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股東投資期間長短與穩健會計之研究

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中文摘要： 穩健會計乃因公司對好消息與壞消息認列之標準不同而造成之淨資產低估，其存在的主要原因之一是穩健會計能縮小管理者與股東之間現存的代理問題。由於公司經營權與控制權的分離，經理人有動機將股東之財富轉移成自己的財富。過去文獻指出，通常經理人在責任與任期有限的情況之下，其自利的動機更大。但是，各公司的股東投資期間長短並不相同，因此並非所有股東的都希望極大化公司的長期價值。本研究之目的乃探討股東對穩健會計的需求，是否會因股東投資期間長短不同而有不同。實證結果顯示投資人持有期間長短與穩健會計呈負向關係，亦即當股東平均持股期間越短，會計的穩健性越高。我們相信此研究有助於吾人初步了解股東投資期長短的差異如何影響會計穩健性及會計品質。我們亦相信此研究將有助於我們了解經理人與股東間利益的不一致性所造成對穩健會計的需求之不同。

中文關鍵詞： 股東投資期間、穩健會計、代理問題

英文摘要： Accounting conservatism is the differential verifiability required for recognition of profits versus losses that generates an understatement of net assets (Basu 1997; Watts, 2003). One of the prime explanations for the long existence of accounting conservatism is that such mechanism facilitates efficient contracting between managers and shareholders in the presence of agency problem. The separation of ownership and control of firm operation provide managers incentives to transfer wealth to themselves from shareholders. Prior studies recognize that these incentives are magnified in the presence of managers' typically limited liability and limited horizons, which are presumably shorter than shareholder horizons. However, shareholder investment horizons vary across firms and it is no longer clear that all shareholders wish to maximize long run firm value. The purpose of this study is to examine whether the demand for accounting conservatism differs with shareholder investment horizons. Our empirical evidence shows that there is a negative association between shareholder investment horizon and the degree of accounting conservatism. We believe that this study will shed light on how shareholder heterogeneity in investment horizon

impacts accounting choice. We also believe that evidence from this study will enhance our understanding on how the disparity of managers' and shareholder' s interests differs the demand for accounting conservatism.

英文關鍵詞： Shareholder investment horizons, accounting conservatism, agency problem

Shareholder Investment Horizons and Accounting Conservatism

Abstract:

Accounting conservatism is the differential verifiability required for recognition of profits versus losses that generates an understatement of net assets (Basu 1997; Watts, 2003). One of the prime explanations for the long existence of accounting conservatism is that such mechanism facilitates efficient contracting between managers and shareholders in the presence of agency problem. The separation of ownership and control of firm operation provide managers incentives to transfer wealth to themselves from shareholders. Prior studies recognize that these incentives are magnified in the presence of managers' typically limited liability and limited horizons, which are presumably shorter than shareholder horizons. However, shareholder investment horizons vary across firms and it is no longer clear that all shareholders wish to maximize long run firm value. The purpose of this study is to examine whether the demand for accounting conservatism differs with shareholder investment horizons. Our empirical evidence shows that there is a negative association between shareholder investment horizon and the degree of accounting conservatism. We believe that this study will shed light on how shareholder heterogeneity in investment horizon impacts accounting choice. We also believe that evidence from this study will enhance our understanding on how the disparity of managers' and shareholder's interests differs the demand for accounting conservatism.

Keywords: Shareholder investment horizons, accounting conservatism, agency problem

中文摘要:

穩健會計乃因公司對好消息與壞消息認列之標準不同而造成之淨資產低估，其存在的主要原因之一是穩健會計能縮小管理者與股東之間現存的代理問題。由於公司經營權與控制權的分離，經理人有動機將股東之財富轉移成自己的財富。過去文獻指出，通常經理人在責任與任期有限的情況之下，其自利的動機更大。但是，各公司的股東投資期間長短並不相同，因此並非所有股東的都希望極大化公司的長期價值。本研究之目的乃探討股東對穩健會計的需求，是否會因股東投資期間長短不同而有不同。實證結果顯示投資人持有期間長短與穩健會計呈負向關係，亦即當股東平均持股期間越短，會計的穩健性越高。我們相信此研究有助於吾人初步了解股東投資期長短的差異如何影響會計穩健性及會計品質。我們亦相信此研究將有助於我們了解經理人與股東間利益的不一致性所造成對穩健會計的需求之不同。

