Course Syllabus

Course Title:  Accounting and Capital Market
Instructor:   Chi-Wen Jevons Lee

Course Description:

1. This course applies economics, finance theory, and quantitative methods to study the use of accounting information in stock market. We will treat accounting information like any other economic good and investigate its demand and supply. The course is composed of the following major topics:

A. Electronic Database for Financial Analysis
B. SPSS/SAS and Financial Analysis
   a) Descriptive Statistics
   b) Cross-sectional Analysis
   c) Time-Series Analysis
C. Accounting and Efficient Market Hypothesis.
D. Techniques of Accounting Analysis.
E. Risk Analysis and Measurement.
F. Accounting and Managerial Behavior.

2. This course provides students necessary skills for a career in Commercial Banking, Investment Banking, Academic Scholars and Corporate Controller/CFO. Students should have basic analytical skills in economics, finance theory, and statistics.


4. Evaluation: Written Final Examination.
About the Professor

Chi-Wen Jevons Lee holds the Cohen Chair of Business and is the Associate Dean of the A.B. Freeman School of Business at the Tulane University. He also holds a joint appointment as a Special Term Professor at the Tsinghua University in Beijing and a Chair Professor at Tonghai University in Taiwan. He was the Founding Director of Freeman Centre for Doctoral Research and Studies, Tulane University, the Founding Department Head of Accounting, HKUST, and the founding Associate Dean of Asia Programs at Tulane. He received B.B.A. and M.A. degrees from the National Taiwan University, and M.A. and Ph.D. degree from the University of Rochester. He is a CPA and a CMA. He taught financial accounting, managerial accounting, finance theory, econometrics, and information economics at University of Chicago, University of Pennsylvania, Tulane University, HKUST, and Tsinghua University.

He published more than 100 articles, monographs and books, some in Journal of Accounting Research, Journal of Accounting and Economics, Accounting Review, Contemporary Accounting Research, Journal of Finance, International Economic Review, Review of Economics and Statistics, and Journal of Business. He won the Eric Sternberg Research Award in 1990 and 2000, and the National Excellence Award from the PIA in 1991. He has got the Asia EMBA Teacher of the Year Award at Tulane University six times. He has got the top three teaching evaluations in HKUST MBA program every year for the eight years he taught there.

He has given lectures in Australia, Britain, Canada, China, France, Hong Kong, Hungary, India, Japan, Korea, Mexico, Netherlands, Norway, Singapore, Spain, Taiwan, and U.S. He has served as a consultant to U.S. Department of Energy, U.S. Department of Commerce, Oak Ridge National Laboratory, United Nations, World Bank, and Chinese Academy of Sciences. He has served in the Financial Accounting Standard Committee, Notable Contribution to Accounting Literature Award Committee, Competitive Manuscript Award Committee, John R. Wildman Medal Award Committee, International Exchange Committee, and Accounting Professional Examination Committee for the American Accounting Association. He is listed in Who's Who in the World, Who's Who in Finance and Industry, Who's Who in Hong Kong, and International 5000.
Course Outline and Reading List

**Topic One.** Accounting and Efficient Market Hypothesis

Chapter 1. Introduction


Chapter 2. Accounting Information and Asset Pricing in Stock Market


**Topic 2.** Techniques of Accounting Analysis

Chapter 3. Cross-sectional Analysis


Chapter 4. Time-series Analysis

*Foster, Financial Statement Analysis, ch. 7 and 8.


Pindyck & Rubinfeld, Econometric Models and Economic Forecasts,
chapter 13 : Properties of Stochastic Time Series,
chapter 14 : Linear Time Series Model,
chapter 17 : Example of Time Series Applications.

**Topic 3. Practical Applications of Accounting Analysis

Chapter 5. Electronic Expert System for Financial Decision

**Foster, Financial Statement Analysis, Chapters 14,15,16.


Chapter 6. Merger and Acquisition


Chapter 7. Accounting Information and Stock Valuation


Topic 4. Accounting and Managerial Behavior

Chapter 8. Accounting Choices

Foster, G. Financial Statement Analysis, ch. 2 and 5.


Chapter 9. Opportunistic Accounting Decision
