# Article information:

Economic Effects of Tightening Accounting Standards to Restrict Earnings Management | The Accounting Review | American Accounting Association  
<https://publications.aaahq.org/accounting-review/article-abstract/80/4/1101/2851/Economic-Effects-of-Tightening-Accounting>

# Article summary:

1. This paper examines the claim that tighter accounting standards reduce earnings management and provide more relevant information to the capital market.

2. The paper finds that earnings quality increases with tighter standards, but there are several consequences that may outweigh this benefit.

3. These consequences include increased real earnings management, increased expected accounting and total earnings management, and increased expected total costs of earnings management.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article is written by the American Accounting Association in 2005, which provides a certain level of trustworthiness as it is an authoritative source in the field of accounting. The article also provides a detailed analysis of the effects of tightening accounting standards on earnings management, which adds to its credibility. However, there are some potential biases in the article that should be noted. For example, it does not explore any counterarguments or present both sides equally; instead, it focuses solely on how tightening accounting standards affects earnings management without considering other factors or perspectives. Additionally, there is no evidence provided for some of the claims made in the article, such as how tighter standards can increase rather than decrease expected accounting and total earnings management. Furthermore, there is no discussion of possible risks associated with tightening accounting standards or any mention of promotional content within the article. Therefore, while this article provides a detailed analysis of how tightening accounting standards affects earnings management, it should be read with caution due to its potential biases and lack of evidence for some claims made.

# Topics for further research:

* Counterarguments to tightening accounting standards
* Risks associated with tightening accounting standards
* Promotional content in accounting standards
* Impact of other factors on earnings management
* Evidence for claims of increased earnings management
* Benefits of tightening accounting standards

# Report location:

<https://www.fullpicture.app/item/f40de06197da3cc534aaf589d46d82b9>