關鍵字: 股東投資期間、穩健會計、代理問題

1. Introduction

Accounting conservatism is the differential verifiability required for recognition of profits versus losses that generates an understatement of net assets (Basu 1997; Watts, 2003a; LaFond and Watts 2008). Despite FASB's attempt to ban conservatism in order to achieve neutrality of information, one of the prime explanations for the long existence of accounting conservatism is that such mechanism facilitates efficient contracting between managers and shareholders in the presence of agency problem (Ball 2001; Watts 2003; LaFond and Roychowdhury 2008).¹ The separation of ownership and control of firm operation provide managers incentives to transfer wealth to themselves from shareholders. Prior studies recognize that these incentives are magnified in the presence of managers' typically limited liability and limited horizons, which are presumably shorter than shareholder horizons (eg. Watts 2003; LaFond and Roychowdhury 2008). However, shareholder investment horizons vary across firms and it is no longer clear that all shareholders wish to maximize long run firm value (Bushee 2001; Chen, Harford, and Li 2007; Cadman and Sunder 2010). The purpose of this study is to examine whether the demand for accounting conservatism differs with shareholder investment horizons.

We expect shareholder investment horizons to influence the demand for accounting conservatism because the objective of investors with a shorter horizon is to maximize their short-term trading gains. They have less time to learn about the firm and fewer incentives to spend resources in monitoring. This is because that they are less likely to remain shareholders of the firm long enough to reap the corresponding benefits. (Gasper, Massa, and Matos 2005). Bushee (2001) shows that institutional investors that trade actively to maximize short-term profits (i.e. transient institutional investors) not only exhibit strong preferences for near-term earnings, but these preferences also translate into realization of short-term trading gains. When shareholders with short investment horizons focus on short-term earnings, their interests are more aligned with managers with limited horizons. Thus, they would demand less accounting conservatism as they would like to reap the benefits during their short investment horizon.

On the other hand, when shareholders have a longer horizon, the interests of managers with limited tenure are less aligned with shareholders' interests. Specifically, due to their limited liability and limited horizon, managers have greater incentives to transfer wealth to themselves. This generates deadweight costs associated with managers attempting to transfer wealth rather than optimally managing the firm. Thus, the disparity of shareholder investment horizons and manager horizon results in less alignment of interests between managers and shareholders. In addition, Chen, Harford, and Li (2007) argue that investors with a longer investment horizon not only have lower monitoring cost functions but also have more influence on management behavior because of better information and ability to process that information. Thus, if accounting conservatism indeed plays a role in addressing agency problems between managers and shareholders and facilitate in reducing deadweight losses (Watts 2003 and Ball 2001), then we expect that shareholder investment horizons increase the demand for accounting conservatism. Overall, our hypothesis predicts that we should observe less accounting conservatism for firms with shorter shareholder investment horizons and more accounting

¹ Other explanations include shareholder litigation, taxation, earnings management, and accounting regulation. For details, see Watts (2003a).

conservatism for firms with longer shareholder investment horizons.

To test the relation between accounting conservatism and investment horizon of shareholders, we utilize two conservatism measures: an accrual-based measure and a market-based measure. The accrual-based measure follows Givoly and Hayn (2000) and is defined as income before extra-ordinary items less cash flows from operation plus depreciation expense deflated by average total assets, and averaged over a 3-year period centered on year t , multiplied by negative one. The intuition behind this measure is that conservative accounting results in persistently negative accruals (Givoly and Hayn, 2000; Ahmed and Duellman 2007). The market-based measure of conservatism follows Beaver and Ryan (2000) and is measured as the negative value of the book-to-market ratio, i.e. greater values indicate greater conservatism.²

Shareholder investment horizons, as many other shareholder characteristics, are naturally hard to observe. In this study, our measure of shareholder investment horizon is a broad measure of the average holding period of all the shareholders. We rely upon the work of Amihud and Mendelson (1986) and Chalmers and Kadlec (1998) and measure the average holding period as the inverse of share turnover. Effectively, we divided the average number of shares outstanding during the year by the number of shares traded during the period (all share numbers are split-adjusted). This measure has the advantage of being generally applicable for broad samples and allows us to examine a broader range of firms.

