

NATIONAL CHENGCHI UNIVERSITY
Department of Accounting
Reading List for Ph.D. Qualifying Exam- Financial Accounting
Fall 2011

Note: The Ph.D. Qualifying Exam questions may not be restricted to the papers in this list.

PART 2

1. Information perspectives (2)

Ball, R., and P. Brown. 1968. An Empirical evaluation of accounting income numbers. *JAR* 6, 159-178.

*Collins, D. W., and S. P. Kothari, 1989. An analysis of the intertemporal and cross-sectional determinants of earnings response coefficients, *JAE* 11, 143-181.

Review paper

Kothari, S. P. 2001. Capital market research in accounting. *JAE* 31, 105-231.

2. Measurement perspectives / Ohlson Models (3)

*Aboody, D. and B. Lev. 1998. The value-relevance of intangibles: the case of software capitalization. *JAR* (supplement), 161-191.

Ohlson, J. A. 1995. Earning, book values, and dividends in security valuations. *CAR* 11, 661-687.

Review paper:

Barth, M. E., W. H. Beaver, and W. R. Landsman. 2001. The relevance of the value relevance literature for financial accounting standard setting: Another view. *JAR* 31, 77-104.

3. Conservatism in accounting (5)

*Basu, S., 1997. The conservatism principle and the asymmetric timeliness of earnings, *JAE* 24, 3-37.

*Ball and Shivakumar. 2006. The Role of Accruals in Asymmetrically Timely Gain and Loss Recognition. *JAE*.

Zhang, J. 2008. The contracting benefits of accounting conservatism to lenders and borrowers. *JAE* 45, 27-54.

Chen, Chen, Lobo, and Wang. 2010. Association between borrower and lender state ownership and accounting conservatism, *JAR* 48 (5), 973~1014.

Review paper:

Watts, R.L., 2003. Conservatism in accounting part I (II): Explanations and implications, *Accounting Horizons*, 207-221 (287-301).

4. Accounting Information and Stock Efficiency (6)

*Sloan, R. 1996. Do stock prices fully reflect information in accruals and cash flows about future earnings? *TAR* 71, July, 289-315

Bernard, V. and J. Thomas. 1989. Post-earnings-announcement drift: Delayed price response or risk premium? *JAR* 27, 1-34.

Review paper:

Lee, C. M. C. 2001. Market efficiency and accounting research: A discussion of 'Capital market research in accounting'. *JAE* 31, 233-253.

5. Earnings Management

Accrual model (7)

*Jones, J. J., 1991. Earnings management during import relief investigations, *JAR* 193-228

*Dechow and Dichev. 2002. The quality of accruals and earnings: the Role of accrual estimation errors. *TAR*.

*Kothari, S., A. Leone, and C. Wasley. 2005. Performance matched discretionary accrual measures. *JAE* 39, 163-197.

Distribution Model (8)

*Burgstahler, D. and I. Dichev, 1997. Earning management to avoid earnings decreases and losses. *JAE* 24, 99-126 °

*Dichev, I. and Skinner. 2002. Large-sample evidence on the debt covenant hypothesis. *JAE* 40, 1091~1123

Real transaction model

*Roychowdhury, S. 2006. Earnings management through real activities manipulation. *JAE* 42, 335-370.

Cohen, D., and P. Zarowin. 2010. Accrual-based and real earnings management activities around seasoned equity offerings. *JAE*, 50: 2-19.

Review paper:

Healy, P. and J. Wahlen. 1999. A review of the earnings management literature and its implications for standard setting. *Accounting Horizon* 13(4): 365-383.

6. Expectation Management / Meeting expectation (9)

*Matsumoto, D. 2002. Management's incentives to avoid negative earnings surprises. *The Accounting Review* 77, 483-514.

*Kasznik, R., and M. McNichols. 2002. Does meeting expectations matter? Evidence from analyst forecast revisions and share prices. *JAR* 40, 727-759.

*Bartov, E., D. Givoly, and C. Hayn. 2002. The rewards to meeting or beating earnings expectations. *JAE* 33(2), 173-204.

7. Disclosure (10 、 11)

*Leuz, C., and R. Verrecchia. 2000. The economic consequences of increase disclosure. *JAE* 38, 91-124.

Botosan, C. 1997. Disclosure level and the cost of equity capital. *TAR* 72 (3): 323-349.

*Bushee, B., D. Matsumoto, and G.. Miller. 2003. Open vs. closed conference call: The determinants and effects of broadening access to disclosure, *JAE*, 149-180.

Ajinkya, B., S. Bhojraj, and P. Sengupta. 2005. The association between outside directors, institutional investors and the properties of management earnings forecasts. *JAR* 43, 343-376.

Review paper:

Healy, P. M., and K. G. Palepu. 2001. Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *JAE* 31, 405-440.

8. Corporate Governance / Concentrated Owners/family firms (12 、 13)

*DeFond, Mark; Rebecca Hann; and Xuesong Hu. 2005. Does the market value financial expertise on audit committees of boards of directors? *JAR* 43, 153-193.

Haw, I. M., B. B. Hu, L. S. Hwang, and W. Wu. 2004. Ultimate ownership, income management, and legal and extra-legal institutions. *JAR* 42, 423-426.

*Fan, J and T. J. Wong. 2002. Corporate ownership and the informativeness of accounting information. *JAE*.

