



H.F.R.I.
Hellenic Foundation for
Research & Innovation

Description of the funded research project
1st Call for H.F.R.I. Research Projects to Support Faculty
Members & Researchers and Procure High-Value
Research Equipment

Title of the research project: Exploring the Qualities behind Earnings Quality

Principal Investigator: Apostolos Ballas

Reader-friendly title: Q_EQUAL

Scientific Area: Management and Economics of Innovations

Institution and Country: AUEB, Greece

Host Institution: Athens University of Economics & Business

Collaborating Institution(s):

Project webpage : <https://q-equal.wixsite.com/q-equal>
(if applicable):

Budget: 170.000

Duration: 36 months



Research Project Synopsis

The Q-EQUAL research project aims to provide empirical evidence and improved understanding for a relatively unexplored frontier of earnings quality literature that is the relation of a firm's performance with its earnings quality.

We intend to explore the effects of specific (operational and strategic) qualitative characteristics of a firm's configuration on earnings quality:

- (i) asymmetric cost behavior,
- (ii) strategic positioning and
- (iii) intensity on unreported intangible assets.

Project originality

- Focuses on EU countries
- As part of the research for the project, we will evaluate the quality metrics of the profits that are widely used in the literature.
- The research uses data on the organization of the business (as shown by the operational leverage and data on its strategy) and the quality of the published information.
- Study of the relationship between business strategy and especially the investment in knowledge assets that do not appear in the financial statements with the quality of financial information and in particular earnings management.
- In contrast to usual practice in research in the field of Accounting, the project includes actions to disseminate scientific findings to the relevant professional groups and influence the teaching material.

Expected results & Research Project Impact

The Q-EQUAL research project should produce several scientific publications and conference presentations and support doctoral and master theses that will provide the academic community with improved understanding of the relation of earnings quality and management with the qualities of the true economic performance.

The economic implications of the Q-EQUAL research project will be derived by the extent that various economic actors will incorporate the research findings as parameters for economic decision-making problems concerning:

- (i) equity valuation,
- (ii) credit analysis and
- (iii) effective implementation of regulatory policies.

Finally, the societal impacts of Q-EQUAL research project are summarized as

- (i) innovative educational material for financial statement analysis,
- (ii) scientific support for stimulating various voluntary disclosure initiatives within business world and
- (iii) incentives to the accounting community to adopt a critical perspective for the potential uses of accounting information.

The importance of this funding

- ELIDEK funding helps the research team (and the host department) to strengthen its research potential in the field of Accounting, significantly enhances our extroversion and presence in the international academic arena and facilitates us to become internationally competitive.
- Allows team members to participate in scientific conferences and be informed about scientific and technical developments in their field
- On a personal level, the new research members of the team have the opportunity to receive funding which is a strong incentive and substantial help to achieve their research goals and upgrade their scientific level.
- An important part of the project budget concerns the support of young scientists (not faculty members) because the funding of their research effort contributes to the renewal of human capital.



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