

:

(2011)
 (78) (2011)
 2007 1993 (27) (51)
 (2011)

()

()

/

© 2011

-433-

2011/4/19

2010/11/30

■

$$\begin{pmatrix} & \\ & 1 \end{pmatrix}$$

■

2

$$(\quad)$$

1

3

$$\left(\begin{array}{c} \text{ } \end{array} \right)$$

.Delliott and Touche (2002) AICPA (2005) (2002)

2004 1994 2006)¹
 .(2006 2005 2001

(Sengupta, 1998)

:

(Informative)
(Underwriters)

%1
%2

.(Pittman and Fortin, 2004; Sengupta,1998)

%1.1

.(Easley and O'hara, 2004)
(Leuz and Verreccia, 2004)

:

.1

(Easley and O'hara, 2004)

.(Amihud and Meldelson,1986)

.2

(Leuz and Verreccia, 2004)

.(Easley and O'hara, 2004)

.3

(Lambert et al., 2007)

()

(Barry and Brown, 1985)

.1 (Leuz and Verrecchia, 2004)

.2

.3

(Idiosyncratic)

.4

(Francis et al., 2005)

.2007

.()

(92) (110) 2007 .

.

1994 2006 .

:

1. 2008 .

2010 .

:

2. .

1. 60 .

3. . () .

4. .

2. 41 .

83 .

78 .

(%35) (1) .

3. .

4. (1) .

100%	110	100%	9	
75%	83	45%	41	
25%	27	55%	51	

:

1993 :

(Francis et al., 2004; Kormandi and Lipe, 1987)

(Francis et al., 2004; Lipe, 1990)

(Thomas and

Zang, 2002; Leuz et al., 2003; Francis et al.,

(Barua, 2004)

2006)

(Gunny et al., 2008; Francis et al., 2004;

Basu,1997)

(Abdelghany, 2005)

(Francis et al., 2005)

(Burgstahler and Dichev,1997; Francois et

al., 1999; Baura, 2006)

(Gunny et al., 2008; Francis et al., 2004;

Basu, 1997)

(Gunny et al., 2008; Francis et al., 2004)

.

:

$$COD_{jt} =$$

$$\left[IC_{j,t+1} \div IBDO_{jt,t+1} \right] \times [1 - TR]$$

:

t j : COD_{jt}

j $t+1$: $IC_{j,t+1}$

: $IBDO_{jt,t+1}$

j $t+1$ t

. : TR

:

:

.

t j

t j

j

j

t

. t

:

:

()

(Innate Factors)

(Business Models)

(Discretionary Factors)

:

.

:

(Guay et al., 1996;

.Subramanyam, 1996)

.

(2011)

.t j

1

■

5

•

)

.(

■

□ □

.2

4

■

•

6

•

)

(

)

.(

.3

Adj-R²

•

•

7

1

•

•

10

1.

.1

5

4

(Lev, 1983) .

(Martin, 1988) (Baginski et al., 1999)

.(Dechow and Dichev, 2002) .

.(Dechow and Dichev, 2002) 6

6

7

and Zarwin, 1999)

$F - CC_{j,t}$:

:

:

$\sigma CFO_{j,t}$: $Size_{j,t}$:

$\sigma Sales_{j,t}$

$OperCycle_{j,t}$

$NegEarn_{j,t}$

$Int-Intensity_{j,t}$

$Intensity-Dummy_{j,t}$

1

$Cap-Intensity_{j,t}$

$COD_{j,t} = \alpha_0 + \alpha_j FL_{j,t} +$

$\alpha_2 IntCov_{j,t} + \alpha_3 ROA_{j,t} +$

$\alpha_4 Size_{j,t} + \alpha_5 Attributes_{j,t} + \varepsilon_{j,t}$

$FL_{j,t}$

$COD_{j,t}$:

$ROA_{j,t}$

$IntCov_{j,t}$

$Size_{j,t}$

j

t

$Attributes_{j,t}$

$Persist_{j,t}$

$Predict_{j,t}$

$FV_{j,t}$

$Smooth_{j,t}$

$CtoC_{j,t}$

$Time_{j,t}$

$Conserv_{j,t}$

$AQ_{j,t}$

$Neutr_{j,t}$

$Relevance_{j,t}$

(Dummy

Variable)

