

Academic Research Seminar

Jointly held by SESAMI Program, RIEB Seminar and TJAR Workshop

★Seminar will be held in English.



Dr. David Lau
(University of Auckland)

The Need for Speed: A New Construct of Management Forecast Revisions in the Auditing Context

2018
Jan. 15 Mon

14 : 00 ~ 15 : 00

at Chu-kaigi-shitsu (中会議室)

ABSTRACT

In this study, we design an empirical proxy for an unexplored construct – the speed of management forecast revisions. We test the validity of this proxy in a unique economy, Japan, where the provision of management earnings forecasts is mandatory. In addition, we investigate this proxy along with other existing disclosure proxies (namely, accuracy, frequency, and timeliness) in the auditing context. Our evidence shows that the initial forecast accuracy and revision speed are both higher for firms that employ a higher-quality auditor. While firms that employ a higher-quality auditor revise forecasts in a more timely fashion, these firms revise less frequently. We further partition the sample according to downward or upward forecast revisions, and find that with respect to downward forecast revisions, firms that employ a higher-quality auditor revise forecasts faster, more frequently and in a more timely fashion. However, with respect to upward forecast revisions, employing a higher-quality auditor does not have an effect on forecast revision speed, although it is associated with firms that issue less frequent, but more timely, forecast revisions.

Dr. David Lau

Research interests:

In the areas of auditing, corporate governance, and voluntary disclosures.

Background:

He obtained his PhD at the University of Auckland in 2016. David is also currently serving as the Director of the Postgraduate Programs for the Accounting and Finance Department.

Prior to joining the University of Auckland as an academic, David has worked for the Inland Revenue Department (IRD) as a tax investigator for four years, during which time, he became a Certified Public Accountant.

David has been actively involved in building relationships with academics in Japan. He was a visiting scholar at Kansai University, Japan in 2011, 2015 and 2017. He has also presented his research in numerous conferences and seminars in Japan.

◆Contact: sesami@b.kobe-u.ac.jp