Consumers' Label Perception. *Journal of Product & Brand Management*, 20(5), 368-378.
- Wernerfelt, B. (1988). Umbrella Branding as a Signal of New Product Quality: An Example of Signaling by Posting a Bond. *The RAND Journal of Economics*, 19(3), 458-466.

Topic 9:

What Characterizes an Accounting Scandal and Accounting Fraud?

Supervisor: Sara Alsarghali, M.Sc.

Topic Description:

Fraud has dominated the business world in the last decades, and given its economic and reputational impact, it has become an area of inquiry among academics. Accounting and Auditing research in this area mainly focuses on two aspects. The first aspect is studying the individual wrongdoing, its causes, characteristics, and detection, based on fraud triangle theory and its enhancements. The second aspect is studying the capital market reactions to accounting fraud. However, accounting research seems to accept legal definitions of fraud, assuming that laws are universal and uncontested, even though the definition of fraud could vary across jurisdictions and over time.

The aim of this thesis is to provide an understanding of what characterizes an accounting fraud and an accounting scandal. The thesis should review the current literature related to the first aspect mentioned above as a first step. Then the student should attempt to answer the central question of interest. One way to accomplish that is by illustrating the difference between cases that are classified as fraud and similar constructs which have a different classification, such as earnings management.

Introductory Literature:

- Amiram, D., Bozanic, Z., Cox, J. D., Dupont, Q., Karpoff, J. M., & Sloan, R. (2018). Financial Reporting Fraud and Other Forms of Misconduct: a Multidisciplinary Review of the Literature. *Review of Accounting Studies*, 23(2), 732-783.
- Hogan, C. E., Rezaee, Z., Riley Jr, R. A., & Velury, U. K. (2008). Financial Statement Fraud: Insights from the Academic Literature. *Auditing: A Journal of Practice & Theory*, 27(2), 231-252.
- Soltani, B. (2014). The Anatomy of Corporate Fraud: A Comparative Analysis of High Profile American and European Corporate Scandals. *Journal of Business Ethics*, 120(2), 251-274.
- Trompeter, G. M., Carpenter, T. D., Desai, N., Jones, K. L., & Riley Jr, R. A. (2013). A Synthesis of Fraud-Related Research. *Auditing: A Journal of Practice & Theory*, 32(Supplement 1), 287-321.
- Perols, J. L., & Lougee, B. A. (2011). The Relation Between Earnings Management and Financial Statement Fraud. *Advances in Accounting*, 27(1), 39-53.

Topic 10:

EY and the Wirecard Scandal – Expected Spillovers

Supervisor: Sara Alsarghali, M.Sc.

Topic Description:

In June 2020, Europe’s formerly “largest fintech” and “answer to Silicon Valley”, Wirecard, filed for insolvency after acknowledging a EUR 1.9bn accounting fraud. Two years prior to the burst of the scandal, Wirecard’s long-standing auditor Ernst & Young (EY) received information about irregularities at Wirecard from a whistleblower. EY ignored the information and issued an unqualified audit opinion for 2018. Following the burst of the scandal, EY Germany reshuffled its management team to restore its reputation. A natural question is whether such a scandal could affect EY’s international cliental base and whether other EY clients suffered from the damage to their auditor's reputation.

The aim of the thesis is threefold. The students should describe the Wirecard scandal and EY's failure to detect the fraud. Then, the student should review the literature on spillover effects resulting from the loss of trust in auditors. Finally, the student should empirically test whether EY is losing clients outside Germany using data obtained from databases such as Audit Analytics and Orbis.

Introductory Literature:

- Cahan, S. F., Emanuel, D., & Sun, J. (2009). Are the reputations of the large accounting firms really international? Evidence from the Andersen-Enron affair. *Auditing: A Journal of Practice & Theory*, 28(2), 199-226.
- Saito, Y., & Takeda, F. (2014). Global audit firm networks and their reputation risk. *Journal of Accounting, Auditing & Finance*, 29(3), 203-237.
- Skinner, D. J., & Srinivasan, S. (2012). Audit quality and auditor reputation: Evidence from Japan. *The Accounting Review*, 87(5), 1737-1765.
- Weber, J., Willenborg, M., & Zhang, J. (2008). Does auditor reputation matter? The case of KPMG Germany and ComROAD AG. *Journal of Accounting Research*, 46(4), 941-972.

Topic 11:

Review of Enforcement Changes in Germany

Supervisor: Sara Alsarghali, M.Sc.