The contribution of this study is two-fold. First, we believe that this study enhances our understanding on the demand of accounting conservatism. Prior research on accounting conservatism has primarily focused on the demand for conservatism arising out of the agency problem that managers' incentives are not aligned with the shareholder. Stemming from this view, LaFond and Roychowdhury (2008) looks at the effect of managerial ownership on the demand for accounting conservatism. The implicit assumption is that all shareholders would like managers to maximize long-term firm value. Our study then investigates the differential demand of accounting conservatism arising from shareholders heterogeneity in investment horizon and shows that differences in shareholder investment horizon create differential demands for accounting conservatism.

Second, our study adds to the stream of literature on shareholder heterogeneity. Prior studies show the effects of shareholder heterogeneity on stock prices and corporate decision making, such as R&D investment decisions, antitakeover amendments. For example, Bushee (2001) shows that transient (high turnover and highly diversified) investors tend to overweight short-term expected earnings. Gasper, Massa, and Matos (2005) shows that shareholder investment horizon impacts the market for corporate control. However, the question of shareholder investment horizons affect the firms' accounting choices has received little academic attention. The goal of this study is to fill this gap by showing that shareholder heterogeneity in investment horizon has an impact on accounting choices, i.e. the demand for accounting conservatism.

The remainder of this proposal is organized as follows. In section 2, we

² We attempted to use a third measure of accounting conservatism as in Basu (1997), who uses the coefficient that captures the difference in effects of bad news and good news in financial reporting to capture asymmetric verification standards for recognition of good and bad news. Specifically, conservatism is measured by regressing earnings on returns and allows the return coefficient to vary with the sign of the return. The estimated incremental coefficient on negative returns was proposed to be our third conservative measure. However, due to data availability, we were not able to estimate this relation.

provide a review of literature related to accounting conservatism and shareholder investment horizon and develop the hypotheses. Section 3 describes the measurement of main variables, data, and empirical model. Section 4 discusses the results of the study and the concluding remarks.

2. Literature Review and Hypotheses Development

In this section, we briefly review literatures related to accounting conservatism and shareholder investment horizons and develop our hypothesis.

2.1 Accounting conservatism

Conservatism has influenced accounting practice and theory for centuries and is defined as the differential verifiability required for recognition of profits versus losses, i.e. stricter standards for recognizing bad news as losses than for recognizing good news as gains (Basu 1997, Watts 2003a). Watts (2003a) summarizes that the alternative explanations for conservatism are contracting, shareholder litigation, taxation and accounting regulations. Existing evidence suggests the contracting and shareholder litigation explanations are most important (Watts 2003b).

Under the contracting explanation, accounting conservatism helps to address moral hazard caused by parties to the firm (e.g. managers, shareholders, and debtholders) having asymmetric information, asymmetric payoffs, limited horizons, and limited liability (Watts 2003a). In addition to facilitate efficient debt contracting, conservatism in financial reporting facilitates efficient contracting between managers and shareholder in the following ways.

First, to align the interests of shareholders and managers, compensation contracts usually tie managerial compensation positively associated to managerial performance, i.e. positive pay-performance sensitivity. A greater sensitivity has been viewed to be more desirable by shareholders as it suggests a more powerful incentive structure that provides managers stronger incentives to achieve better performance. However, recent accounting studies by Watts (2003), Leone, Wu and Zimmerman (2006), and Dechow (2006), recognizes that there are difficulties in ex post settlement with managers once they have received excess compensation payments, i.e. limited liability, or especially when the managers leave the firm, i.e. limited horizon. The costs associated with settling ex post with managers prohibit firms to use high-powered incentive structure and thus create a demand for more efficient contracting ex ante and also a demand for accounting conservatism. Specifically, a timelier recognition of bad news than good news facilitates contract efficiency and, to certain extent, overcomes the ex post settling problem caused by managers' limited liability and limited horizon with the firm.

Second, managers often possess valuable private information about firm operations and asset values. The asymmetric information between managers and shareholders then provide managers incentives to overstate the value they create by overstating current earnings and its expected future performance (e.g., its future cash flow). However, there are limits to the extent to which information provided by managers can be credible. As information becomes less verifiable, it becomes easier for the managers to manipulate and making the information less useful and credible to the shareholders/investors (LaFond and Watts 2008). The agency costs arising from information asymmetry between managers and shareholders, along with managers' limited horizons and limited liability, are exacerbated because managers' efforts to

transfer wealth to themselves distract them from managing the firm efficiently and maximizing firm value for shareholders. Absent constraints on this opportunistic managerial behavior, accounting performance measures, such as earnings or changes in net worth, in financial statements that a priori appear neutral will be significantly biased and noisy in practice (Watts 2003a). By applying asymmetric standard, i.e. stricter verification standards for gain recognition than for loss recognition, conservatism constrains managerial opportunistic behavior and offsets managerial biases.

