URN etd-0407109-183711-855
Author Jia-Yi Chen
Author's Email Address No Public.
Statistics This thesis had been viewed 39 times. Download 0 times.
Department
Year 2006
Semester 2
Degree Master
Type of Document Master's Thesis
Language zh-TW.Big5 Chinese
Title Earnings management through real activities manipulation
Date of Defense 0000-00-00
Page Count 50
Keyword
Capital markets
Accounting choice
Earnings manipulation

Abstract
Due to manipulation of earnings on listed companies, the importance of earnings management has received focused attention. This study will examine earnings management through actual activity manipulations, and use the Sugata Roychowdhury (2006) research technique to test the hypotheses. Sugata Roychowdhury (2006) stated that factors that influence real activities manipulation include industry, inventories, receivables, and incentives to meet zero earnings.
The purpose of this study is to examine earnings manipulation through real activities, as well as, cash flows from operating activities (CFO), production costs, and discretionary expenses as variables. Public listed companies in Taiwan from 1995 to 2004 will be used as sample and investigated under actual activity manipulations using four variables. The control variables of measuring the earnings management are: (a) industry (b) incentives to meet zero earnings, including the presence of debt, fair value of net worth, and short-term creditors; (c) earnings management flexibility, and (d) institutional ownership.
The results show that: (a) After controlling sales levels, at least one of the following events occurred: unusually low cash flow from operating activities (CFO) or unusually low discretionary expenses. (b) After controlling sales levels, companies experienced higher production costs. (c) Ceteris paribus, electronic industries exhibit higher abnormal production costs than other non-electronic. (d) Ceteris paribus, companies with debt outstanding exhibit abnormal higher production costs, and abnormal lower discretionary expenses. (e) Ceteris paribus, companies with higher market-to-book net worth exhibit abnormal higher production costs and abnormal lower discretionary expenses. (f) Ceteris paribus, companies with higher current liabilities as a percentage of total assets exhibit abnormal higher production costs, and abnormal lower discretionary expenses. (g) Ceteris paribus, companies with a higher level of inventories and receivables as a percentage of total assets exhibit abnormal higher production costs. (h)Ceteris paribus, companies with higher institutional ownership exhibit abnormal lower production costs, and abnormal higher discretionary expenses.
Advisory Committee - advisor

Files No Any Full Text File.
Date of Submission 2007-06-29