Topic Description:

Since 2005, financial reporting enforcement in Germany has been based on a two-stage process involving two bodies; a private body Deutsche Prüfstelle für Rechnungslegung (DPR – Financial Reporting Enforcement Panel) and a public authority Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – Federal Financial Supervisory Authority). However, starting from 1 January 2022, the process migrated to a single-stage process following the implementation of the Act (*Gesetz zur Stärkung der Finanzmarktintegrität – FISG*). The change occurred in response to the Wirecard scandal to enhance fraud detection as early as possible.

The thesis should cover the changes in financial reporting enforcement in Germany, illustrate the technical operation differences between the two systems, and highlight the strengths and weaknesses in each system. The thesis should adopt a political economy perspective that focuses on the interrelationships among individuals, governments, and public policy. In particular, the thesis should answer the following questions: How did the change occur? Who pushed for the change? What happened to the staff and the president of the DPR? Are there any indications that speak to a change in the strictness of the enforcement process after the change?

Introductory Literature:

- Ernstberger, J., Stich, M., & Vogler, O. (2012). Economic Consequences of Accounting Enforcement Reforms: The Case of Germany. *European Accounting Review*, 21(2), 217-251.
- Heese, J. (2022). Does Industry Employment of Active Regulators Weaken Oversight?. *Management Science, Articles in Advance*, 1-21.
- Langenbacher, K., Leuz, C., Krahn, J. P., & Pelizzon, L. (2020). What Are the Wider Supervisory Implications of the Wirecard Case?. ECON Committee, European Parliament.

Topic 12:

Adopting a Unique Global Identifier: Progress to Date and Expected Benefits

Supervisor: Carol Seregni, M.Sc.

Topic Description:

In 2012, the Financial Stability Board created the Legal Entity identifier: a unique global identifier for *legal entities* participating in financial transactions. The necessity of establishing a unique global identifier became clear in the aftermath of the financial crisis when, following the subprime crisis and the collapse of Lehman Brothers, market participants were not able to identify the extent to which they were exposed to the bank. The adoption of the LEI was endorsed by the G20 to help maintain financial stability. Since its creation, several regulatory initiatives have required the use of the LEI to identify legal entities. While the general purpose of requiring a unique global identifier is to increase transparency, the specific objectives of the LEI and intended outcomes vary depending on the regulatory initiatives. For example, the requirement to report derivative transactions using the LEI is expected to support the monitoring of systemic risk and improve risk management within financial institutions.

The purpose of this thesis is to first provide an overview of the progress to date on the adoption of the LEI worldwide and the related regulatory initiatives. Secondly, the student should present the expected benefits of the LEI in the different areas of adoption (e.g., market regulation, payments, trade finance) and identify potential research questions that could be addressed in relation to the intended effects of these regulations.

Introductory Literature:

- Beck, S., Sutken, C., Estrada, C., Doyle, R., & Malaket, A. (2019). Trade and the Legal Entity Identifier. Internet: <https://www.think-asia.org/handle/11540/11251>, as of 01.10.2019, accessed 23.03.2022.
- Chan, K. K., & Milne, A. (2019). The Global Legal Entity Identifier System: How can it Deliver?. *Journal of Risk and Financial Management*, 12(1), 39.
- Cleland, V., & Hartsink, G. (2020). The Value of the Legal Entity Identifier for the Payments Industry. *Journal of Payments Strategy & Systems*, 13(4), 322-336.
- Financial Stability Board. (2019). Thematic Review on Implementation of the Legal Entity Identifier. Internet: <https://www.fsb.org/wp-content/uploads/P280519-2.pdf>, as of 28.05.2019, accessed 23.03.2022.
- Hartsink, G. (2020). The value of the Legal Entity Identifier for the Participants of the Securities Industry. *Journal of Securities Operations & Custody*, 12(1), 29-40.
- Regulatory Oversight Committee (2021). Regulatory uses of the LEI. Internet: https://www.lei-roc.org/lei/lei_regulatory_uses.htm, as of 31.01.2021, accessed 23.03.2022.

Topic 13:

Climate Change Related Disclosures: Developing Mandatory and Voluntary Regimes

Supervisor: Carol Seregni, M.Sc.

