

Adopting a Structured Abstract Design to More Effectively Catch Reader Attention: An Application of the Pitching Research® Framework

Robert W. Faff^{1*}

¹*UQ Business School, University of Queensland, Australia.*

Abstract: **Research Question:** Creating a simple and effective structured abstract design for *CMR*. **Motivation:** The key purpose of abstracts is to communicate to readers the main messages. Abstracts need to catch reader (attention), just like fishermen trying to “hook big fish”. But, readers are impatient/time poor – they aren’t easy fish to catch – they are very easy to lose! Readers need the “right” bait and while a simple structured abstract design can serve this purpose – like any bait, it needs to be fresh and “tasty”, not stale and bland. *What’s new?* While structured abstracts are generally not new, for stakeholders of *CMR* this approach is new. *So what?* A structured abstract should engage readers and lead to more journal activity – more reads, cites, submissions. **Idea:** Leveraging the recent actions and experience of two other (“early-adopter”) journals heading down this path, we outline *CMR*’s adoption of a structured abstract design based on Faff’s (2015, 2019) *Pitching Research* framework – to catch reader attention. **Data:** Essentially the “data” relevant to this paper are qualitative – the relevant literature showing the key applications of the pitching research framework and, more specifically, recent applications of structured abstracts. **Method/Tools:** The tools are non-quantitative in nature, essentially based on a relaxed narrative style that derives learnings from and draws comparisons with the recent experience of other similar journals. We also use a technique of qualitative extension, in which we show other journal-linked applications of the *Pitching Research* framework. **Findings:** Similar to “early-adopter” journals, the *CMR* word limit is 300-350 words, and the same basic abstract structure is used: Research Question; Motivation; Idea; Data; Tools; Findings and Contribution. Two examples are given – one each, from the two early-adopter journals. Other journal-related applications of the framework are discussed: pre-registrations; replications and “Shark Tanks”. **Contribution:** Adopting a simple, focused, structured abstract design, allows *CMR* to meet the basic aim of communicating relevant new knowledge to its readership base. More generally, we argue that this structured abstract design increases awareness of the broader pitching research framework, helping all stakeholders to build on this initial “awakening”, to describe and ultimately design their own scholarly research.

Keywords: Pitching research, structured abstract, reader attention.

JEL classification: G10, G20, G30, G40, G50

* Contact details: Robert W. Faff. Tel.: 617-33468055. Email: r.faff@business.uq.edu.au

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1. Introduction

At its heart, Faff's (2015, 2019¹) *pitching research*[®] framework² provides a simple, succinct and methodical research planning tool – based on a 2-page or 1,000 words pitching template design. Since its early manifestations nearly a decade ago, the *pitching research* framework has become my singular passion in recent years. Since mid-2013, I have presented workshops or seminars and/or hosted related events on more than 300 occasions – involving 54 different countries/jurisdictions and 37 Australian universities.³ These presentations have also encompassed more than 130 different universities worldwide (beyond Australia) and webinars in 12 countries/jurisdictions.⁴

There are many initiatives launched off the *pitching research* framework of which I am immensely proud.⁵ In one of the most notable examples, the framework is now the backbone of the Accounting and Finance Association of Australia and New Zealand (AFAANZ) annual Research grants scheme. In each of the last 5 years, since 2015, this grant scheme has received approximately 100 grant applications, dispersing a total of close to \$1 million of funding. The *pitching research* framework has not only greatly streamlined the AFAANZ grant process – for applicants and for assessors, but arguably it has facilitated the execution of a richer set of accounting and finance research projects (than otherwise would have occurred in its absence).

