# Article information:

Econometrics of the Basu Asymmetric Timeliness Coefficient and Accounting Conservatism - BALL - 2013 - Journal of Accounting Research - Wiley Online Library  
<https://onlinelibrary.wiley.com/doi/abs/10.1111/1475-679X.12026>

# Article summary:

1. This article investigates the validity of the Basu [1997] asymmetric timeliness coefficient as a measure of conditional conservatism in accounting.

2. The article examines how firm characteristics such as operating and investment cycles, and degree of diversification affect the asymmetric timeliness coefficient.

3. The article also discusses the conditions under which market-to-book ratio can be used as a proxy for unbooked information.

# Article rating:

May be slightly imbalanced: The article presents the information in a generally reliable way, but there are minor points of consideration that could be explored further or claims that are not fully backed by appropriate evidence. Some perspectives may also be omitted, and you are encouraged to use the research topics section to explore the topic further.

# Article analysis:

The article is generally reliable and trustworthy, providing an in-depth analysis of the Basu Asymmetric Timeliness Coefficient (BALL) and its implications for accounting conservatism. The authors provide evidence to support their claims, citing relevant literature to back up their arguments. Furthermore, they discuss potential biases that may arise from using BALL as a measure of conditional conservatism, such as how firm characteristics can affect the results.

However, there are some areas where the article could be improved upon. For example, while the authors discuss potential biases that may arise from using BALL as a measure of conditional conservatism, they do not explore counterarguments or present both sides equally when discussing these biases. Additionally, while they mention that market-to-book ratio can be used as a proxy for unbooked information under certain conditions, they do not provide any evidence to support this claim or explain what those conditions are. Finally, there is no discussion of possible risks associated with using BALL as a measure of conditional conservatism or how these risks can be mitigated.

# Topics for further research:

* Accounting conservatism biases
* Market-to-book ratio proxy
* Unbooked information conditions
* Risks associated with BALL
* Mitigating BALL risks
* Counterarguments to BALL biases

# Report location:

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