# BICM RESEARCH SEMINAR SERIES

## BICM Research Seminar 2

We cordially invite you to join our research seminar and contribute to share academic excellence. Please note the following specifics about the February seminar.

| **Paper details** | |
|---|---|
| Title | **Ownership Structure and Real Earnings Management: An Empirical Study on Emerging Economy** |
| Authors | **Dr. Nitai Chandra Debnath**<br>Professor<br>Bangladesh Institute of Capital Market |
| | **Suman Paul Chowdhury**<br>Assistant Professor<br>BRAC University |
| | **Safaeduzzaman Khan**<br>Assistant Professor<br>Bangladesh Institute of Capital Market |
| **Presentation details** | |
| Presenter researcher | **Dr. Nitai Chandra Debnath** |
| Date: | February 28, 2021 (Sunday) |
| Time: | 3:00 - 4:30 PM |
| Venue: | Multi-purpose Hall Room (8th Floor), BICM |
| Expected Participants | Faculty Members of BICM & Invited Guests |
| Discussants | **Professor Dr. Swapan Kumar Bala**<br>Professor<br>Department of Accounting & Information Systems<br>University of Dhaka |
| | **Dr. Mohammad Abu Yusuf**<br>Joint Secretary<br>Budget Wing, Finance Division<br>Ministry of Finance<br>Government of the People's Republic of Bangladesh |

### About the presenter

Dr. Debnath teaches different topics of Accounting at the university level. His research primarily focuses on corporate governance, earnings management, and sustainability. Dr. Debnath has more than 15 years of experience in different positions and has some publications in good impact factor journals. Dr. Debnath received his BBA and MBA in Accounting and Information Systems, and PhD in Corporate Governance and Earnings Management. He is a fellow member of The Institute of Cost and Management Accountants of Bangladesh.

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The paper abstract is given below. If you have any questions regarding the seminar or you wish to present a paper or invite a guest researcher, please do not hesitate to communicate S. M. Kalbin Salema, Lecturer, BICM at kalbin@bicm.ac.bd.

**Ownership Structure and Real Earnings Management: An Empirical Study on Emerging Economy**

Dr. Nitai Chandra Debnath[1]
Suman Paul Chowdhury[2]
Safaeduzzaman Khan[3]

**Abstract**

We observe the association amid ownership structure and real earnings management in Bangladesh. Our study takes 2195 firm-year observations which are listed on the Dhaka Stock Exchange over the period of 2000-2017. The outcome of the panel least square regression indicates that inside ownership, as well as foreign ownership, is inversely related to real earnings management, whereas institutional ownership is positively related to real earnings management. In particular, firms tend to reduce discretionary expenses to manage earnings if the magnitude of inside ownership is low. In contrast to that, when firms are characterized by more institutional ownership, they are more inclined towards real earnings management through additional price discounts, offering a more friendly credit facility, and lowering discretionary expense. This result is consistent with previous findings. Nevertheless, if firms encounter an absence of foreign ownership, they prefer to manage earnings through operating at over-production levels as well as lowering discretionary expenses. Additionally, we find that corporate governance is playing a beneficial role in limiting real earnings management.

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