

EARNINGS MANAGEMENT: A LITERATURE REVIEW

Debbianita¹
Tan Ming Kuang²
Marcella Hoetama³

^{1,2,3} Maranatha Christian University, Bandung, Indonesia

Corresponding Author: debbianita@eco.maranatha.edu

Abstract

Earning is an important component in financial statements that can be modified by management policies. Managers have the opportunity to present profits according to their wishes because managers have more information so they are free to do this which is called earnings management. In our study, the researchers attempt to review the literature studies that provide an analysis of earnings management impact from two perspectives. The researcher attempts to review existing research/literatures that provide an analysis of earnings management from two perspectives. The articles used in this study consist of 50 articles on earnings management that have been published in international journals and were obtained from Google Scholar using the keyword "earnings management". The research findings indicate that the majority of the articles are quantitative studies utilizing the accrual-based earnings management approach and possess an opportunistic perspective towards earnings management. Research on earnings management has been extensively conducted, but only a few have explored earnings management from a signal perspective. The study aims to examine two different point of view from earnings management article.

Keywords: Earnings Management, Opportunistic Perspective, Signalling Perspective

1. Introduction

Based PSAK No. 1, 2020, financial statements is provide information about the financial performance, financial position, and cash flows of an entity that is useful to a wide range of users in making economic decisions. Accounting earning is one of the components of financial statements

that can be used as a basis for making company policies. Many decision based on information in the annual report /financial statements for example executive compensation, debt agreements, capital enhancement, and the most important is investment decisions for external investors (Sun and Rath, 2008). Reported earning should

Article History

Received : 2023-12-10
Revised : 2024-06-15
Accepted : 2024-06-28



This is an open access article under the CC-BY-SA License

reflect the company's operations and facilitate efficient resource allocation within the company (Sun and Rath, 2008). Managers as internal parties of the company have the advantage of having more information and this is what makes managers have the opportunity to present profits according to the wishes of the company or even the wishes of managers which is called earnings management (Sun and Rath, 2008).

There are two perspectives in earnings management: opportunistic and signaling (Sun and Rath, 2008). The opportunistic holds that managers use information asymmetry to maximize their utility in terms of contracts such as debt, compensation, & regulations. Earnings management occurs when managers use their judgment in changing financial statements or to change the results of contracts/agreement related to reported accounting earnings, this aims to mislead some stakeholders (Healy and Wahlen, 1999). Watts and Zimmerman (1986) formulated three hypotheses related to the opportunistic perspective of earnings management: (1) Bonus plan hypothesis, managers perform earnings

management actions to obtain bonuses as expected; (2) Debt Covenant Hypothesis, management performs earnings management to obtain incentives due to fulfillment of the terms of the credit agreement; and (3) the Political Process Hypothesis, where significant fluctuations in the increase in profit rates are seen as a signal of crisis and cause regulators to act.

The signal perspective argues that managers manage earnings to convey information from insiders about the company's prospects (Holthausen and Leftwich, 1983). By carrying out earnings management, managers may be able to influence stock prices so that managers make a series of profits that are smooth and develop over time.

This research review existing research/literatures that provide an analysis of earnings management based on research type, earnings management approach, and perspective. The articles used in this study consist of 50 articles on earnings management that have been published in international journals.

2. Literature Review

2.1 Earnings Management

Earnings management is a deliberate intervention in financial reporting, with the aim of achieving the desired profit by varying accounting practices. Earnings management is an act that does not violate accounting rules, and takes advantage of various choices in accounting policies. However, this action misleads stakeholders because they make decisions based on manipulated financial reports (Callao, et al. 2014).

Sun and Rath (2008) state that there are two perspectives in earnings management. The opportunistic perspective by Watts and Zimmerman (1986), argues that managers take advantage of opportunities to manage earnings for maximize their own utility at the expense of contracting parties and stakeholders. In contrast, the signaling perspective (Holthausen and Leftwich's, 1983), suggests that managers use discretion to communicate insider information to external investors, aiding investors in predicting and forming expectations about the company's future

performance. Several accounting studies examining earnings management from an incentive contract perspective have drawn conclusions based on managerial opportunism, while most financial research focuses on evaluating the role of earnings management in the capital market, its assessment, and the underlying impact on economic efficiency.

