

Department of Accounting

College of Commerce

National Chengchi University

Financial Accounting

Ph.D. Qualification Examination

April 27, 2010

PART I – 50%

- 1. (16%) Do prior studies lend support to the preference of direct method over indirect method in preparing statement of cash flows? Detail their arguments, research designs and findings.**

- 2. (16%) In order to enhance predictive power of a bankruptcy prediction model which is based on financial statements information, what kind of considerations should be emphasized and how do you incorporate such considerations into your bankruptcy prediction work? Support your arguments with literature.**

- 3. (18%) Propose an empirical research on the following related issues: earnings, cash flows pricing, volatility, predictability, earnings persistence, stock return, and CFO. Briefly give motivation, hypotheses with rationale, and research design.**