*Fan, J. and T. J. Wong, 2005. Do external auditors perform a corporate governance pole in emerging markets? Evidence from East Asia. *JAR* 43, 35-72.

*Wang, D. 2006. Founding Family ownership and earnings quality. *TAR*.

Ali, Chen, Radhakrishnan. .2009. Corporate Disclosures by Family Firms. *JAE*.

Review paper:

Bushman, R. M., and A. Smith. Financial accounting information and corporate governance. *JAE* 32, 237–333.

9. Analyst (14 · 15)

Hope. 2003. Disclosure Practices, Enforcement of Accounting Standards, and Analysts' Forecast Accuracy: An International Study. *JAR*

*Lang, M.H., L. Karl, and V. Miller, and P. Darius. 2003. ADRs, analysts, and accuracy: does cross listing in the United States improve a firm's information environment and increase market value? *JAR*, 317-346.

*Lang, Lins, and Miller. 2004. Concentrated control, analyst Following, and valuation: Do analysts matter most when investors are protected least? *JAR*.

Chang, Khanna, and Palepu. 2000. Analyst activity around the world. Working Paper. Harvard University..

*Bae, K., R. Stulz and H. Tan. 2009. Do local analysts know more? A cross-country study of the performance of local analysts and foreign analysts. *JFE*.

Byard, D., Y. Li, and Y. Yu. 2011. The effect of mandatory IFRS adoption on financial analysts' information environment. *JAR*. 2011, forthcoming.

*Barron, O., D. Byard, C. Kile, and E. Riedl. 2002. High-technology intangibles and analysts' forecasts. *JAR* 40, 289–312.

Review paper:

*Ramnath, S., S. Rock and P. Shane. 2008. The financial analyst forecasting literature: A taxonomy with suggestions for further research. *International Journal of Forecasting* 24, 1~28.

10. Compensation (16)

*Sloan, 1993. Accounting earnings and top executive compensation. *JAE*, 55-100.

Core, and Guay, 1999. The use equity of grants to manage optimal equity incentive levels. *JAE* 28, 151-184.

Core, Guay, and Verrecchia, 2003. Price versus non-price performance measures in optimal CEO compensation contracts. *TAR* 78, 957-981.

Bushman, Indejikian, and Smith. 1996. CEO compensation: The role of individual performance evaluation. *JAE* 21, 161-193.

*McAnally, M. R., A. Srivastave, and C. D. Weaver. 2008. Executive stock options, missed earnings targets, and earnings management. *TAR* 83, 185-216.

Review paper:

Bushman, R. M., and A. Smith. Financial accounting information and corporate governance. *JAE* 32, 237–333.

11. Debt and Accounting (18)

*Costello, A. and R. Wittenberg-Moerman. 2011. The impact of financial reporting quality on debt contracting: Evidence from internal control weakness reports, *JAR*.

*Bushman, R. M., A. Smith, and R. Wittenberg-Moerman, 2010. Price discovery and dissemination of private information by loan syndicate participants. *JAE* 48 (5), 921~972.

*Ball, R., R. Bushman, and F. Vasvari. 2008. The debt-contracting value of accounting information and loan syndicate structure. *JAR* 46 (2), 247~287.

Wittenberg Moerman, R., 2008. The role of information asymmetry and financial reporting quality in debt trading: Evidence from the secondary loan market, *JAE* 46, 240-260.

12. Institutional / Legal environment and accounting

Background papers

- *Ball, R., S. P. Kothari, and A. Robin. 2000. The effects of institutional factors on properties of accounting earnings: International evidence. *JAE* 29, 1-51.
- *Ball, R., A. Robin, and J.S. Wu. 2003. Incentives versus standards: properties of accounting income in four East Asian countries, and implications for acceptance of IAS. *JAE* 36, 235-270.

IFRS

- *Covrig, DeFond, and Hung. 2007. Home bias, foreign mutual fund holdings, and the voluntary adoption of International Accounting Standards. *JAR*.
- *Daske, H., L. Hail, C. Leuz, and R. Verdi. 2008. Mandatory IFRS reporting around the world: Early evidence on the economic consequences. *JAR* 46 (5), 1085~1142.

Role of Government

- Fan, J., T. J. Wong, and T. Zhang. 2007. Politically connected CEOs, corporate governance, and post-IPO Performance of China's newly partially privatized firms. *JAE*, 84, 330-357.
- *Chaney, Faccio, and Pasley. 2011. The quality of accounting information and politically connected firms. Working Paper. Vanderbilt University.

Founder Succession

- Fan, J., T. J. Wong, and T. Zhang. 2011. Founder succession and accounting properties. *CAR*.

Auditing

- *Wong, T. J., Q. Wang, and L. Xia. 2008. State ownership, the institutional environment, and auditor choice: Evidence from China. *JAE*, 46:112-134.
- Choi, J. and T. J. Wong. 2007. Auditors' governance functions and legal Environments: An International Investigation" *CAR* (24): 13-
- Chen, Sun, and Wu. 2010. Client importance, institutional improvements, and audit quality in China: A office and individual auditor level analysis. *TAR*

Cross-listing

- *Luzi and Leuz. 2006. International differences in the cost of equity capital: Do legal institutions and securities regulation matter? *JAR*.

CEO Turnover

- *Engel, Hayes, and Wang. 2003. CEO turnover and properties of accounting information. *JAE*.
- *DeFond and Hung. 2003. Investor protection and corporate governance: Evidence from Worldwide CEO turnover. *JAR*.