2.1.1 Two Perspectives of Earnings Management

The first perspective is opportunistic which holds the view that due to information asymmetry between inside and outside the company, managers use this opportunity to maximize their utility, such as in the case of compensation contracts, debt contracts and regulations. This can result in making inappropriate decisions due to unreliable information, for example making investment decisions. The opportunistic approach was first used by Watts and Zimmerman (1978) and then other studies such as Bradshaw et al. (2001), Christensen et al. (1999), Guay et al. (1996), and Suh (1990) explained that

action managers' discretionary over reported earnings is used to influence contract outcomes and ultimately influence wealth transfer. Opportunistic earnings management describes managers' desire to enrich themselves.

The second perspective is the signal perspective which argues that managers manage earnings to convey information from internal parties regarding company prospects which are considered to affect stock prices. This makes managers take earnings management actions such as making profit figures that are smooth and grow over time. Thus, earnings management can become a signaling mechanism through which insider information about a company can be communicated to investors. This opinion is also supported by several studies which have described earnings management as a rational balance behavior (Lev, 2003; Bartov et al., 2002; Hunt et al., 1997; Ronen & Sadan, 1980; Chaney & Lewis, 1995; Wang & Williams, 1994; Suh, 1990; Trueman & Titman, 1988; Dye, 1988; Demski et al. 1984; Lambert, 1984).

These studies provide empirical evidence that earnings management can facilitate efficient communication between managers and users of information in order to increase the value relevance of financial reporting and, improve the ability of investors to predict company performance. The signaling perspective also implies that earnings management is sometimes demanded by shareholders for two reasons: reducing the cost of capital can be reduced through a smoother and predictable profit flow and a more stable profit stream affects potential investors' perceptions of firm value (Beidleman, 1973 and Dye, 1988). Other evidence was also put forward by Easton & Zmijewski (1989) and Chaney & Lewis (1995) that current shareholders will sell their shares to the next generation, managers will act on behalf of current shareholders and have incentives to manage earnings. thus maximizing the selling price received by current shareholders.

2.2 Previous Research

Sun and Rath's research (2018) This research looks at whether there are

different managerial incentives that drive earnings management and also examines the relationship between efficient contracts, opportunistic behavior, and signaling mechanisms. This research aims to provide theoretical guidelines for future research by integrating and reconciling earnings management research perspective. Their research creates a conceptual framework to find out what influences earnings management actions based on information asymmetry and agency conflict. This research also discusses opportunistic behavior and signaling mechanisms which say that earnings management is not always bad and can be a tool to improve company communication with external parties and improve internal efficiency.

Callao, et al. (2014) view earnings management from three perspectives (methodological, chronological, and cross-country). The methodological perspective focuses on issues related to earnings management measurement, as well as the development of new methods for detecting and measuring earnings management, while the chronological

perspective analyzes the evolution of earnings management by creating a roadmap. The cross-country perspective considers the country of origin of the selected sample.

3. Research Methods

In this study, the researcher attempts to review existing research/literatures that provide an analysis of earnings management from two perspectives. The articles used in this study consist of 50 articles on earnings management that have been published in international journals and were obtained from Google Scholar using the keyword "earnings management."

The research method used follows the format of Ruch and Taylor's study (2015). First, the number of articles used in this research will be discussed and classified based on the source of the journals and the topics of the research. Then, the types of earnings management actions conducted and their impact on financial statement users will be discussed from two perspectives: opportunistic perspective (creditors and

government) and signaling perspective (investors).