(2)

(3)

(1)

)

(

)

.(

%1

:

()

(2)

"

"

"

"

:

$COD_{j,t} = \alpha_0 + \alpha_j \sum_{j=1}^4 F - CC_{j,t} +$

$\alpha_1 Size_{j,t} + \alpha_2 CFO_{j,t} +$

$\alpha_3 \sigma Sales_{j,t} + \alpha_4 OperCycle_{j,t} +$

$\alpha_5 NegEarn_{j,t} + \alpha_6 Int - Intensity_{j,t} +$

$\alpha_7 Intensity - Dummy_{j,t} + \alpha_8 Cap -$

$Intensity_{j,t} + \alpha_9 Attributes_{j,t} + \varepsilon_{j,t}$

(2)

(Francis et

al., 2004)

(Francis et al., 2004)

.(2007 - 1993)

:(2)

	99	1						
422	0.458	-1.264	0.516	-1.419	0.317	-0.366	-0.352	
422	0.538	0.019	0.664	0.013	0.084	0.094	0.106	
422	3.394	0.047	3.833	0.020	0.645	0.558	0.744	
422	0.122	-1.421	0.208	-1.638	0.215	-0.010	-0.060	
422	-0.129	-0.947	-0.097	-0.949	0.210	-0.621	-0.601	
422	0.923	0.013	0.936	0.0128	0.255	0.410	0.426	
422	0.278	0.011	0.339	0.010	0.0520	0.062	0.074	
422	13.385	-30.775	17.023	-30.775	7.900	-1.005	-3.409	
422	-0.203	-0.886	-0.203	-0.888	0.210	-0.448	-0.452	

(3)

()

.(2006 - 2000)

:(3)

10						
7.215	45,688,032	27.9159	0.0438	0.1735	0.0816	
7.1241	13,317,788	3.9479	0.0382	0.1551	0.0615	
0.577	83,070,786	65.0387	0.0895	0.1344	0.0847	
6.1875	1,546,013	-114.80	-0.2601	0.0042	0.0041	

10						
8.6075	405,000,000	315.10	0.3842	0.5398	0.6581	
6.2145	1,648,932	-74.1634	-0.2074	0.0079	0.0074	1
8.5665	368,560,000	309.186	0.3172	0.5350	0.5455	99
321	321	321	321	321	321	

(5)

(4)

(5)

0.50

(Francis et al., 2005)

.(Francis et al., 2005)

.(2007 - 1993)				()				:(4)	
							1	**0.203	
						1	**0.454	**0.298	
					1	**0.375	**0.379	**0.136	
				1	**0.169	**0.302	**0.202	**0.241	
			1	**0.291	**0.156	**0.402	**0.365	**0.268	
		1	-0.054	0.026	**0.274	**0.224	**0.166	**0.226	
	1	**0.208	*0.111	**0.131	**0.185	0.048	*0.114	**0.169	
1	-0.056	**0.156	**0.174	**0.218	**0.176	**0.217	*0.114	**0.230	
0.057	**0.359	**0.475	0.084	0.048	**0.256	**0.219	**0.163	**0.129	
.01				(**) 0.05				(*)	

(5)

.

)

.

.(

.

¹²

.(FLOS , 2005) ¹²

(5):
()

() ()					
			1	**0.169	
		1	**0.383	**0.223	
	1	**0.448	**0.331	*0.118	
1	0.088	-0.03	**0.230	**0.178	()
-0.017	-0.058	-0.043	0.024	**0.153	
**0.192	**0.148	0.086	0.065	**0.168	
**0.238	**0.153	*0.120	0.056	0.044	
0.091	0.037	0.026	0.020	**0.157	
-0.032	-0.037	-0.042	**0.161	**0.166	
-0.037	**0.238	-0.001	-0.053	**0.260	
*0.142	-0.057	-0.033	**0.196	0.145	
**0.216	-0.015	0.01	-0.02	*0.127	
**0.219	0.054	0.052	0.062	0.208	
0.062	-0.005	-0.016	0.089	*0.113	

(0.01)

(**) (0.05)

(*)

(6)
10
(2.196)

(0.23) ()

(0)

7

(0.159) (0.092)

(1)

.(250.8)

(0.16)

