

When
Thursday,
December 5, 2019 9h00-11h00

Where
701 Dunton Tower
Carleton University

Pascale Lapointe-Antunes, PhD, FCPA, FCA
Goodman School of Business, Brock University

Part I: Welcome to the Gray Zone: Shades of Honesty and Earnings Management

ABSTRACT

We examine the influence of CFO/CEO honesty perceptions on earnings management for the largest publicly traded companies in America, and show that face-based judgments of honesty play a significant role. Specifically, after controlling for incentives (i.e. stock-based compensation, bonuses, leverage) and opportunities (i.e. auditor independence, internal control deficiencies), members of senior management perceived to be less honest engage in higher levels of both accruals management and real earnings management. Interestingly, the beneficial impact of perceived honesty on earnings quality is most pronounced when both the CFO and the CEO are perceived to be honest. Findings are consistent with our conjecture that both the CFO and CEO independently contribute to a firm's reporting environment.

Part II: Discussion with an Editor-in-Chief

ABOUT THE PRESENTER

Pascale Lapointe-Antunes, PhD, FCPA, FCA, is an Associate professor of Accounting in the Goodman School of Business, Brock University. She holds a PhD in Accounting from Concordia University, an MBA from Université Laval, and a BComm from HEC Montréal. She has worked as an auditor at PricewaterhouseCoopers. In 2016, she became Editor-in-Chief of Accounting Perspectives, a quarterly peer-reviewed CAAA journal.

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