4. Discussions

4.1 Research Data

The data used in this study consists of 50 earnings management articles that have been published in an International Journal obtained from Google Scholar. Below is the list of articles used in this study:

Table1. Research Article Data

Journal	Number of Papers Review
The Accounting Review	7
Journal of Financial Economics	6
Accounting horizon	4
Journal of Accounting Research	4
Contemporary Accounting Research	3
Journal of Accounting and Economics	3
Review of Accounting Studies	3
Journal of Accounting, Auditing & Finance	2
Accounting & Finance	1
Corporate Governance: an International Review	1
Journal of accounting public policy	1
Journal of Literature	1
Managerial finance	2
Review of Quantitative and Accounting Finance	1
The International Journal of Accounting	1
Journal of Applied Business Research	1
Jurnal Pengurusan	1
Other Journals	5
Working Papers	3

Source: developed in research (2023)

4.2 Discussions

4.2.1 Articles Based on Research Types

From the 50 articles used in this research, it was found that 37 articles, or approximately 74%, were quantitative studies, while 13 articles, or 17%, were qualitative studies. Descriptive research methods are carried out to determine the existence of independent variables (stand-alone variables or independent variables) without making comparisons or looking for relationships with other variables (Sugiyono, 2017). Quantitative approach is a research method based on positivism philosophy, used to investigate a specific population or sample, with sampling techniques generally performed randomly. Data collection is done using research instruments, and the analysis is quantitative/statistical, with the aim of testing predetermined hypotheses (Sugiyono, 2017).

4.2.2 Articles Based on the Earnings Management Approach

Earnings management as a deliberate intervention carried out to

obtain personal benefits for certain parties (Schiper, 1989). There are two approaches to earnings management, namely the real earnings management approach and the accrual earnings management approach. Real earnings management is carried out through the company's daily activities during the accounting period. The main motivation for manipulating real activities is the timing of earnings management. Real earnings management can be carried out at any time throughout the accounting period with specific objectives, namely meeting certain profit targets, avoiding losses, and achieving analyst forecast targets. Real earnings management is difficult for auditors to detect.

Some researchers (Subekti, Wijayanti and Akhmad, 2010; Kothari, 2001, Subramanyam, 1996; Kothari et al. 2005; Guay et al. 1996; Dechow et al. 1995) consider the accrual earnings management measurement model to be unable to reveal complete conditions regarding earnings management practices because the model ignores the relationship between cash flow transactions and accruals.

Roychowdhury (2006) state that earnings management which is only based on accruals may become invalid. Survey results by Graham, Harvey and Rajgopal (2005) found that top management is more willing to engage in real earnings management than accrual management to achieve profit targets. Zang (2006) shows that in order to achieve targets, companies use various earnings management techniques, not just one technique. Accrual earnings management is measured by short term and long term discretionary accruals. Meanwhile, real earnings management is measured by abnormal operating cash flows (abnormal CFO), abnormal production costs (abnormal production costs), and abnormal discretionary expenses (abnormal discretionary expenses).

The accrual-based earnings management measurement model is considered by several researchers to be insufficient in revealing a complete picture of earnings management practices because it overlooks the relationship between cash flow transactions and accruals (Subekti,

Wijayanti, & Akhmad, 2010; Kothari et al., 2005; Kothari, 2001; Guay et al., 1996; Subramanyam, 1996; Dechow et al., 1995). Roychowdhury's study (2006) concluded that earnings management relying solely on accrual manipulation may be invalid. The survey findings of Graham, Harvey, and Rajgopal (2005) provided strong evidence that top management respondents are more willing to engage in real earnings management rather than accrual management to achieve profit targets. Zang (2012) demonstrated that companies employ various earnings management techniques, not just a single technique, to meet their targets. Accrual-based earnings management is measured using short-term and long-term discretionary accruals, while real earnings management is measured using abnormal CFO, abnormal production costs, and abnormal discretionary expenses.

From the 37 articles on earnings management that employ quantitative research methods, 24 of them, or approximately 65%, indicate that there are still many who utilize the accrual

approach compared to real earnings. There are still numerous researchers who use discretionary accruals to measure earnings management, especially since the measurement models have been researched and refined, making them considered as the most suitable proxies for earnings management.

