

Department of Accounting
College of Commerce
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Ph.D. Qualifying Exam- Financial Accounting
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PART 1

1. (35%)

Dye and Sridhar (1995) explored industry-wide disclosure issue.

- (1) **(15%)** Describe the following settings of the basic model in the paper:
 - (A) players
 - (B) information structure
 - (C) sequential decisions (or actions) for all players
- (2) **(5%)** Describe equilibrium in the industry-wide common knowledge model.
- (2) **(10%)** What is the major conclusion/implication of the paper?
- (3) **(5%)** What is the contribution of the paper?

2. (15%)

Kim and Verrecchia (1991) proposed a model to discuss equilibrium price. And Ohlson (1995) developed a model in equity valuation. Compare these two models in terms of the following dimensions:

- (1) assumptions
- (2) findings
- (3) implications