Topic Description:

With the increasing attention devoted to environmental issues, the demand for information in relation to corporate performance in these areas has risen. Over the last two decades, we have witnessed the creation of several sustainability reporting frameworks (e.g., the one promoted by the Task Force for Climate-related Financial Disclosures, TCFD) and standards (e.g., the Sustainability Accounting Standards Board, SASB Standards). Most recently, the International Financial Reporting Standards (IFRS) Foundation has established a new International Sustainability Standards Board (ISSB) responsible for the creation of IFRS sustainability standards, and the Securities and Exchange Commission (SEC) has issued a proposal to enhance and standardize climate related disclosures. Thus, nowadays, a number of voluntary and mandatory reporting regimes coexist.

The goal of this bachelor thesis is to provide: (1) an overview of the different reporting frameworks and standards available to firms when it comes to climate change related disclosures and their respective organizations, and (2) a summary of empirical evidence in relation to the adoption of existing climate change related frameworks and standards.

Introductory Literature:

- Christensen, H. B., Hail, L., & Leuz, C. (2021). Mandatory CSR and Sustainability Reporting: Economic Analysis and Literature Review. *Review of Accounting Studies*, 26(3), 1176-1248.
- Armour, J., Enriques, L., & Wetzler, T. (2021). Mandatory Corporate Climate Disclosures: Now, but How?. *Columbia Business Law Review*, forthcoming.
- Bingler, J. A., Kraus, M., Leippold, M., & Webersinke, N. (2022). Cheap Talk and Cherry-Picking: What ClimateBert has to Say on Corporate Climate Risk Disclosures. *Finance Research Letters*, 102776.
- Bingler, J. A., Colesanti Senni, C., & Monnin, P. (2021). Climate Transition Risk Metrics: Understanding Convergence and Divergence across Firms and Providers. Internet: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3923330, as of 16.09.2021, accessed on 23.03.2022.
- Climate Disclosure Standards Board (2020). The state of EU environmental disclosure in 2020. Internet: https://cdn.cdp.net/cdp-production/cms/policy_briefings/documents/000/006/071/original/cdsb_eu_environmental_disclosure_in_2020_spreads.pdf?1642523409, as of 01.12.2020, accessed on 23.03.2022.

Topic 14:

Unintended Consequences of Mandated Disclosure: Regulatory Avoidance and Uneven Regulation

Supervisor: Carol Seregni, M.Sc.

Topic Description:

Regulators and standard setters increase firms' transparency by imposing disclosure and financial reporting regulation to achieve certain capital markets and real outcomes. However, regulatory disclosure mandates can also have unintended consequences. In particular, affected and unaffected firms can respond to disclosure mandates by engaging in avoidance strategies and taking advantage of uneven regulation respectively.

The goal of this thesis is to provide a literature review of firms' unintended responses to disclosure regulation. Specifically, the student should summarize academic research in accounting and finance documenting firms' avoidance behavior and the consequences of uneven regulation.

Introductory Literature:

- Leuz, C., & Wysocki, P. D. (2016). The Economics of Disclosure and Financial Reporting Regulation: Evidence and Suggestions for Future Research. *Journal of Accounting Research*, 54(2), 525-622.
- Bushee, B. J., & Leuz, C. (2005). Economic Consequences of SEC Disclosure Regulation: Evidence from the OTC Bulletin Board. *Journal of Accounting and Economics*, 39(2), 233-264.
- Rauter, T. (2020). The Effect of Mandatory Extraction Payment Disclosures on Corporate Payment and Investment Policies Abroad. *Journal of Accounting Research*, 58(5), 1075-1116.
- Breuer, M., & Breuer, P. (2022). Uneven Regulation and Economic Reallocation: Evidence from Transparency Regulation. Internet: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3683033, as of 09.03.2022, accessed on: 23.03.2022.

Topic 15:

Crowd-Based Forecasting: What do we know? – A Literature Review

Supervisor: Matthias Uckert, M.Sc.

Deutscher Titel: Crowd-Basierte Vorhersagen: Was wissen wir darüber? – Ein Überblick

Topic Description:

Information availability and dissemination have increased steadily over the last decades. New information outlets (e.g., StockTwits, Twitter, ...) emerged that enabled a wide range of market participants to openly express opinions about investment topics that priority used to be reserved to only a small group of experts. Conversely, investors seem to be more and more reliant on the so-called “wisdom of the crowd” and factor crowd-based information into their investment decisions. Companies such as Estimize attempt to lever this “crowd-wisdom” by sourcing earnings consensus from a wide range of participants.

The goal of this bachelor thesis is to shed light on crowd-based forecasting. First, the student should provide a sound theoretical foundation behind crowd-based estimation and conduct extensive research about current providers that lever this phenomenon. Second, the student will conduct a structured literature review about crowd-based forecasting, critically evaluating its advantages and disadvantages, and compare it to traditional methods of forecasting.