4.2.3 Articles Based on Perspectives

Earnings management behavior is always associated with negative behavior because it causes financial information presented to not reflect the actual conditions. This occurs due to the asymmetric relationship between management, shareholders, and stakeholders with conflicting levels of interest (desires). Management desires high bonuses by increasing the company's profits in the respective year. Meanwhile, shareholders attempt to decrease earnings with the goal of repurchasing their shares. This opportunistic perspective, due to the misalignment of incentives between managers and shareholders, can encourage managers to utilize the flexibility provided by Generally

Accepted Accounting Principles (GAAP) to opportunistically manage income, thus creating information distortion when reporting earnings in financial statements (Healy and Palepu, 1993).

However, earnings management is not always considered negative because at certain levels, earnings management practices have been proven to provide highly effective information in supporting decision-making processes (Ronen and Yaari, 2008). This is as observed by Arya et al. (2003) as follows.

“Accounting research shows that income manipulation is not an unmitigated evil; within limits, it promotes efficient decisions. Our argument, admittedly controversial, is worth airing: earnings management and managerial discretion are intricately linked to serve multiple functions; accounting reform that ignores these interconnections could do more harm than good.”

Similarly, many other researchers in the field of accounting argue that management may indeed benefit a

company when performed at a level capable of enhancing the value of information contained in earnings. Managers may test accounting options in earnings presentation to communicate specific information to shareholders and all stakeholders of the company (Jiaroporn et al., 2008; Arya et al., 2003; Demski, 1998; Subramanyam, 1996; Guay et al., 1996; Holthausen, 1990; Watts & Zimmerman, 1986) If this is the case, the practice of earnings management may not harm shareholders or other stakeholders. Subramanyam (1996) supports the argument that managers to test the accounting options to improve the information capability of earnings in reflecting underlying values.

5. Conclusions and Limitation

5.1 Conclusions

This study is a descriptive research using 50 earnings management articles that have been published in international journals, and from the data analysis conducted, the following conclusions can be drawn:

- 1 Out of the 50 articles used in this study, it was found that 37 articles, or approximately 74%, were quantitative research, while 13 articles, or 17%, were qualitative research.
- 2 From the 37 articles on earnings management that utilize quantitative research methods, 24 of them, or approximately 65%, indicate that there are still many who use the accrual approach rather than the real approach.
- 3 From the article used in this research, the majority or approximately 75% still adopt an opportunistic approach to earnings management because earnings management is considered manipulative, which could mislead financial statement users. The remaining 13% have already adopted a signaling approach.

5.2 Limitation

The limitation in this study is to only look at earnings management from the opportunistic and signaling side, further research can further explore what is actually the motive for doing earnings management so that profit management

can be said to be good or bad (Scott, 2015).

References

- Arya, A., Glover, J., & Sunder, S. 2003. "Are unmanaged earnings always better for shareholders?" *Accounting Horizons*, 111-116.
- Bartov, E., Givoly, D. & Hayn, C. 2002, "The rewards to meeting or beating earnings expectations". *Journal of Accounting and Economics*, 33, 173-204.
- Bradshaw, M.T., Richardson, S.A. and Sloan, R.G. 2001. "Do analysts and auditors use information in accruals?" *Journal of Accounting Research*, 39, 45-74.
- Beidleman, C. R. 1973. "Income smoothing: the role of management". *The Accounting Review*, 48, 653-667.
- Callao S., Jarne, J.I., and Wroblewski D. 2014. "The Development of Earnings Management Research, A Review of Literature from Three Perspectives". *International Cooperation*, Vol 70 No 135 pp 135-177.
- Chaney, P. K. & Lewis, C. M. 1995. "Earnings management and firm valuation under asymmetric information". *Journal of Corporate Finance*, 1, 319-345.
- Christensen, T.E., Hoyt, R.E. and Paterson, J.S. 1999. "Ex ante incentives for earnings