So why am I so enthusiastic about the potential of the *pitching research* framework? Why am I driven to develop various applications and initiatives? Quite simply, I see the *pitching research* framework as a highly effective tool that provides multi-faceted utility to researchers in all shapes and forms, in many different contexts and in many different “flavours”. The basic *pitching research* framework can/has serve(d) many applications including:

- a voluntary research **planning** tool;⁶
 - a research **skills development** tool (Faff, 2016);
 - a research **learning** tool (Faff *et al.*, 2016a, 2016b and Ratiu, 2016);
 - a research **mentoring** tool (Faff *et al.*, 2016c);
 - a research **collaboration** tool (Wallin and Spry, 2016);
 - a research **engagement & impact** tool (Faff and Kastle, 2016);
 - a research-led **teaching** tool (Faff *et al.*, 2016d);
 - a research “**discoverability**” tool (Faff *et al.*, 2017a, 2017b, 2018a);
 - a “**self-development**” tool (Manchha, 2018);
 - a **diagnostic** tool (Faff, 2018 – in the context of journal refereeing);
- and of particular relevance to the current paper:
- a research **competition “shark tank”** tool;
 - a **pre-registration** research design tool; **and**
 - a structured **abstract** tool (Hale *et al.*, 2018).

¹ The original version of the “pitching research[®]” paper was lodged on SSRN on 3 July, 2014. Now in its 17th version, Faff (2019), has logged in excess of 14,600 downloads.

² The Pitching Research[®] logo is a registered Trademark in Australia, trade mark number 1694403.

³ Beyond Australia (including the 37 universities), countries/jurisdictions are: USA; Columbia; Argentina; Mexico; Jamaica; Ghana; India; Malaysia; Singapore; New Zealand; Fiji; Thailand; Japan; South Korea; China; Pakistan; Kenya; Indonesia; South Africa; Taiwan; Ireland; Vietnam; Austria; Scotland; England; Wales; Netherlands; Belgium; France; Spain; Portugal; Croatia; Italy; Serbia; Slovenia; Switzerland; Romania; Hungary; Ukraine; Czech Republic; Poland; Germany; Estonia; Finland; Sweden; Norway; Ireland; Brazil; Iceland; Mauritius; Sri Lanka; Turkey.

⁴ Webinars have been held in: Columbia; Jamaica; Ghana; Pakistan; Kenya; South Africa; Taiwan; Ukraine, Bangladesh, the US; Sri Lanka; Turkey.

⁵ In 2017-18, in a further initiative of which I am very proud, I collaborated with the University of Haripur to run an “all-Pakistan” pitching competition – it attracted > 100 submissions from 15 Pakistan universities.

⁶ Various published articles acknowledge Faff's (2015) template as a critical research planning tool, e.g. Chang and Wee (2016); Menzies *et al.* (2016); Dang and Henry (2016); Mathuva (2016); Nadarajah *et al.* (2017); Mathuva (2018); Mathuva and Chong (2018).

But, it is the very last use – as a framework for providing a structured abstract design adopted by journals – that the current short article aims to most enthusiastically celebrate! Indeed, I am very pleased to acknowledge that the editors of this journal, *Capital Markets Review*, have decided to follow the lead of two other journals, to formally embrace a structured abstract design for future articles published in this journal.

The key purpose of an abstract is to communicate to the reader the main messages – the abstract needs to catch the reader, just like fishermen trying to “hook their fish”. But, readers are impatient – they are not easy to catch, and they are very easy to lose! Readers need the “right” bait and the simple structured abstract design can serve this purpose – though, like any bait, it needs to be fresh and “tasty”, not stale and bland.

The remainder of the current paper is structured as follows. In Section 2, the primary focus of this article, structured abstracts, is outlined and discussed. Section 3, then considers three further types of journal-based application of the *pitching research* framework: (a) pre-registered design; (b) replications; and (c) editor “shark tanks”. The final section concludes.

2. Structured Abstract Design

Prior to *Capital Markets Review (CMR)*, two journals: *Management: Journal of Sustainable Business and Management Solutions in Emerging Economies (MJSBMSEE)* and *Journal of Accounting and Management Information Systems (JAMIS)*; have led the way on implementing a structured abstract design, derived from Faff (2015, 2019). Starting in 2018, *MJSBMSEE* instituted a structured abstract design with a maximum of 350 words, whereas *JAMIS* started their new abstract in 2019 with 250 words. The new *CMR* abstract has a word limit of 300-350 words.

