

UNIVERSITY OF MACAU

**FACULTY OF SOCIAL
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**Ownership Concentration and
Earnings Attributes: A Comparison
between West Europe & East Asia**

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ABSTRACT

This study examines systematic differences in the effects of ownership concentration on two earnings attributes (i.e., accruals quality and conservatism) between West European and East Asian firms. My analysis contains observations from 13 Western European economies and 9 Eastern Asian economies. In which, West European firms are typically family-controlled, and most of East Asian firms are predominated by a few large shareholders. Thus, accounting earnings is expected to be less conservatism with a high convergence of ownership structure, and this effect is less prominent in West Europe than in East Asia. Moreover, Accrual earnings management is expected to be severe with a high convergence of ownership structure, in turn, this effect should also be less prominent in West Europe than in East Asia. My findings are consistent with these predictions and suggest an endogenous link between ownership concentration and the two earnings attributes, as well as provide the comparative evidence on earnings attributes between West Europe and East Asia.

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