- management and the informativeness of earnings”. *Journal of Business Finance and Accounting*, 26, 807-832.
- Creswell, J. W., & Creswell, J. D. 2017. *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.
- Demski, J. S., Patell, J. M. & Wolfson, M. A. 1984. “Decentralized choice of monitoring systems”. *The Accounting Review*, 59, 16-34.
- Dye, R. 1988. “Earnings management in an overlapping generations model”. *Journal of Accounting Research*, 26, 195-235.
- Easton, P. D. & Zmijewski, M. E. 1989. “Cross-sectional variation in the stock market response to accounting earnings announcements”. *Journal of Accounting and Economics*, 11, 117-141.
- Graham, J. R., Harvey, C. R., & Rajgopal, S. 2005. “The economic implications of corporate financial reporting”. *Journal of accounting and economics*, 40(1-3), 3-73.
- Guay, W., Kothari, S. and Watts, R. 1996. “A market-based valuation of discretionary accrual models”. *Journal of Accounting Research*, 34, 83-105.
- Healy, P. M., & Palepu, K. G. 1993. “The effect of firms’ financial disclosure policies on stock prices”. *Accounting Horizons*, 7, 1-11.
- Healy P.M. and Wahlen J.M. 1999. “A review of the Earnings Management Literature and Its Implications for Standard Setting”. *Accounting Horizons*, vol. 13, no. 4, pp. 365–383.
- Hunt, A., Moyer, S. and Shevlin, T. 1997. “Earnings volatility, earnings management and equity Value”. Working Paper. University of Washington.
- Holthausen, R. W. 1990. “Accounting method choice: opportunistic behavior, efficient contracting and information perspectives”. *Journal of Accounting and Economics*, 12, 207-218.
- Holthausen, R. W. and Leftwich, R. W. 1983, “The economic consequence of accounting choice: Implications of costly contracting and monitoring,” *Journal of Accounting and Economics*, 5, 77-117.
- Jiraporn, P., Miller, G. A., Yoon, S., & Kim, Y.S. 2008. “Is Earnings Management Opportunistic or Beneficial? An Agency Perspective”. *International Review of Financial Analysis*, 17, 622-634.
- Kothari, S. P. 2001. Capital markets research in accounting. *Journal of accounting and economics*, 31(1-3), 105-231.
- Kothari, S. P., Leone, A. J., & Wasley, C.

- E. 2005. "Performance matched discretionary accrual measures". *Journal of accounting and economics*, 39(1), 163-197.
- Lambert, R. A. 1984. "Income smoothing as rational equilibrium behavior." *The Accounting Review*, 59, 604-618.
- Lev, B. 2003. "Corporate earnings: fact and fiction." *Journal of Economics Perspectives*, 17 , 27-50.
- Ronen, J. and Sadan, S. 1980. "Accounting classifications as a tool for income prediction". *Journal of Accounting, Auditing & Finance*, 3, 339-353.
- Roychowdhury S. 2006. "Earnings Management through Real Activities Manipulation". *Journal of Accounting and Economics*, vol. 42, pp. 335–370."
- Ruch G. W., and Taylor G. 2015. "Accounting Conservatism: a Review of the Literature". *Journal of Accounting Literature*, Volume 34 pp 17-38.
- Scott, R. William. 2015. *Financial Accounting Theory*. Seventh Edition. Pearson Prentice Hall: Toronto.
- Subekti, I., Wijayanti, A., & Akhmad, K. 2010. The real and accruals earnings management: satu perspektif dari teori prospek. *Makalah disampaikan pada Simposium Nasional Akuntansi XII, Purwokerto*.
- Subramanyam, K. R. 1996. "The pricing of discretionary accruals". *Journal of Accounting and Economics*, 22, 249-281.
- Sugiyono. 2017. *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: CV. Alfabeta.
- Suh, Y.S. 1990, "Communication and income smoothing through accounting method choice", *Management Science*, 36, 704-723.
- Sun L. and Rath S. 2008. "Fundamental Determinants, Opportunistic Behavior and Signalling Mechanism: An Integration of Earnings Management Perspectives". *International Review of Business Research Paper*, Volume 4 No 4 Aug- Sept pp 406-420.
- Trueman, B. and Titman, S. 1988. "An explanation for accounting income smoothing". *Journal of Accounting Research*, 26, 127-139.
- Wang, Z. and Williams, T.H. 1994. "Accounting income smoothing and stockholder wealth". *Journal of Applied Business Research*, 10, 96-110.
- Watts R. and Zimmerman J. 1986. *Positive Accounting Theory*, Prentice-Hall, Englewood Cliffs, NJ.
- Zang, A. Y. 2012. Evidence on the trade-off between real activities manipulation and accrual-based

