

National Chengchi University
Department of Accounting
Ph.D. Qualifying Exam- Financial Accounting
March 18, 2004

PART 2

2-1: (25 分)

Showing the methodologies of detecting earnings management in literature with description of appropriate scenarios.

2-2: (25 分)

A report entitled “NYSE chief resigns over pay row” from BBC news on September 18, 2003, stated that New York Stock Exchange (NYSE) chairman Richard Grasso resigned amid public anger over his \$140m pay package. Earlier in June 2003, BBC reported, “The question of corporate governance standards has come under intense focus over the past couple of years following scandals such as Enron and WorldCom.” These reports highlight the issue on corporate governance and executive compensation. Depict the relationship among compensation, performance, and corporate governance from theoretical and empirical perspectives with literature support.