Bingo Cages Aid Accounting Research

Shyam Sunder

Recent visitors to the accounting department may have been surprised to find bingo cages, dice, and other questionable devices in some professors’ offices. Puzzled but polite, they averted their glances to spare their teachers embarrassment. Could it be true? Do accounting professors really play with bingo cages?

Indeed it’s true – and they’re involving students too! What is going on?

Accounting provides information; information is of value only in a world of uncertainty. Thus, conducting empirical research on the value of information under uncertainty requires random numbers. A bingo cage happens to be an excellent device for generating random numbers.

A random number is based on chance. It can take any one of two, three, or more values. Before the chance event occurs nobody can tell what the random number will be. If you assign one for heads and zero for tails in a coin toss, then tossing a coin yields a random number that can be either one or zero. The number of cars that pass in front of my house in the next hour is also a random number that could be as small as zero and perhaps as large as 1,000.

We are immersed in a sea of random numbers. The number of seconds it takes to brush my teeth, the number of pieces of mail I receive, the number of calories I take in at lunch, the number of students who attend my class, and the precise time I fall asleep are all random numbers. Given this generous supply of random numbers, why would anyone need special devices for generating them?