earnings management. *The accounting review*, 87(2), 675-703.

Appendix 1: Previous Researches

No	Author's name	Title	Journal Name and Year
1	Schipper, K	Earnings management.	Accounting horizons (1989)
2	Myers, J. N., Myers, L. A., & Skinner, D. J	Earnings momentum and earnings management.	Journal of Accounting, Auditing & Finance (2007)
3	Dechow, P. M., Sloan, R. G., & Sweeney, A. P	Detecting earnings management.	Accounting review (1995)
4	Beneish, M. D	Earnings management: A perspective	Managerial finance (2001)
5	McNichols, M. F	Research design issues in earnings management studies	Journal of accounting and public policy (2000)
6	Dechow, P. M., Hutton, A. P., Kim, J. H., & Sloan, R. G.	Detecting earnings management: A new approach	Journal of accounting research (2012)
7	Dechow, P. M., Richardson, S. A., & Tuna, I.	Why are earnings kinky? An examination of the earnings management explanation	Review of accounting studies (2003)
8	Burgstahler, D., & Dichev, I.	Earnings management to avoid earnings decreases and losses	Journal of accounting and economics (1997)
9	Xu, R. Z., Taylor, G. K., & Dugan, M. T. (2007)	Review of real earnings management literature	Journal of Accounting Literature (2007)
10	Payne, J. L., & Robb, S. W.	Earnings management: The effect of ex ante earnings expectations	<i>Journal of Accounting, Auditing & Finance (2000)</i>
11	Roychowdhury, S.	Earnings management through real activities manipulation.	<i>Journal of accounting and economics (2006)</i>
12	Davidson, R., Goodwin-Stewart, J., & Kent, P.	Internal governance structures and earnings management	<i>Accounting & Finance (2005)</i>
13	Leuz, C., Nanda, D., & Wysocki, P. D.	Earnings management and investor protection: an international comparison.	<i>Journal of financial economics (2003)</i>
14	Bergstresser, D., & Philippon, T.	CEO incentives and earnings management.	<i>Journal of financial economics (2006)</i>
15	Kao, L., & Chen, A.	The effects of board characteristics on earnings management.	<i>Corporate Ownership & Control (2004)</i>
16	Gunny, K. A.	<i>What are the consequences of real earnings management?.</i>	University of California, Berkeley.(2005)

