

Earnings Management and Operating Performance of Exchange Listings

張翊瑩、廖彩伶

E-mail: 9606864@mail.dyu.edu.tw

ABSTRACT

The purpose of this study is to investigate the operating performance around exchange listings and the association of earnings management before listing with performance changes after listing. By examining firms changing from the OTC market to the Taiwan Stock Exchange (TSE) during 1992-2003, we find that: (1) The operating performance of sample firms following the listing is poorer than that in the pre-listing period. However, the performance appears to decline before the listing rather than after the listing, suggesting that firms seem not to self-select exchange listing time at perks of operating performance. (2) There is little evidence of earnings management around exchange listings. Besides, the relation between pre-listing discretionary current accruals and the post-listing performance changes is insignificant. The possible reason for such results may be that, compared with the IPOs, these firms have been public for a length of period in OTC market, and more information is available, thereby reducing managers' incentives for the manipulation of reported earnings.

Keywords : Exchange listings ; Earnings management ; Operating performance ; Discretionary current accruals

Table of Contents

| | | | | | |
|---------------------------|-----|---------------------------------------|-----|------------------------|----|
| 封面內頁 簽名頁 授權書..... | iii | 中文摘要..... | iv | 英文摘要..... | v |
| 誌謝..... | vi | 目錄..... | vii | 圖目錄..... | ix |
| 表目錄..... | x | 第一章 緒論..... | 1 | 第一節 研究動機..... | 1 |
| 第二節 研究目的..... | 4 | 第三節 論文架構..... | 6 | 第二章 文獻回顧..... | 8 |
| 第一節 盈餘管理之概念..... | 8 | 第二節 上櫃轉上市動機與股價反應..... | 15 | 第三節 盈餘管理與營業績效之關聯性..... | 19 |
| 第三章 研究方法..... | 23 | 第一節 研究樣本與資料來源..... | 24 | 第二節 研究假說..... | 26 |
| 第三節 研究變數定義與衡量..... | 27 | 第四章 實證結果與分析..... | 34 | 第一節 樣本公司?述性統計..... | 34 |
| 第二節 上櫃轉上市公司營業績效變化之分析..... | 35 | 第三節 轉上市前之盈餘管理行為與轉上市後營業績效變動關聯性之分析..... | 42 | 第五章 結論與建議..... | 47 |
| 第一節 研究結論..... | 47 | 第二節 未來研究建議..... | 49 | 參考文獻..... | 50 |
| 附錄..... | 57 | | | | |

REFERENCES

- 一、中文部份 吳貞樺(2000)。新上市公司上市前後盈餘管理與蜜月期異常報酬之探討。國立中正大學財務金融研究所碩士論文，未出版，嘉義縣。吳幸蓁(2001)。總經理薪酬績效敏感性、績效門檻與盈餘管理關聯性之研究。國立中正大學會計學研究所碩士論文，未出版，嘉義縣。李安祺(2001)。我國股票上櫃轉上市前後之價格行為比較。中國文化大學會計研究所碩士論文，未出版，台北市。李魯冰(2001)。上櫃轉上市公司異常報酬與流動性的研究。國立中山大學財務管理學系研究所碩士論文，未出版，高雄市。林煒娟、洪櫻芬、薛敏正(1997)。財務困難公司之盈餘管理實證研究。管理學報，14(1)，15-38。林君怡(2002)。門檻心理下之盈餘管理。國立臺灣大學會計學研究所碩士論文，未出版，台北市。胡永純(1997)。盈餘預測與盈餘管理之關聯性研究。國立中興大學會計學研究所碩士論文，未出版，台北市。夏侯欣榮(2000)。台灣增資新股(SEO)上市後長期績效之整體研究。管理評論，19(2)，1-33。張倉瑞(1999)。公司於上市前從事盈餘管理以及上市後營運績效衰退之實證研究。國立中央大學企業管理研究所碩士論文，未出版，中壢市。張瓊文(2000)。強制性財務預測與盈餘管理關聯性之研究-更新標準改變前後之探討。國立台灣大學會計學研究所碩士論文，未出版，台北市。陳心怡(2000)。上市公司現金增資前盈餘管理與其後續效關聯性之研究。國立台灣大學會計學研究所碩士論文，未出版，台北市。陳佳芬(2003)。新上市公司盈餘管理與後續效之實證研究。逢甲大學會計與財稅所碩士論文，未出版，台中市。曾國禡(1995)。上市後業績衰退與盈餘管理關係之研究。國立政治大學會計學研究所碩士論文，未出版，台北市。黃惠君(1995)。公司上市前後盈餘操縱與上市後營運績效及盈餘操縱動機之關聯性研究。國立台灣大學會計學研究所碩士論文，未出版，台北市。黃媛君(2000)。台灣上櫃公司轉上市的動機與股價行為的研究。國立台灣大學財務金融學研究所碩士論文，未出版，台北市。楊中凱(2004)。上市前後經營績效變動之決定因素。國立中正大學會計學研究所碩士論文，未出版，嘉義縣。趙苑莉(2001)。上櫃公司宣告轉上市異常報酬之研究。義守大學管理科學研究所碩士論文，未出版，高雄縣。劉宇珺(1999)。公司上市前後盈餘管理與業績變動關係之研究。國立政治大學國際貿易學系研究所碩士論文，未出版，台北市。蔡天甲(2003)。申請上櫃公司之盈餘管理行為與掛牌後營運績效表現之研究。銘傳大學財務金融學系碩士在職專班碩士論文，未出版，台北市。鄭佩汶(2003)。台灣上櫃公司轉上市資訊內涵之實證研究。銘傳大學財務金融學系碩士在職專