All three journals abstract share a common, explicit structure: Research Question; Motivation; Idea; Data; Tools; Findings; Contributions. In the case of *CMR* more details are as follows:⁷

- **Research Question:** In one sentence, define the key features of the research question or problem statement.
- **Motivation:** In a few sentences, capture the core scholarly motivation for the study. If relevant, identify a ‘puzzle’ that this research aims to resolve. Identify up to 3 key papers upon which the research builds. What’s new? Highlight where novelty exists in the study; how does it improve or build on existing literature? So what? Outline the primary reason why it is important to know the answer to your research question.
- **Idea:** Articulate the core idea behind the research – what specifically does the study do? If relevant: articulate the central hypothesis; highlight key independent variables and dependent variable(s).
- **Data:** Provide an overview of what data were collected/analysed/used in the study; including data source(s), time period, sample size and measurement tool(s).
- **Method/Tools:** Provide a brief summary of the empirical framework, research design and approach.
- **Findings:** Highlight the key takeaway points. Highlight any novel result – how do the findings agree/disagree with existing literature? What do the findings add? Highlight any important implications this research has for influence in real-world decisions/behaviour/activity.
- **Contributions:** Outline the primary contribution of this paper to the relevant research literature.

⁷ <https://www.mfa.com.my/instruction-for-authors/>

An example of the *MJSBMSEE* abstracts, from Naumoski and Juhasz (2019), is shown in Figure 1. An example of the *JAMIS* abstracts, from Kiaupaite-Grusniene and Alver (2019), is shown in Figure 2.⁸

Management: Journal of Sustainable Business and Management Solutions in Emerging Economies 2019/24(2)

Aleksandar Naumoski^{1*}, Peter Juhasz²
¹Ss. Cyril and Methodius University in Skopje, Faculty of Economics, Skopje, Macedonia
²Corvinus University of Budapest, Corvinus Business School, Budapest, Hungary

The Impact of Inflation and Operating Cycle on the Corporate Cash Holdings in South-East Europe

DOI: 10.7595/management.fon.2018.0026

Abstract:

Research Question: This paper investigates the influence of the inflation and operating cycle on the corporate cash holdings. **Motivation:** In an early study, Keynes (1936) provides a theoretical foundation for determining the optimal cash level as a balance of costs and benefits of cash holdings. However, the optimal corporate cash amount is not only dependent on many company-specific factors (Opler et al., 1999), but it is also associated both with the corporate governance structure and the institutional and macroeconomic environment (Ozkan and Ozkan, 2004). Anand et al. (2018) confirmed the impact of a set of macroeconomic factors, but recent studies distinguished inflation as a critical factor of the changes of the company cash holdings (Curtis et al., 2017). **Idea:** The main idea of the paper is to examine whether inflation as a crucial macroeconomic factor and the operating cycle as a vital microeconomic factor have substantial influence on the corporate cash holdings, and which direction this impact may take. **Data:** We used company financial data from a sample of 868 publicly traded firms from ten South-East European countries between the years of 2006 and 2015, obtained from the Thomson Reuters Datastream database. **Tools:** We apply a balanced panel regression model involving the yearly change of the cash ratio as a dependent variable, and the country CPI, the operating cycle and other firm-specific control variables as explanatory variables. **Findings:** Results confirm that both the inflation and the operating cycle have a substantial influence on the change of the corporate cash holdings. The relationship of the change in cash and the inflation is non-linear and best described by a U-shaped curve. At the same time, there is a straight linear relationship between the change in cash holdings and the operating cycle. Moreover, we have found that the changes in the corporate cash holdings are positively related with the size of the company, the operating cash flow and the capital expenditures, but inversely related with the change of the networking capital and the change of short and long-term debt. **Contribution:** This paper reveals the effect of macro-control policies on corporate cash holdings, and, most importantly, it provides a reference for corporate managers to optimise the allocation of resources based on changes in the macro-financial environment and their own financial circumstances.