17	Arya, A., Glover, J., & Sunder, S.	Earnings management and the revelation principle.	<i>Review of Accounting Studies (1998)</i>
18	Marrakchi Chtourou, S., Bedard, J., & Courteau, L.	Corporate governance and earnings management	SSRN (2001)
19	Mohanram, P. S.	How to manage earnings management.	<i>Accounting World (2003)</i>
20	Becker, C. L., DeFond, M. L., Jiambalvo, J., & Subramanyam, K. R.	The effect of audit quality on earnings management	<i>Contemporary accounting research (1998)</i>
21	Degeorge, F., Patel, J., & Zeckhauser, R.	Earnings management to exceed thresholds	<i>The journal of business (1999)</i>
22	Lee, C. W. J., Li, L. Y., & Yue, H.	Performance, growth and earnings management	<i>Review of Accounting Studies (2006)</i>
23	Peni, E., & Vähämaa, S.	Female executives and earnings management	<i>Managerial finance (2010)</i>
24	Jones, J. J.	Earnings management during import relief investigations	<i>Journal of accounting research (1991)</i>
25	Das, S., Shroff, P. K., & Zhang, H.	Quarterly earnings patterns and earnings management	<i>Contemporary Accounting Research (2009)</i>
26	Healy, P. M., & Wahlen, J. M.	A review of the earnings management literature and its implications for standard setting.	<i>Accounting horizons (1999)</i>
27	Cheng, Q., & Warfield, T. D.	Equity incentives and earnings management.	<i>The accounting review (2005)</i>
28	Barton, J., & Simko, P. J.	The balance sheet as an earnings management constraint.	<i>The accounting review (2002)</i>
29	Kim, J., Kim, Y., & Zhou, J.	Languages and earnings management	<i>Journal of Accounting and Economics (2017)</i>
30	Hribar, P., & Craig Nichols, D.	The use of unsigned earnings quality measures in tests of earnings management	<i>.Journal of Accounting Research (2007)</i>
31	Akers, M., Giacomino, D., & Gissel, J. L.	Earnings management and its implications.	<i>The CPA Journal (2007)</i>
32	Jo, H., & Kim, Y.	Disclosure frequency and earnings management	<i>Journal of Financial Economics (2007)</i>

33	Gunny, K. A.	The relation between earnings management using real activities manipulation and future performance: Evidence from meeting earnings benchmarks.	<i>Contemporary accounting research (2010)</i>
34	Hunt, A., Moyer, S., & Shevlin, T. (2000).	Earnings volatility, earnings management, and equity value.	<i>Unpublished working paper. University of Washington (2000)</i>
35	Gerakos, J.	Discussion of detecting earnings management: A new approach	<i>Journal of accounting Research (2012)</i>
36	McNichols, M. F., & Stubben, S. R.	Does earnings management affect firms' investment decisions?	<i>The accounting review (2008)</i>
37	Stubben, S. R.	Discretionary revenues as a measure of earnings management	<i>The accounting review (2010)</i>
38	Yu, F. F.	Analyst coverage and earnings management	<i>Journal of financial economics (2008)</i>
39	Rangan, S.	Earnings management and the performance of seasoned equity offering	<i>Journal of Financial economic (1998)</i>
40	Louis, H.	Earnings management and the market performance of acquiring firms	<i>Journal of financial economics (2004)</i>
41	Man, C. K.	Corporate governance and earnings management: A survey of literature	<i>Journal of Applied Business Research (2013)</i>
42	Richardson, V. J.	Information asymmetry and earnings management: Some evidence.	<i>Review of quantitative finance and accounting (2000)</i>
43	Ayers, B. C., Jiang, J., & Yeung, P. E.	Discretionary accruals and earnings management: An analysis of pseudo earnings targets	<i>The Accounting Review (2006)</i>
44	García-Meca, E., & Sánchez-Ballesta, J. P.	Corporate governance and earnings management: A meta-analysis.	<i>Corporate governance: an international review (2009)</i>
45	Beatty, A. L., Ke, B., & Petroni, K. R.	Earnings management to avoid earnings declines across publicly and privately held banks	<i>The accounting review (2002)</i>
46	Dechow, P. M., & Skinner, D. J.	Earnings management: Reconciling the views of	<i>Accounting horizons (2000)</i>

		accounting academics, practitioners, and regulators.	
47	Saleh, N. M., Iskandar, T. M., & Rahmat, M. M.	Earnings management and board characteristics: Evidence from Malaysia.	<i>Jurnal Pengurusan (2005)</i>
48	Jelinek, K.	The effect of leverage increases on earnings management	<i>The Journal of Business and Economic Studies (2007)</i>
49	Parfet, W. U.	Accounting subjectivity and earnings management: A preparer perspective.	<i>Accounting Horizons (2000)</i>
50	Filip, A., & Raffournier, B.	Financial crisis and earnings management: The European evidence	<i>The International Journal of Accounting (2014)</i>