班碩士論文，未出版，台北市。魏文勤(2000)。強制性財測誤差門檻與盈餘管理--營收與其他盈餘組成份子之探討。國立彰化師範大學商業教育學系研究所碩士論文，未出版，彰化市。戴欣怡(2000)。上市公司現金增資前盈餘管理與其後續效關聯性之研究。國立台灣大學會計學研究所碩士論文，未出版，台北市。薛敏正、林嬋娟(2003)。自由現金流量與盈餘管理關聯性之研究。台灣管理學刊，3(1)，151-168。羅元銘(1999)。新上市公司財務營運績效衰退原因之探討。國立中興大學會計學系研究所碩士論文，未出版，台北市。顧廣平、林蒼祥(2001)。我國股票上櫃轉上市前後之價格行為。亞太社會科技學報，1(1)，83-104。

二、英文部分 Arbel, A., & Strebels, P. (1982). The neglected and small firm effects. *Financial Review*, 17(4), 201-218. Arbel, A., & Strebels, P. (1983). Pay attention to neglected firms. *Journal of Portfolio Management*, 9(2), 37-42. Baker, H.K., & Edelman, R.B. (1992). Amex-NYSE transfer, market microstructure, and shareholder wealth. *Financial Management*, 21, 60-72. Baker, H.K., & Pettit, G. (1982). Management 's view of stock exchange listing. *Akron Business and Economic Review*, 13, 12-17. Barber, B.M., & Lyon, J.D. (1996). Detecting abnormal operating performance: The empirical power and specification of test statistics. *Journal of Financial Economics*, 41(3), 359-399. Burgstahler, D., & Dichev, I. (1997). Earnings management to avoid earnings decreases and losses. *Journal of Accounting and Economics*, 24(1), 99-126. Cahan, S.F. (1992). The effect of antitrust investigations on discretionary accruals: A refined test of the political-cost hypothesis. *The Accounting Review*, 67(1), 77-95. Christie, W.G., & Huang, R.D. (1994). Market structures and liquidity: A transactions data study of exchange listings. *Journal of Financial Intermediation*, 3(3), 300-326. DeAngelo, L.E. (1986). Accounting numbers as market valuation substitutes: A study of management buyouts of public stockholders. *The Accounting Review*, 61, 400-420. Dechow, P.M., Richardson, S., & Tuna, A.I. (2002). Earnings management and costs to investors from firms meeting or slightly exceeding benchmarks. Working paper, University of Michigan. Dechow, P.M., Sloan, R.G., & Sweeney, A.P. (1995). Detecting earnings management. *The Accounting Review*, 70, 193-225. DeFond, M.L., & Jiambalvo, J. (1994). Debt covenant violation and manipulation of accruals: accounting choice in troubled companies. *Journal of Accounting and Economics*, 17, 145-176. DeFond, M.L., & Park, C.W. (1997). Smoothing income in anticipation of future earnings. *Journal of Accounting and Economics*, 23, 115-139. DeGeorge, F., Patel, J., & Zeckhauser, R. (1999). Earnings management to exceed thresholds. *Journal of Business*, 72(1), 1-33. Dharan, B.G., & Ikenberry, D.L. (1995). The long-run negative drift of post-listing stock returns. *Journal of Finance*, 50(5), 1547-1574. DuCharme, L.L., Malatesta, P.H., & Sefcik, S.E. (2001). Earnings management: IPO valuation and subsequent performance. *Journal of Accounting, Auditing and Finance*, 16, 369-396. Friedlan, J.M. (1994). Accounting choices of issuers of initial public offerings. *Contemporary Accounting Research*, 11, 1-31. Godwin, L.B. (1977). Income smoothing. *The CPA Journal*, 47, 27-29. Guenther, D. (1994). Measuring earnings management in response to corporate tax rate changes: Evidence from the 1986 tax reform act. *The Accounting Review*, 69(1), 230-243. Hayn, C. (1995). The information content of losses. *Journal of Accounting and Economics*, 20, 125-153. Healy, P. (1985). The effect of bonus schemes on accounting decisions. *Journal of Accounting and Economics*, 7, 