Keywords: CPI, liquidity, working capital, operating cycle, panel regression, corporate cash holdings

JEL classification: E31, G20, G32, G39

Figure 1: Structured Abstract Example from *Management* – Naumoski and Juhasz (2019)

⁸ In the case of *JAMIS*, readers are referred to: <http://jamis.ase.ro/wp-content/uploads/2018/11/JAMIS-Structured-Abstract2018.docx>

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Comparability of cash flow statements: Evidence from Baltic Countries

Vaiva Kiaupaite-Grušniene^{a,1} and Lehte Alver^b

^a *Department of Business Administration, Tallinn University of Technology*

^b *Department of Business Administration, Tallinn University of Technology*

Abstract

Research Question: Whether the adoption of IFRSs has led to the harmonization and comparability of Baltic listed companies' cash flow statements? **Motivation:** Baker and Barbu (2007) have marked that the adoption of IFRSs in EU is the new phase of international harmonization. However, IFRSs still provide flexibility to financial statement preparers when applying the standards due to explicit options, discretion in interpretation and the need for estimates (Wehrfritz & Haller, 2014). Measuring the extent to which financial reports of companies are comparable is an important topic. Our research applies H-index and C-index for measuring harmonization of Baltic listed companies' cash flow statements. **Idea:** We examine the problem of harmonization cash flow statements. **Data:** The sample contains all companies (in total 33) listed on Nasdaq Baltic market for years 2010–2017. **Tools:** To measure harmonization and comparability of financial reports H-index for each country was found. C-index was used for finding overall, within-country and between-country harmonization. **Findings:** While there is a longitudinal consistency in classification choice within each company, there is no consistency among the companies in interest received and paid. Dividend treatment is more consistent and harmonized. Users of financial reports should not expect comparability of cash flow statements of Estonian, Latvian and Lithuanian companies, despite the existence of a single stock exchange, cross-border cultural and economic similarities and *de jure* harmonization of accounting standards. **Contribution:** This paper contributes to IFRSs impact analysis, and specifically harmonization and comparability literature, by providing comparative results for Estonia, Latvia and Lithuania in financial statement preparers' classification judgement.

Figure 2: Structured Abstract Example from *JAMIS* – Kiaupaite-Grusniene and Alver (2019)

3. Other Journal-Based Applications of The *Pitching Research* Framework

3.1 Pre-registration Design Application

Recently, the *Pacific-Basin Finance Journal (PBFJ)* publish a virtual special issue in which several teams of researchers followed a registration-based editorial process, built upon Faff's (2015, 2019) *pitching research* framework. The theme of the special issue is "celebrating Ball and Brown (1968)" – see <https://bit.ly/2GXPd7o>. The SI papers following the pre-registration approach are: Aman *et al.* (2019a); Berkman *et al.* (2019); Bohmann *et al.* (2019); Han *et al.* (2019); Hillier and Loncan (2019) and Howieson (2019). The lead article, Aman *et al.* (2019b) gives a detailed commentary on the process underlying the "pre-registration" style chosen for the special issue.

3.2 Replication Study Application

In a dedicated new section of the journal, "replication studies", *PBFJ* now publish replications using new samples of Asia-Pacific data.⁹ *PBFJ* replication studies are shorter papers and the very first completed example is Chai *et al.* (2019). *PBFJ* replication studies are very likely to involve three (or more) authors, led by an experienced researcher mentoring two novice researcher(s). They replicate the core evidence only and are based on recent existing important studies from either *Journal of Finance*, *Review of Financial Studies* or *Journal of Financial Economics*. *PBFJ* replications are very likely to be based on a chosen original study that uses US data/ US setting. Most notably, these replication studies will be published regardless of the replication outcome for the new setting (provided that the replication procedure is deemed reliable, ascertained through a rigorous review process).

There are three phases involved in the *PBFJ* replication studies process. Phase 1 – EOI lodgement. Phase 2 – Pre-registered pitch (based on Faff, 2015, 2019). In the event that the replication pitch is approved, this pitch becomes a registered document setting out the broad parameters of the replication study. Phase 3 – Full review of completed replication study. The latest log of replication studies completed or in process is shown in Table 1. An example of a replication pitch (phase 2), linked to study number 1 listed in Table 1 – Chai *et al.*, 2019 is shown in Table 2 (reproduced with permission).

3.3 Editor "Shark Tank" Application

Editor "shark tanks" are new and experimental initiatives, usually linked to an academic conference, in which panels of editors listen to and assess (with Q&A) research projects. Shark tanks can involve either research that is carefully planned (but not yet executed) or mature stage fully completed studies, depending on the parameters of the shark tank event. If sufficiently attracted by the shark tank "pitch", the editors can "bid" to initiate a process aimed at possible publication of a given research project in their journal (after an appropriate review process, as fully determined and controlled by the editor in question).