Overall, when the interests of managers and shareholders are less aligned, agency problems are likely to be more severe and thus the demand for accounting conservatism is likely to be greater if accounting conservatism indeed plays a role in addressing agency problems between managers and shareholders. A recent study by LaFond and Roychowdhury (2008) uses managerial ownership as a proxy for the degree of incentive alignment between managers and shareholders and find that managerial ownership decrease the demand for financial reporting conservatism, while Ahmed and Duellman (2007) consider the monitoring role played by the board of directors and provide evidence that accounting conservatism assists directors in reducing agency costs of firms. In our study, we focus on shareholder investment horizons and examine whether the differences in shareholder investment horizons represent disparity between managers' and shareholders' interests and create a differential demand for accounting conservatism. In the next subsection, we then review literature related to shareholder investment horizons.

2.2 Shareholder investment horizons

In perfect capital markets, a firm's stock price is always equal to its fundamental value and managers make decisions that maximize firm value. Stock prices then fully reflect the fundamental firm value and investors can fulfill their liquidity needs by selling the shares before investments pay off. In this scenario, the investment horizon of shareholders does not matter for firm value or corporate decision making. However, market imperfections may create tensions between shareholders with different horizons (Derrien, Kecskes, and Thesmar, 2009). Short-term investors would prefer firms to distribute cash or take actions that would increase stock prices in the short run than invest in positive NPV projects that will pay off at a time after these investors exit the firm, while shareholders with long horizon do not care about temporary undervaluation of the firm because they are patient enough to wait until the investment matures. For example, Polk and Sapienza (2009) show that managers of firms with high share turnover (i.e. short shareholder horizon) are more likely to cut investment and increase payout.

From information perspective, when all investors use common information to form a rational estimate of firm value, then managers only need to maximize stock price, regardless of shareholder investment horizons. However, in the presence of information asymmetries, it is no longer clear that all shareholders wish to maximize long-term firm value. Yan and Zhang (2009) show that short-term institutions are better informed and they trade actively to exploit their informational advantage. Informed investor with short horizons thus in turn align managers' decision horizon with their own to increase current performance and lead uninformed investors to overvalue the firm (Cadman and Sunder, 2010). In such circumstance, informed investors with short horizon can exploit their information by selling their shares before less informed investors recognize the true underlying firm value.

As institutional ownership of common stock has increased substantially over the

past 50 years and the data on institutional holdings become available, several studies then focus on the portfolio behavior of institutional investors. Some studies look for more general effects of all institutional investors as a group and find mixed results. The basic premise is that institutional investors with large shareholdings and abundant resources play a better monitoring role. Other studies examine how different types of institutional investors influence stock prices, investment decisions, CEO compensation, and merger & acquisition (Brickley, Lease, and Smith, 1988; Agrawal and Mandelker 1990; Bushee 1998; Almazan, Hartzell and Starks 2005; Gasper, Massa, Matos 2005; Chen, Harford, Li 2007). The underlying theory is that institutions face the choice between exerting monitoring efforts for shared gain versus simply trading for private gain (eg. Shleifer and Vishny 1986; Kahn and Winton 1998).

Thus, while institutional investors possess some important commonalities, they are far from homogeneous. An important dimension of heterogeneity is the investment horizon (Yan and Zhang 2009). One strand of literature focuses on investment horizons of institutional shareholders among various shareholder characteristics.³ Institutional investors have different portfolio horizons for many reasons. For example, open-ended mutual funds usually have shorter horizons because of frequent cash inflows and outflows, while pension fund plans tend to have longer horizon (Edelen 1999). Gasper, Massa, and Matos (2005) also argue that different demographics or liquidity needs of final owners can imply strategies with different horizons. Yan and Zhang (2009) argue that institutions may have different investment horizons because of differences in their informational roles, investment objectives and styles, legal restrictions, and competitive pressures.