Introductory Literature:

- Jame, R., Johnston, R., Markov, S., & Wolfe, M. C. (2016). The Value of Crowdsourced Earnings Forecasts. *Journal of Accounting Research*, 54(4), 1077-1110.
- Jame, R., Markov, S., & Wolfe, M. (2022). Can FinTech Competition Improve Sell-Side Research Quality?. *The Accounting Review*, forthcoming.
- Da, Z., & Huang, X. (2020). Harnessing the Wisdom of Crowds. *Management Science*, 66(5), 1847-1867.

Topic 16:

Mobile-Based Financial Communication and Investments – An Overview of the Current Landscape

Supervisor: Matthias Uckert, M.Sc.

Deutscher Titel: App-basierte Finanzkommunikation – Ein Überblick

Topic Description:

Mobile phone applications (Apps) play a crucial role in almost every person's daily life. Traditional communications and even non-mobile online content get more and more displaced in favour of mobile-applications and mobile-friendly websites that individuals can easily access everywhere and at any point in time. At least partially, this trend also seems to change the communication behaviour of firms and the investment practices of market participants.

The goal of this bachelor thesis is to shed light on this trend of "mobile-first" financial communication and investment. The student should provide a general overview of how firms and market participants changed their behaviour to increasingly rely on mobile-usable information. First, the student is required to conduct extensive research on different mobile-usable financial communication and financial information retrieval applications and estimate the extent to which they are an integral part of the information landscape. Second, the student should provide a structured literature overview on the effects of this "mobile-first" trend, assessing possible disruptions and changes in comparison to traditional information acquisition and dissemination.

Introductory Literature:

- Brown, N. C., Stice, H., & White, R. M. (2015). Mobile Communication and Local Information Flow: Evidence from Distracted Driving Laws. *Journal of Accounting Research*, 53(2), 275-329.
- Brown, T., Grant, S. M., & Winn, A. M. (2020). The Effect of Mobile Device Use and Headline Focus on Investor Judgments. *Accounting, Organizations and Society*, 83, 101100.
- Clor-Proell, S. M., Guggenmos, R. D., & Rennekamp, K. (2020). Mobile Devices and Investment News Apps: The Effects of Information Release, Push Notification, and the Fear of Missing Out. *The Accounting Review*, 95(5), 95-115.

Topic 17:

European Single Electronic Format – What do we know and where are we heading to?

Supervisor: Matthias Uckert, M.Sc.

Deutscher Titel: European Single Electronic Format – Was wissen wir darüber und wohin wird der Weg gehen?

Topic Description:

The European landscape of publishing firm disclosures was largely fragmented when compared to the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system in the United States. Despite the only partially centralized data reporting storage (Officially Appointed Mechanisms) required by the 2013 Transparency Directive (DIRECTIVE 2013/50/EU), the European Union (EU) was also lacking machine-readable data format for a long time. The EU addressed this shortcoming by requiring issuers to prepare their annual financial reports in a single electronic reporting format (ESEF). Following a one-year optional ESEF postponement to mitigate adverse effects of the COVID-19 pandemic, listed companies are now required to publish annual financial reports in accordance with the ESEF starting from 1 January 2022.

The goal of this bachelor thesis is to shed light on the current state of ESEF implementation. Specifically, the student is required to provide a thorough overview of the background leading to the ESEF mandate and evaluate the current state of its implementation. Subsequently, the student is required to provide a critical comparison of ESEF to the eXtensible Business Reporting Language (XBRL) required in Securities and Exchange Commission (SEC) filings. The thesis concludes with a structured literature review of the current implementation of ESEF.

Introductory Literature:

- Beerbaum, D., & Piechocki, M. (2016). On the Path to an European Single Electronic Format–ESMA Consultation for the IFRS Taxonomy of Structured Electronic Reporting. Internet: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2866747, as of 05.01.2017, accessed on 23.03.2022.
- Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 Supplementing Directive 2004/109/EC of the European Parliament and of the Council with Regard to Regulatory Technical Standards on the Specification of a Single Electronic Reporting Format. *Official Journal L 143*, 29.5.2019, 1–792.
- Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the Harmonisation of Transparency Requirements in Relation to Information about Issuers whose Securities are Admitted to Trading on a Regulated Market and Amending Directive 2001/34/EC. *Official Journal L 390*, 31.12.2004, 38–57.