

Contracting on GAAP Changes: Large Sample Evidence

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1. A description of which author(s) handled the data and conducted the analyses

Both authors were involved in the collection and the analysis of the data. Detailed data handling and analyses were performed as described in more detail below (see #2 in particular).

2. A detailed description of how the raw data were obtained or generated, including data sources, the date(s) on which data were downloaded or obtained, and the instrument used to generate the data (e.g., for surveys or experiments). We recommend that more than one author is able to vouch for the stated source of the raw data.

1. Our main analyses are based on debt contracts downloaded from the Securities and Exchange Commission's website using DirectEdgar software in July of 2014. The first step involves searching for and saving contracts that have GAAP definitions. The code that transforms the input data and outlines the steps we followed is attached in the file "importing and preparing data.sas."

2. The manually coded contracting practices were performed on a subset of the 3,720 credit agreements collected from SEC filings by Nini, Smith and Sufi (2009). Contracts are available here on Amir Sufi's website:

<http://faculty.chicagobooth.edu/amir.sufi/data.html>

3. The data used to capture standard setters' focus on international accounting harmonization was constructed based on word counts in all minutes of the Financial Accounting Standard Board meetings from 1994 to 2012 (see word list in paper). We obtained the minutes directly from FASB in April 2014.

4. The data used to construct the proxy for standard setters' shift in objectives towards the relevance of accounting information was obtained from Allen and Ramanna (2013).

5. Financial data was obtained from Compustat in June and July 2014, accessible through WRDS. Code can be seen in the file "xpf variables defined.sas". CIKs for the sample in Table 1 are available in "CN 2017_cik_Table1.dta".

Both authors vouch for the stated sources of the raw data.

3. If the data are obtained from an organization on a proprietary basis, the authors should privately provide the editors with contact information for a representative of the organization who can confirm data were obtained by the authors. The editors would not make this information publicly available. The authors should also provide information to

the editors about the data sharing agreement with the organization (e.g., non-disclosure agreement, any restrictions imposed by the organization on the authors with respect to publishing certain results).

All data used in the paper is publicly available (obtaining minutes of FASB board meetings requires a request to FASB but they are available to anyone making the request). Data on several control variables comes from Compustat database, accessible through WRDS.

- 4. A complete description of the steps necessary to collect and process the data used in the final analyses reported in the paper. For experimental papers, we require information about subject eligibility and/or selection, as well as any exclusion criteria.*

We describe our data in section 3 of the paper.

- 5. Prior to final acceptance of the paper, the computer program used to convert the raw data into the dataset used in the analysis plus a brief description that enables other researchers to use this program. Instead of the program, researchers can provide a detailed step-by-step description that enables other researchers to arrive at the same dataset used in the analysis. The purpose of this requirement is to facilitate replication and to help other researchers understand in detail how the sample was formed, including the treatment of outliers, Winsorization, truncation, etc. This programming is in most circumstances not proprietary. However, we recognize that some parts of the data generation process may indeed be proprietary or otherwise cannot be made publicly available. In such cases, the authors should inform the editors upon submission, so that the editors can consider an exemption from this requirement.*

We used SAS and STATA to convert the raw data into the final datasets and to perform the analyses. We have attached two programs that transform raw data into the final output. We outline the steps we followed in the programs:

- (1) “importing and preparing data.sas”
- (2) “xpf variables defined.sas”

CIKs for the sample in Table 1 are available in “CN 2017_cik_Table1.dta”.

- 6. Data and programs should be maintained by at least one author (usually the corresponding author) for at least six years, consistent with National Science Foundation guidelines.*

The authors will maintain all data and programs for at least six years after the publication date.