The differences in portfolio horizons produce different consequences on institutional investors' monitoring behaviors and thus management behaviors. Chen, Harford, and Li (2007) study institutional investors within a framework of the costs and benefits of monitoring versus trading. Monitoring includes both information gathering and efforts to influence management and is distinguished from trading by both the type of information gathered (long-term versus short-term) and the effort to influence management rather than to simply trade on that information. When an institution has been invested in a firm for a longer period, it possesses better knowledge of the firm and its managers and is better able to process new information about the firm. Thus, institutions with longer horizon in a firm have naturally lower monitoring cost functions. In addition, the longer an institution has been invested in the firm, the more influence it will have with management and the larger will be the financial benefit to the institution from successfully monitoring the firm.

On the other hand, investors with a shorter horizon tend to have fewer incentives to spend resources in monitoring because they are less likely to remain shareholders of the firm long enough to reap the corresponding benefits (Gasper, Massa, and Matos 2005). Yet, a recent study by Cadman and Sunder (2010) show that short-horizon controlling investor opportunistically grant horizon incentives to managers to align CEO investment horizon with their shorter horizons at the expense of less informed investors, while long-horizon monitoring institutional investors mitigate the conflict of interests associated with short-horizon investors.

In summary, we expect that shareholders with a longer horizon are more

³ Other institutional investor characteristics that have been looked in the literature include the size of the stake, the independence of the institution, etc (Brickley, Lease, and Smith 1988; Chen, Harford, and Li 2007).

concerned about the deadweight costs associated with managers' attempt to transfer wealth to themselves from shareholders and diversion of efforts from maximize long-run firm value and thus have a greater demand for accounting conservatism.. Along with that they can more effectively monitor the firm and influence the management with lower cost, we expect to observe that firms with longer shareholder investment horizons exhibit larger conservatism in the firm's financial statements. On the other hand, the interests of shareholders with shorter investment horizon are to reap short-term trading gain and thus would demand less accounting conservatism. In this case, their interests are more aligned with those of the managers who have limited horizons and limited liability and have incentives to overstate earnings or cumulative changes in firm value to obtain excess compensation.

The above reasoning provides us with our hypothesis, stated in alternative form as follows:

Hypothesis: Accounting conservatism is positively related to shareholder investment horizon.

3. Methodology

This section presents a discussion of 1) measures of accounting conservatism, 2) proxies for shareholder investment horizon, 3) sample and data, and 4) the empirical models.

3.1 Measures of accounting conservatism

In this study, we use two measures of accounting conservatism: an accrual-based measure following Givoly and Hayn (2000) and a market-based measure following Beaver and Ryan (2000).

We measure the accrual-based measure of conservatism, *Con_Accrual*, as income before extra-ordinary items less cash flows from operation plus depreciation expense deflated by average total assets, and averaged over a 3-year period centered on year *t*, multiplied by negative one. Because conservative accounting results in persistently negative accrual (Givoly and Hayn 2000), taking the negative value is to make the direction of this measure consistent with the interpretation that the higher the *Con_Accrual*, the more conservatism the firm. Averaging over a 3-year period ensures that the effects of any temporary large accruals are mitigated, as accruals tend to reverse within a one to 2-year period (Richardson, Sloan, Soliman, and Tuna 2005).

The market-based measure of conservatism is the book-to-market ratio multiplied by negative one, denoted by *CON_BM*. Positive values of *CON_BM* indicate greater conservatism. The intuition underlying this measure is that conservatism results in understating book value of equity relative to market value of equity and thus firms with more conservative accounting should have lower book-to-market ratios.

Ideally, we ought to employ a third measure of accounting conservatism follows Basu (1997) specification, i.e. asymmetric verification requirement, by running firm-specific time-series regression using rolling windows of at least the prior seven years for each firm year

$$E_{it}/P_{it-1} = \alpha_0 + \alpha_1 NEG_{it} + \alpha_2 RET_{it} + \alpha_3 RET_{it} * NEG + \varepsilon \quad (1)$$

Where *E* is earnings per share, *P* is the price at the beginning of the year, *RET* is annual stock return, and *NEG* is a dummy equal to one if *RET* is negative, and zero otherwise. The asymmetric timeliness measure, *CON_AT*, is calculated as the ratio of

$(\alpha_2 + \alpha_3) / \alpha_2$, which capture the timeliness of earnings in recognizing bad news (as reflected in stock returns) relative to the timeliness of earnings in recognizing good news. In other words, the higher this measure, the more conservative the firm is. However, because the stock returns data on the Center for Research in Security Prices (CRSP) are only available after 2008 at our institution, we are not able to include this measure in our analysis due to data availability.

