



UNIVERSIDADE FEDERAL DO ESPÍRITO SANTO
Centro de Ciências Jurídicas e Econômicas
Secretaria Unificada de Pós-Graduação
Programa de Pós-Graduação em Ciências Contábeis – PPGCON

PROGRAMA DE DISCIPLINA

Subject: Earnings Quality	Code: PCON 1016
Workload: 30 h	Credits: 2

1. COURSE OVERVIEW

The course will introduce measures of financial reporting quality directly related to research methods applied in the capital markets arena. All measures of earnings quality are related to valuation models and the quality of content in accruals and cash flows. Earnings quality models include, but are not limited to: earnings management, conservatism and value relevance.

2. OBJECTIVE

The goal of this course is to develop students critical thinking about the relation between economic consequences and earnings quality measures. Develops skills about research questions and research design development as well as practical implications.

3. BASIC REFERENCES

Barth, M.E., Landsman, W.R. and Lang, M.H. (2008). International Accounting Standards and Accounting Quality. *Journal of Accounting Research*, 46(3): 467-498.

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Bushman, R. M., Lerman, A. and Zhang, X. F. (2016), The Changing Landscape of Accrual Accounting. *Journal of Accounting Research*, 54: 41–78. doi: 10.1111/1475-679X.12100

Dechow, P. 1994. Accounting earnings and cash flows as measures of firm performance: the role of accounting accruals. *Journal of Accounting and Economics*.

Dechow, Ge, Schrand. 2010. Understanding earnings quality: a review of the proxies, their determinants and their consequences. *Journal of Accounting and Economics*.

DeFond, 2010. Earnings quality research: advances, challenges and future research. *Journal of Accounting and Economics*.

Jenkins, David S.; Kane, Gregory D.; Velury, Uma. Earnings Conservatism and Value Relevance Across the Business Cycle. *Journal of Business Finance & Accounting*, 36(9) e (10), p. 1041–1058, Nov.-Dec./2009.

Sloan, R. G.. (1996). Do Stock Prices Fully Reflect Information in Accruals and Cash Flows about Future Earnings?. *The Accounting Review*, 71(3), 289–315.

Sloan, R. G. 2001. Financial accounting and corporate governance: A discussion. *Journal of Accounting and Economics*, 32(1-3): 335–347.

Watts, R. (2003a). Conservatism in Accounting Part I: Explanations and Implications. *Accounting Horizons*, 17(3): 207-221.

Watts, R. (2003b). Conservatism in Accounting Part II: Evidence and Research Opportunities. *Accounting Horizons*, 17(4): 287-301.