(0.007)

.(0.364)
(42,498,116)

(0)

10

.(7.173)

:(6)

	10				
0.232	2.196	250.856	0.159	0.092	
0.000	2.284	192.156	0.108	0.077	
0.307	0.482	238.18	0.148	0.064	
0.000	0.508	3.2193	0.010	0.018	
1.000	3.148	1404.89	0.785	0.347	
0.000	0.606	4.1341	0.012	0.020	1
1.000	3.058	1142.74	0.746	0.300	99
430	422	422	422	422	
10		()	)		
7.173	42,498,116	0.364	0.1632	0.007	
7.112	12,948,342	0.348	-	0.001	
0.580	80,805,756	0.235	0.37	0.023	
6.110	1,282,634	0.006	-	0.000	
8.610	409,000,000	0.885	-	0.397	

	10				
6.214	1,637,616	0.007	-	0.000	1
8.586	385,940,000	0.860	-	0.079	99
422	422	422		430	

(7)

:

()

:(7)

							)	
-0.033	0.037	0.001	0.254**	0.234**	-0.003	0.084	(0.071	
0.085	-0.006	-0.009	-0.313**	-0.254**	-0.059	-0.197**	0.744**	()
-0.040	-0.037	0.031	0.249**	0.164**	0.031	0.085	-0.158**	
-0.041	-0.009	-0.080	0.110*	0.058	0.086	0.023	0.291**	

							)	
							(	
0.076	0.179**	0.003	0.148**	0.142*	0.089	0.247**	-0.176**	
0.203**	0.125*	-0.059	0.278**	-0.101	-0.033	-0.126*	0.236**	
-0.232**	0.029	0.078	-0.197**	-0.024	-0.129*	-0.027	-0.033	
-0.205**	0.000	-0.007	-0.164**	0.072	0.090	0.030	0.082	
0.023	0.161** -	0.006**	-0.157**	-0.145*	-0.103	-0.191**	1.000**	)
								(
-0.024	0.019	0.105*	0.149**	0.102*	-0.059	-0.004	-0.142**	
-0.235**	-0.097*	0.118*	-0.024	0.111*	0.169**	0.126**	0.221**	
0.008	0.006	**0.183	0.049	0.337	-0.184**	-0.234**	0.185**	
0.330**	0.208**	0.182**	0.033	0.166**	-0.155**	-0.128**	-0.104*	
0.103*	-0.003	0.023	0.154**	0.001	-0.052	0.105	0.138**	
-0.017	0.011	-0.016	0.054	0.046	0.118*	0.107*	-0.127**	
-0.172	-0.222	0.330**	0.363**	0.179**	-0.026	0.140**	-0.079	
-0.030	-0.034	-0.049	0.146**	0.155**	0.315**	0.302**	-0.012	
0.016	0.133**	0.138**	0.100*	0.103*	0.119*	0.177	0.178**	
0.093	-0.026	0.097*	0.178**	0.038	0.038	0.035	-0.179	

.(0.01)

(**) (0.05)

(*)

%1

(Francis et al., 2005)

.(0.145) Adj-R²

.Adj-R²

(8)

(8)

(9)

Adj-R² (0.145) (9) (0.145) (0.202) (0.214)

:(8)

$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \varepsilon_{jt}$							
Adj-R ²		α_4	α_3	α_2	α_1	α_0	
0.145		- *0.0115	*0.1075-	**0.0003-	**0.1373-	0.1916	
		-	-	-	+		
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Persist_{jt} + \varepsilon_{jt}$							
Adj-R ²	α_5	α_4	α_3	α_2	α_1	α_0	
0.167	**0.0304	*0.0111-	0.088-	**0.0003-	**0.1386-	0.1993	
	+	-	-	-	+		
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Predict_{jt} + \varepsilon_{jt}$							
Adj-R ²	α_5	α_4	α_3	α_2	α_1	α_0	
0.164	**0.0509	- **0.0153	*0.119-	**0.0003-	**0.1406-	0.2135	
	+	-	-	-	+		