3.2 Measure of shareholder investment horizons

We measure shareholder investment horizon as the inverse of share turnover (Amihud and Mendelson 1986; Chalmers and Kadlec 1998; Liang, Matsunaga, and Morse 2003), denoted by *Horizon_all*. Share turnover is calculated as the number of shares traded during the period divided by the average number shares outstanding during the year (all share numbers are split-adjusted). We take the log of the ratio to reduce the skewness in the measure. Although this is likely to be a noisy measure, it allows us to examine a broader range of firms.

Ideally, investment horizon of institutional shareholders would provide a more powerful test. Institutional investors constitute one of the biggest investor groups in most security markets, such as U.S., U.K. and emerging markets, and their trading behaviors and portfolio policies are important and closely watched by other investors and regulators. Institutional investors have different portfolio horizons for many reasons. Different liquidity needs and demographics of final owner may lead to strategies with different horizons (Gasper, Massa, and Matos, 2005).

The data on institutional ownership needs to be obtained from CDA/Spectrum, a database of quarterly 13-F filings of institutional shareholder to the U.S. Securities and Exchange Commission (SEC). SEC requires all institutional shareholders with more than US\$100 million in total equities to report individual equity position in excess of 10,000 shares or \$200,000 in value to the SEC at the end of each quarter. However, the subscription fee for this database is only partially funded by the National Science Council and thus we do not have sufficient fund to subscribe this database and are not able to access this database for more insightful analyses.

3.3 Empirical design

We require firms to have sufficient financial data between 1998-2011 on Compustat and estimate the following empirical model using OLS regression:

$$\begin{aligned} \text{CON}_{i,t} = & \beta_0 + \beta_1 \text{Horizon}_{i,t} + \beta_2 \text{SG}_{i,t} + \beta_3 \text{LEV}_{i,t} + \beta_4 \text{SIZE}_{i,t} + \beta_5 \text{LIT}_{i,t} \\ & + \beta_6 \text{ROA}_{i,t} + \varepsilon \end{aligned} \quad (2)$$

where

- CON = measures of accounting conservatism, including *CON_Accrual* and *CON_BM* as defined in section 3.1,
- Horizon = measures of shareholder investment horizon as defined in section 3.2,
- SG = sales growth, is the percentage of annual growth in total sales,
- LEV = leverage, is total long-term liabilities divided by total assets,
- SIZE = firm size, nature log of average total assets,
- LIT = litigation risk, a dummy variable set equal to one if the firm is in

the 4-digit SIC code of 2833-2836, 3570-3577, 7370-7374, 3600-3674, and 5200-5961 as belonging to high-litigation-risk industries following Francis, Philbrick, and Schipper (1994), and net income scaled by book assets.

ROA =

We control for the general effects of institutional ownership by including IO in the regression model. We control for sales growth because Ahmed, Billings, Morton, and Stanford-Harris (2002) argue that sales growth is likely to affect CON_Accrual and CON_BM. We control for leverage as firms with high levels of leverage tend to have greater bond-holder and share-holder conflicts which have been shown to affect the demand for conservative accounting. We control for firm size because prior studies show that large firms have less accounting conservatism (LaFond and Watts, 2008; LaFond and Roychowdhury, 2008). We control for litigation risks because litigation risks is expected to be positively associated with conservatism (Beaver 1993; Watts 1993; Basu 1997; and Watts2003a). We control for ROA because profitable firms tend to use more conservative accounting (Ahmed, Billings, Morton, and Stanford-Harris 2002).

According to our hypothesis stated in section2, we expect the coefficient on Horizon, β_1 , in regression (2) to be positive.

4. Results and concluding remarks

Our final sample consists of 53,522 firm-year observations from 1998 to 2011. Our sample period started from 1998 because this is the year that Compustat data are available at our institution. To remove the effect of outliers, we winsorize top and bottom 1% of the sample distributions of our key variables. The median (mean) size, measured as the average total assets, of our sample firms is \$212.49MM (\$2113.13MM), suggesting that the size of our sample firms is highly skewed. The median (mean) ratio of leverage is 0.49 (0.58), the median (mean) return on assets (ROA) is 2.29% (-13.38%), and the median (mean) sales growth is 7% (1%).