For example, at its 2020 Conference in Bucharest (Romania), EAA is planning a shark tank pitch event inviting research teams to propose a brand new research idea, hoping to have it "sponsored" by a journal editor. This shark tank event has 2 (initial) stages: (I) **written 2-page pitch** (based on Faff's 2015, 2019 *pitching research* framework for pitches that are predominantly quantitative, or Lodhia's, 2019, adapted *pitching research* framework for pitches that are predominantly qualitative); (II) **oral pitch presentation** (based on the written pitch) to an Editors Panel of Sharks in a dedicated session of EAA 2020.¹⁰

⁹ Access the full guidelines for *PBFJ* Replication Studies at: <https://bit.ly/2QLmtTC>

¹⁰ Confirmed journals: *Abacus*; *Accounting & Finance*; *Accounting Forum*; *Accounting in Europe*; *Accounting, Organizations & Society*; *Contemporary Accounting Research*; *Journal of Accounting and Public Policy*; *Journal of Contemporary Accounting & Economics*; *Pacific-Basin Finance Journal*.

Table 1: PBFJ replication studies log (as at November 2019)

Replicated Study	Replication setting
Fama, F., & French, K. R. (2018). Choosing factors. <i>Journal of Financial Economics</i> , 128(2), 234-252. (replicated by Chai <i>et al.</i> , 2019)	Australia
Gulen, H., & Ion, M. (2016). Policy uncertainty and corporate investment. <i>Review of Financial Studies</i> , 29(3), 523-564.	Australia
Eckbo, B. E., Makaew, T., & Thorburn, K. S. (2018) Are stock- financed takeovers opportunistic?. <i>Journal of Financial Economics</i> , 128(3), 443-465.	China
DeAngelo, H., Gonçalves, A. S., & Stulz, R. M. (2018). Corporate deleveraging and financial flexibility. <i>Review of Financial Studies</i> , 31(8), 3122-3174.	China
Begenau, J. & Salomao, J. (2019). Firm financing over the business cycle. <i>The Review of Financial Studies</i> , 32(4), 1235-1274.	China & Japan
Jondeau, E., Zhang, Q., & Zhu, X., (2019). Average skewness matters. <i>Journal of Financial Economics</i> , 134(1), 29-47	Taiwan
Engelberg, J. E., Reed, A. V. & Ringgenberg, M. C. (2018). Short-selling risk. <i>Journal of Finance</i> , 73(2), 755-786.	Australia
Huang, S., Huang, Y & Lin, T.C. (2019). Attention allocation and return co-movement: Evidence from a repeated natural experiment. <i>Journal of Financial Economics</i> , 132(2), 369-383.	Taiwan
Bonaime, A., Gulen, H., & Ion, M. (2018). Does policy uncertainty affect mergers and acquisitions? <i>Journal of Financial Economics</i> , 129(3), 531-558.	China
Wu, Y., Wermers, R. & Zechner, J. (2016). Managerial rents vs. shareholder value in delegated portfolio management: The case of closed-end funds. <i>The Review of Financial Studies</i> , 29(12), 3428-3470.	China
Dyreg, S. D., Hanlon, M., Maydew, E. L. & Thornock, J. R. (2017). Changes in corporate effective tax rates over the past 25 years. <i>Journal of Financial Economics</i> , 124(3), 441-463.	Japan
Javaraman, S. & Wu, J. S. (2019). Is silence golden? Real effects of mandatory disclosure. <i>Review of Financial Studies</i> , 32(6), 2225-2259.	Japan
Ball, R., Gerakos, J., Linnainmaa, J. T. & Nikolaev, V. (2016). Accruals, cash flows, and operating profitability in the cross section of stock returns. <i>Journal of Financial Economics</i> , 121(1), 28-45.	China
Huang, D., & Kilic, M. (2019). Gold, platinum, and expected stock returns. <i>Journal of Financial Economics</i> , 132(3), 50-75.	China
Atilgan, Y., Bali, T. G., Demirtas, K. O., & Gunaydin, A. D. (2019). Left-tail momentum: Underreaction to bad news, costly arbitrage and equity returns. <i>Journal of Financial Economics</i> , forthcoming.	China
Goyal, A. & Jegadeesh, N. (2018). Cross-sectional and time-series tests of return predictability: What is the difference?. <i>Review of Financial Studies</i> , 31(5), 1784-1824.	China
Bessembinder, H. (2018). Do stocks outperform treasury bills? <i>Journal of Financial Economics</i> , 129(3), 440-457.	China
Grullon, G., Kaba, Y. & Nuñez-Torres, A. (2019). When low beats high: Riding the sales seasonality premium. <i>Journal of Financial Economics</i> , forthcoming.	China
Hauser, R. (2018). Busy directors and firm performance: Evidence from mergers. <i>Journal of Financial Economics</i> , 128(1), 16-37.	Australia
Andrei, D., Mann, W., & Moyaen, N. (2019). Why did the q theory of investment start working?. <i>Journal of Financial Economics</i> , 133(2), 251-272.	Japan