$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Smooth_{jt} + \varepsilon_{jt}$							
Adj-R ²	α_5	α_4	α_3	α_2	α_1	α_0	
0.161	0.0115	0.0132-	0.1224-	**0.0003-	**0.1462-	0.1994	
	+	-	-	-	+		
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Feedback_{jt} + \varepsilon_{jt}$							
Adj-R ²	α_5	α_4	α_3	α_2	α_1	α_0	
0.171	**0.0921	*0.013-	0.0948-	**0.0003-	**0.1409-	0.2076	
	+	-	-	-	+		
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Timel_{jt} + \varepsilon_{jt}$							
Adj-R ²	α_5	α_4	α_3	α_2	α_1	α_0	
0.169	**0.0231	*0.0131-	*0.0995-	**0.0003-	**0.1532-	0.2132	
	+	-	-	-	+		
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 CtoC_{jt} + \varepsilon_{jt}$							
Adj-R ²	α_5	α_4	α_3	α_2	α_1	α_0	
0.179	**0.0431	0.0104-	*0.1008-	**0.0003-	**0.1541-	0.1683	
	+	-	-	-	+		
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 AQ_{jt} + \varepsilon_{jt}$							
Adj-R ²	α_5	α_4	α_3	α_2	α_1	α_0	
0.183	**0.235	0.01-	**0.1571-	**0.0003-	**0.1406-	0.1717	

	+	-	-	-	+		
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Conserv_{jt} + \varepsilon_{jt}$							
Adj-R ²	α_5	α_4	α_3	α_2	α_1	α_0	
0.149	*0.0007	0.008	**0.107-	**0.0002	- **0.132	0.169	
	+	-	-	-	+		
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Neutr_{jt} + \varepsilon_{jt}$							
Adj-R ²	α_5	α_4	α_3	α_2	α_1	α_0	
0.164	**0.0331	*0.0124-	*0.1052-	**0.0003-	**0.1413-	0.1969	
	+	-	-	-	+		
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Relevance_{jt} + \varepsilon_{jt}$							
Adj-R ²	α_5	α_4	α_3	α_2	α_1	α_0	
0.156	*0.021	**0.0148-	*0.1039-	**0.0003-	**0.138-	0.2193	
	+	-	-	-	+		

::(9)

	أثر بُعد ملائمة الأرباح المحاسبية على تكلفة الاقتراض $COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Persist_{jt} + \alpha_6 Pr_{dict_{jt}} + \alpha_7 Smooth_{jt} + \alpha_8 FBV_{jt} + \alpha_9 Timel_{jt} + \varepsilon_{jt}$										
Adj-R ²	α_9	α_8	α_7	α_6	α_5	α_4	α_3	α_2	α_1	α_0	
0.202	**0.0214	*0.072	0.0021	0.0284	**0.0288	**0.016	-0.096	**0.0003	**0.157	0.244	المعامل
	+	+	+	+	+	-	-	-	+		الإشارة المتوقعة

	أثر بُعد متوقعة الأرباح المحاسبية على تكلفة الاقتراض															
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 CtoC_{jt} + \alpha_6 AQ_{jt} + \alpha_7 Conserv_{jt} + \alpha_8 Nutr_{jt} + \varepsilon_{jt}$																
Adj-R ²			α_8	α_7	α_6	α_5	α_4	α_3	α_2	α_1	α_0					
0.214			*0.0255	*0.0007	**0.2085	0.0223	-0.0075	**0.143	**0.000	**0.147	0.146	المعامل				
			+	+	+	+	-	-	-	+		الإشارة المتوقعة				
	أثر كافة صفات الأرباح المحاسبية على تكلفة الاقتراض															
$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 Int\ cov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Persist_{jt} + \alpha_6 Pr\ edict_{jt} + \alpha_7 Smooth_{jt} + \alpha_8 FBV_{jt} + \alpha_9 Timel_{jt} + \alpha_{10} CtoC_{jt} + \alpha_{11} AQ_{jt} + \alpha_{12} Conserv_{jt} + \alpha_{13} Nutr_{jt} + \alpha_{14} Re\ levance_{jt} + \varepsilon_{jt}$																
Adj-R ²	α_{14}	α_{13}	α_{12}	α_{11}	α_{10}	α_9	α_8	α_7	α_6	α_5	α_4	α_3	α_2	α_1	α_0	
0.256	0.025	0.000	*0.163	0.023	*0.021	0.011	*0.064	0.003	0.041	*0.024	*0.014	*0.119	**0.00	**0.160	0.209	المعامل
	+	+	+	+	+	+	+	+	+	+	-	-	-	+		الإشارة المتوقعة

