

**Department of Accounting
College of Commerce
National Chengchi University**

**Ph.D. Qualifying Exam- Financial Accounting
September 23, 2011**

PART 1

- (1) Researchers have used various measures as indications of "earnings quality" over past three decades.
- (a) Please list at least 5 measures of earnings quality widely used in academic journal. (10%)
 - (b) Please exploit the unique features of each of these earnings measures. Here is a single best measure of earnings quality? (10%)
- (2) Do politically connected boards affect firm value and accounting reporting in Taiwan? Please **briefly** present a proposal on this issue, including topic, hypotheses, and research design. (15%)
- (3) Please answer the following questions:
- (a) Comments the paper of Roychowdhury (2006), in particular proxies for real earnings manipulation. (*JAE* 42, 335-370). (8%)
 - (b) In an inefficient market (e.g., China), how should researcher test whether earnings have information contents? For example, when using ERC to examine this question, how should researcher adjust traditional research design? (7%)