Table 2: PBFJ replication studies pitch example for Chai *et al.* (2019)

(A) Working Title	Choosing factors for Australian equity returns
(B) Basic Research Question	To what extent do Fama-French factors, including momentum, contribute to the explanation of Australian equity returns?
(C) Key paper(s)	<p>Target replication paper: Fama, F., & French, K.R. (2018). Choosing factors. <i>Journal of Financial Economics</i>, 128(2), 234-252.</p> <p>Other key paper: Barillas, F., & Shanken, J. (2016). Which alpha? <i>Review of Financial Studies</i>, 30(4), 1316-1338.</p>
(D) Motivation/Puzzle	<p>Motivation: The search for a better asset pricing model has long been a subject of interest in the asset pricing literature. The common and widely adopted approach to assess a model is to run time-series regressions using the model to explain sets of portfolios. A limitation to this approach is that inferences can vary across sets of test portfolios. Barillas and Shanken (2016) argue that model comparison needs to consider the totality of the test-asset and factor-pricing evidence. Specifically, they show that an alternative approach to judge whether individual factors contribute to the explanation of average returns provided by a model is to have each candidate factor regressed on the other factors of the model. If the intercept of the candidate factor is non-zero, this factor adds to the model's explanation of average returns. Barillas and Shanken (2016) demonstrate that evidence from factor pricing is more important than test-asset evidence and thus, they suggest that test assets are irrelevant when comparing asset pricing models. Fama and French (2018) advocate the factor-pricing approach (also known as spanning tests) and show that this is an alternative to determine whether individual factors contribute to the explanation of average returns provided by a model.</p> <p>Puzzle: Under the factor-pricing approach, which factors are important in explaining average returns in the context of the Fama-French model?</p> <p>Chosen Asian-Pacific market: We choose the Australian equity market to conduct the investigation. Fama-French related studies outside the US typically suffer data limitations. We take the advantage of hand-collected accounting data spanning 36 years from 1982 to 2016 covering more than 95% of listed Australian companies. The replication will provide strong out-of-sample evidence to the Fama-French literature and contribute to the ongoing debate regarding the performance of the Fama-French model in Australia (see, e.g., Chiah <i>et al.</i>, 2016; Elliot <i>et al.</i>, 2018).</p> <p>Expected outcome: Despite the existing evidence on the common components in asset returns, we do not have strong priors on the original finding concerning the contributing factors in the US can be replicated in Australia. This is because the Fama-French factors, especially for profitability and investment, behave somewhat different when comparing to the US evidence.</p>
THREE	
(E) Idea?	<p>Three core aspects of any empirical research project i.e. the “IDioTs” guide</p> <p>Core idea: The central purpose of the replication study is to use spanning regressions to choose among nested models for the Australian market – the Fama-French three-factor model versus the CAPM, the four-factor Carhart model versus the Fama-French three-factor model, the Fama-French five-factor model versus the Fama-French three-factor model, and the five-factor</p>

model versus a six-factor model that adds momentum. In addition, we assess the contribution of each factor on all other factors.

Central hypothesis: All the Fama-French factors, including momentum, contribute to the pricing of average returns in Australia.

The key variables are the Fama-French factors including momentum. Each factor will be used as the independent and dependent variables in our spanning regressions. The threat from endogeneity is minimal in our proposed study. We expect minimal diversion from the original paper's idea as the accounting variables required to create the factors are available.