(0.01)

** (0.05)

*

(0.01)

** (0.05)

*

(9)

(0.145)

(0.256)

(10)

(0.145) (0.167) Adj-R²

)

(Adj-R²

(0.145)

(0.239)

" :

"

(

)

(10)

	$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 IntCov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Timeliness_{jt} + \alpha_6 conserv_{jt} + \alpha_7 Relev_{jt} + \varepsilon_{jt}$												
Adj-R ²													المتغيرات المستقلة
0.167					0.001	0.016	*0.017	*-0.011	*-0.100	**0.000	**0.145	0.202	المعامل
					+	+	+	-	-	-	+		الإشارة المتوقعة
	$COD_{jt} = \alpha_0 + \alpha_1 FL_{jt} + \alpha_2 Int cov_{jt} + \alpha_3 ROA_{jt} + \alpha_4 Size_{jt} + \alpha_5 Persit_{jt} + \alpha_6 Pr edict_{jt} + \alpha_7 Smooth_{jt} + \alpha_8 Feedback_{jt} + \alpha_9 CtoC_{jt} + \alpha_{10} AQ_{j,t} + \alpha_{11} Nut_{jt} + \varepsilon_{jt}$												
Adj-R ²													المتغيرات المستقلة
0.239	0.026	*0.158	0.027	*0.069	0.003	0.029	*0.024	*-0.014	*-0.124	**0.000	**0.160	0.202	المعامل
	+	+	+	+	+	+	+	-	-	-	+		الإشارة المتوقعة

.(0.01)

** (0.05)

*

(11):

$$COD_t = \alpha_0 + \alpha_j \sum_{j=1}^3 F - cc_{j,t} + \alpha_1 Size_{j,t} + \alpha_2 CFO_{j,t} + \alpha_3 \sigma Sales_{j,t} + \alpha_4 OperCycle_{j,t} + \alpha_5 NegEarn_{j,t} + \alpha_6 Int - Intensity_{j,t} + \alpha_7 Intensity - Dummy_{j,t} + \alpha_8 Cap - Intensity_{j,t} + \alpha_9 Attributes_{j,t} + \varepsilon_{12}$$

Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	
0.280	0.277	0.279	0.275	0.276	0.274	0.282	0.297	0.288	0.277	
0.0822	0.0657	0.0489	0.0498	0.0637	0.0781	0.083	0.0569	0.0924	0.0706	
** -0.1255	** -0.1273	** -0.1314	** -0.1317	** -0.1389	** -0.1382	** -0.1262	** -0.1325	** -0.1295	** -0.1250	
** -0.0002	** -0.0002	** -0.0002	** -0.1586	** -0.1382	** -0.0002	** -0.0002	** -0.0002	** -0.0002	** -0.0002	
** -0.1391	** -0.144	** -0.1527	** -0.0002	** -0.0002	** -0.1462	* -0.1272	** -0.1519	** -0.1523	** -0.1366	
-0.006	-0.004	-0.0005	-0.0017	-0.0042	-0.0047	-0.0047	-0.0054	-0.0097	-0.0035	
**0.1663	**0.1649	**0.1746	**0.1659	**0.1523	**0.166	**0.1631	**0.1860	**0.1676	**0.1686	
-0.0145	-0.0163	-0.018	-0.0213	-0.0151	-0.0119	-0.0228	-0.0061	-0.0189	-0.0071	
**0.0199	**0.019	*0.0173	*0.0165	*0.0158	**0.0189	*0.0162	**0.022	**0.0197	**0.0181	

Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	Adj-R ²	
0.280	0.277	0.279	0.275	0.276	0.274	0.282	0.297	0.288	0.277	
0.0158	0.012	0.0159	0.017	0.009	0.0119	0.0147	0.0097	0.0124	0.0102	
0.0904	0.085	0.0776	0.0806	0.0878	0.0787	0.0743	0.0498	0.0795	0.0747	
-0.0139	-0.0109	-0.0132	-0.0112	-0.0086	-0.0093	-0.0123	-0.0079	-0.0078	-0.0104	
*0.0261	*0.0263	0.0256	*0.0273	**0.0356	0.026	*0.0291	*0.0305	**0.0418	*0.028	
*0.0208	*0.0257	*0.0008	*0.1408	*0.029	0.0148	*0.0811	**0.0171	**0.0453	*0.0238	

.(0.01)

** (0.05)

*

.