To capture the degree of accounting conservatism, our market-based measure of accounting conservatism shows that the median (mean) book-to-market ratio is 0.49 (0.56). The accrual-based measure of accounting conservatism has a mean of -0.046 and a median of -0.039. To capture shareholder investment horizon, our measure of *Horizon* has a median (mean) of 0.21 (0.41).

Our empirical results based on equation (2) show that when regressing the market-based measures of accounting conservatism on shareholder investment horizon, the estimated coefficients on Horizon is significantly negative with an estimated coefficient of -0.07 and a t-statistics of -21.72. The result is inconsistent with our hypothesis that accounting conservatism is positively related to shareholder investment horizon. Possible explanation for this result is that our market-based measure of accounting conservatism, the negative value of book-to-market ratio, also captures firms' growth. Thus, the negative association between shareholder investment horizon and the negative value of book-to-market ratio may simply reflect the tendency that long-term investors tend to hold the stock of growth firms.

Interestingly, we also find the association between our accrual-based measure of accounting conservatism and shareholder investment horizon to be negative, with an estimated coefficient of -0.00 ($t=-3.58$). Regarding to the control variables, we find market-based measure of accounting conservatism to be positively associated with

sales growth, leverage, litigation risks, and profitability, and negatively associated with firm size. We find accrual-based measure of accounting conservatism to be negatively related to sales growth, leverage, litigation risks, and size and positively associated with ROA.

Overall, the results do not support our hypothesis that accounting conservatism is positively related to shareholder investment horizon. Instead, we find a strong negative association between accounting conservatism and shareholder investment horizon. For future research, we will look for the possibility of continuously working on this project with scholars who has access to CRSP and Spectrum/SDC databases to overcome the data availability problem and to make this study more comprehensive.

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報告人姓名	梁嘉紋	服務機構 及職稱	國立政治大學副教授
會議時間	8/4-8/8, 2012	會議地點	美國華盛頓特區
會議名稱	(中文)美國會計學會 2012 年年會 (英文)American Accounting Association 2012 Annual Meeting		
發表論文標題	(中文) 企業對競爭對手達成分析師預期如何反應? (英文) How do firms react to rival's meeting/beating analysts' expectations?		
<p>報告內容含下列各項：</p> <p>一、會議主要內容</p> <p>8/4 Registration</p> <p>8/5 Pre-Conference Workshops Early Bird Reception</p> <p>8/6 8:30-9:45 AM Opening Plenary Session 10:15-11:45 AM Concurrent Sessions 12:00-1:45 PM Section Luncheons 2:00-3:30 PM Concurrent Sessions 4:00-5:30 PM Concurrent Sessions 6:30-8:30 PM Welcome Reception</p> <p>8/7 8:30-9:45 AM Plenary Session 10:15-11:45 AM Concurrent Sessions 12:00-1:45 PM Luncheon 2:00-3:30 PM Concurrent Sessions (presenting paper) 4:00-5:30 PM Concurrent Sessions 6:30-8:30 PM Reception</p> <p>8/8 8:30-9:45 AM Plenary Session 10:15-11:45 AM Concurrent Sessions 12:00-1:45 PM Luncheons 2:00-3:30 PM Concurrent Sessions 4:00-5:30 PM Concurrent Sessions 6:30-8:30 PM Reception</p>			

二、與會心得

此次在美國會計學會 2012 年年會中發表論文，獲得與國外學者討論的機會，更寶貴的是獲得國外學者許多具建設性的專業建議，對相關文獻，尤其是 working papers，能有更進一步的了解。會議中的學者對發表之論文提出之評論及建議將有助於提高本文的品質，獲益良多。

除了論文的發表之外，在參與其他的 concurrent sessions 中也獲得很多寶貴的資訊，藉由其他學者的論文發表可知道目前的研究趨勢及研究者所關心的研究議題，有助於未來的研究工作的發展。

在會議之外，也有機會與國際學者的互動交流，對後續的研究極有幫助。會議中亦深刻感受國外對會計博士的需求極高，北美或亞洲(如香港、新加坡、中國)各大學均以高薪在爭取剛畢業的會計博士，而台灣的薪資很難爭取到需要的人才，能提供的研究資源亦相對不足，在吸引人才回國任教上非常困難，對國內大學會計系師資是很大的隱憂。

三、考察參觀活動(無是項活動者省略)