(F) Data?

Data source: The analysis will be conducted at the monthly level from 1982 to 2016 in the Australian equity market. We will download monthly share price information from the Share Price & Price Relative (SPPR) database of the Securities Industry Research Centre of Asia-Pacific (SIRCA). Accounting data required comes from two sources. For periods prior to 2006, we will utilise previously hand-collected accounting data. For the period after 2006, we use the Aspect Huntley database. The accounting data interval is yearly in nature. The type of data is firm specific data. The hand-collected accounting data is not commercially available, but it has been used in a few prior publications.

Sample size: On average, we have 1,300 firms per year. We will form Fama-French factors throughout the sample period and conduct time-series analysis to answer the identified research questions.

Data issues: Minimal issues in data manipulation and cleansing. All the authors in this project have prior experience in dealing with the databases.

Quality of the data: The data sources used in this study are reliable and given that we have a large sample size, the test variables will exhibit adequate variation to give good power.

Overall, we expect to encounter minimal data obstacles. We do not envisage any major differences compared to the original study that may create any form of replication bias. However, the conclusions may be different due to unique structure of the Australian equity market compared to the US.

(G) Tools?

Empirical framework: Following Fama and French (2018), we will perform spanning tests for nested models by running different specifications of the following equation:

$$\text{Candidate factor}_t = \alpha + \text{existing factors}_t + \varepsilon_t$$

where candidate factor is one of the Fama-French factors plus momentum – SMB (size), HML (book-to-market), RMW (profitability), CMA (investment) and MOM (past returns). Existing factors are those in the CAPM, the three-factor model and the five-factor model. A candidate factor has additional explanatory power and thus is useful if the intercept (alpha) is non-zero. This time series regression approach is considered as the gold standard, as it is used in leading recent asset pricing studies. The US factors (for comparison) will be downloaded from Professor Ken French's website.

Software for research: We will be using SAS and/or Matlab to perform the analysis. All three researchers have adequate knowledge of the required statistical/econometric tests in this proposed study.

TWO	Two key questions
(H) What's New?	The idea of spanning tests has been previously adopted in Fama and French (2015). The idea and explanations are formally discussed in Fama and French (2018) following the mathematical proof provided by Barillas and Shanken (2016). The test is used to identify factors that contribute to an existing model and is an alternative to the approach of first forming test portfolios and then running the comparison. The replication is the natural progression of the Australian asset pricing literature and it has a potential to reconcile the debate on the most appropriate asset pricing model in this market. Our comprehensive dataset will also add strong out-of-sample evidence to the original study.
(I) So What?	The application of the Fama-French model includes, but is not limited to, (1) evaluating portfolio performance; (ii) selecting securities; and (iii) measuring expected returns of an asset. The understanding of the factors and their contributions to Australian equity returns will help us identify asset pricing models that are suitable to the local market. Besides, most international equity markets are similar to the Australian market in that there is a small number of very large companies and the majority of listed stocks are very small in size (relative to the US market). The findings from our study facilitate comparisons with other markets with a similar composition.
ONE	One bottom line
(J) Contribution?	This study makes the following contributions: <ol style="list-style-type: none"> 1. The study responds to the concern in Campbell, Lo and MacKinlay (1997) that the usefulness of multifactor models needs to be comprehensively tested out-of-sample. 2. The result of spanning tests will complement the existing Fama and French studies in Australia and help identify factors that are important in the Australian market. The findings are meaningful given that a number of studies have demonstrated that the prices of internationally traded stock remain strongly influenced by local risk factors.
(K) Other Considerations	The research team is familiar with the Fama and French work and the relevant Australian literature. The risk of this project is low.

4. Conclusion

This paper outlines and discusses background and considerations relevant to the decision by *Capital Markets Review* to formally adopt a structured abstract design based on the pitching research framework of Faff (2015, 2019). The key purpose of an abstract is to communicate to the reader the main messages – the abstract needs to catch the reader, just like fishermen trying to “hook their fish”. But, readers are impatient – they are not easy to catch, and they are very easy to lose! Readers need the “right” bait and the simple structured abstract design can serve this purpose – though, like any bait, it needs to be fresh and “tasty”, not stale and bland.

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