)

(11)

Adj-R²

(

.

(2011)

$$\text{Adj-R}^2$$

2005

2011

2001

2006

.67-54:(1)28

2006

1994

.104-85:(2) 21

2004

Abdelghany, K. 2005. Measuring the Quality of Earnings, **Managerial Auditing Journal**, 20(9): 1001-1015.

American Accounting Association (AAA). 1977. Committee on Concepts and Standards for External Financial Reports, Statement on Accounting Theory and Theory Acceptance, Sarasota, FL: AAA.

Amihud, Y. and Mendelson, H. 1986. Assets Pricing and the Bid-Ask Spread, **Journal of Financial Economics**, 223-249.

Baginski, S., Lorek, K., Willinger, G. and Branson .1999. The Relationship between Economic Characteristics and Alternative Annual Earnings Persistence Measures, **The Accounting Review** ,74(1): 105-120.

Barry, C. and Brown, S. 1985. Differential Information and Security Market Equilibrium, **Journal of Financial Quantitative and Qualitative Analysis**, 20(4): 407-422.

Barua. 2006. Using the FASB's Qualitative Characteristics in Earnings Quality Measures, Dissertation, University of Louisiana State.

Basu. 1997. The Conservatism Principle and the Asymmetric Timeliness of Earnings, **Journal of Accounting and Economics**, 24: 3- 37.

Burgstahler, D. and Dichev, L. 1997. Earnings Management to Avoid Earnings Decreases and Losses, **Journal of Accounting and Economics**, 24(1): 99-126.

Chan, K., Chan, L., Jegadeesh, N. and Lakonishok, J. 2004.

- Earnings Quality and Stock Returns, Working Paper, University of Illinois at Urbana-Champaign-Department of Finance, 50.
- Collins, D., E. Maydew and I. Weiss. 1997. Changes in the Value-Relevance of Earnings and Book Values over the Past Forty Years, **Journal of Accounting and Economics**, 24: 39-67.
- Dechow and Dichev, L. 2002. The Quality of Accruals and Earnings: The Role of Accrual Estimation Errors, **The Accounting Review**, 77: 35-59.
- Easley, D. and O'Hara, M. 2004. Information and the Cost of Capital, **The Journal of Finance**, 59(4): 1553-1583.
- Eaton, B. and Lipsey, R. 1981. Capital, Commitment and Entry Equilibrium, **The Bell Journal of Economics**, 12 (Autumn): 593-604.
- Financial Accounting Standards Board (FASB). 1978. Objectives of Financial Reporting by Business Enterprises, Statement of Financial Accounting Concepts No. 1, Stamford, CT: FASB.
- Financial Accounting Standards Board (FASB). 1980. Qualitative Characteristics of Accounting Information, Statement of Financial Accounting Concepts No. 2, Stamford, CT: FASB.
- Francis, Lafond, Olsson and Schipper. 2004. Costs of Equity and Earnings Attributes, **The Accounting Review**, 79(4):967-1010.
- Francis, Lafond, Olsson, Schipper.2005. The Market Pricing of Accruals Quality, **Journal of Accounting and Economics**, 39(1): 295-327.
- Francois Degeorge, Jayendu Patel and Richard Zeckhauser. 1999. Earnings Management to Exceed Thresholds, **Journal of Business**, 72(1): 1-33.
- Guay, Wayne R., Kothari, S.P. and Watts, Ross L. 1996. A Market-Based Evaluation of Discretionary Accrual Models, **Journal of Accounting Research**, Vol.34, Supplement.
- Gunny, K., Jacob, J., Bjorn, N. and Jorgensen. 2008. Earnings Attributes of Alternate Annual Reporting Periods, www.ssm.com
- Hagstrom, R. 1999. The Warren Buffett Portfolio: Mastering the Power of the Focus Investment Strategy, New York, NY: John Wiley & Sons, Inc.
- Kirschenheiter, M. and Melumad, N. 2004. Earnings' Quality and Smoothing, Working Paper, Columbia Business School, 65.
- Kormendi, R. and Lipe, R. 1987. Earnings Innovations, Earnings Persistence and Stock Returns, **Journal of Business**,60(3).
- Lambert, R., Leuz, C. and Verrecchia, R. 2007. Accounting Information, Disclosure and the Cost of Capital, **Journal of Accounting Research**, 45(2).
- Leuz, C., D. J. Nanda and P. Wysocki .2003. Earnings Management and Investor Protection: An International Comparison, **Journal of Financial Economics**, 505-527.
- Leuz, C. and Verrecchia, R. 2004. Firms' Capital Allocation Choices, Information Quality and the Cost of Capital, www.ssm.com
- Lev, B. 2001. Intangibles: Measurement, Management and Reporting. Washington,D.C.: Brookings Institution Press.
- Lev, B. 1983. Some Economic Determinants of the Time-Series Properties of Earnings, **Journal of Accounting and Economics**, 5: 31-38.
- Lev and P. Zarowin. 1999. The Boundaries of Financial Reporting and How to Extend Them, **Journal of Accounting Research**, 37: 353-385.
- Lipe, R. 1990. The Relation between Stock Returns and Accounting Earnings Given Alternative Information, **The Accounting Review**, 65(1): 49-71.
- Martin, S. 1988. Market Power and/ or Efficiency, **Review of Economics and Statistics**, 70 (May): 331-335.
- Penman, S. 2001. Financial Statement Analysis and Security Valuation. New York, NY: McGraw-Hill/Irwin.
- Pittman, J. A. and Fortin, S. 2004. Auditor Choice and the Cost of Debt Capital for Newly Public Firms, **Journal of Accounting and Economics**, 37: 113-136.
- Sengupta, P. 1998. Corporate Disclosure Quality and Cost of Debt, **The Accounting Review**, 73(4): 459-474.
- Subramanyam, K.R. 1996. The Pricing of Discretionary Accruals, **Journal of Accounting and Economics**, 22: 249-281.
- Thomas, J. and H. Zhang. 2002. Value-Relevance Properties of Smoothed Earnings. Working Paper, Columbia University and University of Illinois at Chicago.