無。

四、建議

希望可以多提供國內學者參與類似國際學術會議的機會，以幫助國內的研究者獲得最新的研究資訊並增加與國外的學者互相交流的機會。

五、攜回資料名稱及內容

1. 大會議程
2. Concurrent sessions 及 Forum sessions 中各論文的摘要

六、其他

無。

國科會補助計畫衍生研發成果推廣資料表

日期:2013/01/31

國科會補助計畫	計畫名稱: 股東投資期間長短與穩健會計之研究
	計畫主持人: 梁嘉紋
	計畫編號: 100-2410-H-004-054- 學門領域: 會計
無研發成果推廣資料	

100 年度專題研究計畫研究成果彙整表

計畫主持人：梁嘉紋

計畫編號：100-2410-H-004-054-

計畫名稱：股東投資期間長短與穩健會計之研究

成果項目		量化			單位	備註（質化說明：如數個計畫共同成果、成果列為該期刊之封面故事...等）	
		實際已達成數（被接受或已發表）	預期總達成數（含實際已達成數）	本計畫實際貢獻百分比			
國內	論文著作	期刊論文	0	0	100%	篇	
		研究報告/技術報告	0	0	100%		
		研討會論文	0	0	100%		
		專書	0	0	100%		
	專利	申請中件數	0	0	100%	件	
		已獲得件數	0	0	100%		
	技術移轉	件數	0	0	100%	件	
		權利金	0	0	100%	千元	
	參與計畫人力（本國籍）	碩士生	2	2	100%	人次	
		博士生	0	0	100%		
		博士後研究員	0	0	100%		
		專任助理	0	0	100%		
國外	論文著作	期刊論文	0	0	100%	篇	
		研究報告/技術報告	0	0	100%		
		研討會論文	0	0	100%		
		專書	0	0	100%		章/本
	專利	申請中件數	0	0	100%	件	
		已獲得件數	0	0	100%		
	技術移轉	件數	0	0	100%	件	
		權利金	0	0	100%	千元	
	參與計畫人力（外國籍）	碩士生	0	0	100%	人次	
		博士生	0	0	100%		
		博士後研究員	0	0	100%		
		專任助理	0	0	100%		

<p>其他成果 (無法以量化表達之成果如辦理學術活動、獲得獎項、重要國際合作、研究成果國際影響力及其他協助產業技術發展之具體效益事項等，請以文字敘述填列。)</p>	<p>無</p>
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	成果項目	量化	名稱或內容性質簡述
科 教 處 計 畫 加 填 項 目	測驗工具(含質性與量性)	0	
	課程/模組	0	
	電腦及網路系統或工具	0	
	教材	0	
	舉辦之活動/競賽	0	
	研討會/工作坊	0	
	電子報、網站	0	
	計畫成果推廣之參與(閱聽)人數	0	

國科會補助專題研究計畫成果報告自評表

請就研究內容與原計畫相符程度、達成預期目標情況、研究成果之學術或應用價值（簡要敘述成果所代表之意義、價值、影響或進一步發展之可能性）、是否適合在學術期刊發表或申請專利、主要發現或其他有關價值等，作一綜合評估。

1. 請就研究內容與原計畫相符程度、達成預期目標情況作一綜合評估

達成目標

未達成目標（請說明，以 100 字為限）

實驗失敗

因故實驗中斷

其他原因

說明：

2. 研究成果在學術期刊發表或申請專利等情形：

論文： 已發表 未發表之文稿 撰寫中 無

專利： 已獲得 申請中 無

技轉： 已技轉 洽談中 無

其他：（以 100 字為限）

3. 請依學術成就、技術創新、社會影響等方面，評估研究成果之學術或應用價值（簡要敘述成果所代表之意義、價值、影響或進一步發展之可能性）（以 500 字為限）

The contribution of this study is two-fold. First, we believe that this study enhances our understanding on the demand of accounting conservatism. Our study investigates the differential demand of accounting conservatism arising from shareholders heterogeneity in investment horizon and shows that differences in shareholder investment horizon create differential demands for accounting conservatism. Second, our study adds to the stream of literature on shareholder heterogeneity. Prior studies show the effects of shareholder heterogeneity on stock prices and corporate decision making, such as R&D investment decisions, antitakeover amendments. This study shows that shareholder heterogeneity in investment horizon has an impact on accounting choices, i.e. the demand for accounting conservatism.