85-107. Healy, P.M., & Wahlen, J.M. (1999). A review of the earnings management literature and its implications for standard setting. *Accounting Horizons*, 13, 365-383. Hepworth, S.R. (1953). Smoothing periodic income. *The Accounting Review*, 28(1), 32-39. Holthausen, R., Larcker, D.F., & Sloan, R.G. (1995). Annual bonus schemes and the manipulation of earnings. *Journal of Accounting and Economics*, 19(1), 29-74. Hwang, C.Y., & Jayaraman, N. (1993). The post-listing puzzle: Evidence from Tokyo Stock Exchange listing. *Pacific-Basin Finance Journal*, 1(2), 111-126. Jones, J.J. (1991). Earnings management during import relief investigation. *Journal of Accounting Research*, 29, 193-228. Kadlec, G.B., & McConnell, J.J. (1994). The effect of market segmentation and illiquidity on asset prices: Evidence from exchange listings. *Journal of Finance*, 49(2), 611-636. Kamin, J.Y., & Ronen, J. (1978). The smoothing of income numbers: some empirical evidence on systematic differences among management-controlled and owner-controlled firms. *Accounting, Organizations and Society*, 3(2), 141-157. Kasznik, R. (1999). On the association between voluntary disclosure and earnings management. *Journal of Accounting Research*, 37(1), 57-81. Loughran, T., & Ritter, J.R. (1997). The operating performance of firms conducting seasoned equity offerings. *Journal of Finance*, 52(5), 1823-1850. McConaughy, D.L., Dhatt, M.S., & Kim, Y.H. (1995). Agency costs, market discipline and market timing: Evidence from post-IPO operating Performance. *Entrepreneurship: Theory and Practice*, 20, 43-58. Merton, R.C., (1987). Presidential Address: A simple model of capital market equilibrium with incomplete information. *Journal of Finance*, 42, 483-510. Neter, J., Wasserman, W., & Kutner, M.H. (1989). Applied linear regression models, IL: Irwin. Papaioannou, G.J., Travlos, N.G., Viswanathan, K.G. (2003). The operating performance of firms that switch their stock listings. *Journal of Financial Research*, 26(4), 469-486. Pourciau, S. (1993). Earnings management and nonroutine executive changes. *Journal of Accounting and Economics*, 16, 317-336. Rangan, S. (1998) Earnings management and the performance of seasoned equity offerings. *Journal of Financial Economics*, 50, 101-122. Sanger, G.C., & McConnell, J.J. (1986). Stock exchange listings, firm value, and security market efficiency: The impact of NASDAQ. *Journal of Financial and Quantitative Analysis*, 21, 1-25. Schipper, K. (1989). Earnings management. *Accounting Horizons*, 3, 91-102. 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. Teoh, S.H., Welch, I., & Wong, T.J. (1998). Earnings management and the underperformance of seasoned equity offerings. *Journal of Financial Economics*, 50, 63-99. Teoh, S.H., Wong, T.J., & Rao, G.R. (1998). Are accruals during initial public offerings opportunistic? *Review of Accounting Studies*, 3, 175-208. Van Horne, J.C., (1970). New listings and their price behavior. *Journal of Finance*, 25, 783-749. Webb, G.P., (1999). Evidence of managerial timing: The case of exchange listings. *Journal of Financial Research*, 22, 247-263. Ying, L.K.W., Lewellen, W.G., Schlarbaum, G.G., & Lease, R.C. (1977). Stock exchange listings and securities returns. *Journal of Financial and Quantitative Analysis*, 12, 415-432.