The Effect of Earnings Quality on the Cost of Borrowing Using International Financial Reporting Standards: An Empirical Study on Industrial and Service Shareholding Companies Listed at Amman Bourse

Suzi Abu Ali, Mamoun Al-Debi'e* and Mohammad Abu-Nassar**

ABSTRACT

The study is an extension of (Abu Ali, Al-Debi'e and Abu Nassar, 2011) study, aiming at examining the effect of earnings quality on the cost of borrowing using qualitative characteristics of accounting information specified in the International Financial Reporting Standards (IFRS). We used the same sample and period used in (Abu Ali, Al-Debi'e and Abu Nassar, 2011) study. The sample consists of (78) companies listed at Amman Stock Exchange, of which (51) belong to the industrial sector and (27) belong to the service sector during the period (1993-2007). The current study differs from (Abu Ali, Al-Debi'e and Abu Nassar, 2011) in that it examines the effect of earnings attributes on cost of borrowing instead of cost of capital. Furthermore, the current study differentiates between the discretionary and non-discretionary part of the earnings attributes when examining their effect on the cost of borrowing.

The results of the study showed that, in general, earnings quality affects the cost of borrowing. Earnings attributes have individually an effect on the cost of borrowing except for smoothness. The effect of earnings reliability dimension is higher than the effect of earnings relevance dimension on the cost of borrowing. The effect of earnings conservatism is very low on the cost of borrowing. The effect of the accounting-based earnings attributes is higher than the effect of market-based earnings attributes on the cost of borrowing. The discretionary part of earnings attributes has individually an effect on the cost of borrowing except for timeliness which becomes not significant after controlling for the earnings attributes innate factors.

KEYWORDS: Quality of accounting information, Qualitative characteristics of accounting information, Cost of capital, Cost of borrowing, Discretionary earnings attributes, Non-discretionary earnings attributes, International financial reporting standards.

*

* Department of Accounting, Faculty of Business, University of Jordan, Amman, Jordan.

Received on 30/11/2010 and Accepted for Publication on 19/4/2011.