SBMT4000 SBM Undergraduate Honors Research Project

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Project Summary

Topic: Leverage Artificial Intelligence in Management Guidance Research

Description:

Management guidance is rated as one of the most important forms of voluntary corporate disclosures. However, commonly used databases may capture management guidance incompletely and unevenly across firms. These limitations can affect researchers' understanding of why firms issue guidance and how such disclosures influence investors and capital markets.

Recent advances in artificial intelligence and textual analysis provide new opportunities to identify and analyze management guidance directly from corporate filings. This project will use AI-assisted methods to construct a more comprehensive dataset of management guidance issued by U.S. public companies. The resulting data will be used to evaluate the coverage of existing databases, examine how data limitations may affect prior findings, and investigate important questions concerning firms' disclosure decisions and the consequences of those decisions.

Students participating in the project will have opportunities to gain hands-on experience in academic research, including

1. Systematic literature review to understand the economic framework used to analyze voluntary disclosure decisions.
2. Data collection and validation.
3. AI-assisted textual analysis and coding.
4. Empirical research design and statistical analysis for large-sample studies, especially critical issues to enhance identification.

The project is particularly suitable for students who are interested in academic research in accounting and finance and wish to pursue academic career in the future.

Remarks

1. The student is expected to be familiar with using generative AI tools (e.g., ChatGPT, Claude, Grok) via API for data extraction.

2. The student is expected to be familiar with basic textual analysis techniques, which is the foundation for learning more advanced methods with guidance.
3. The student is expected to be familiar with at least one programming language (e.g., STATA, SAS, R, or Python) for econometric analysis.