



The Vincent C. Ross Institute of Accounting Research
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ROSS ROUNDTABLE

ON

EARNINGS MANAGEMENT, EXPECTATIONS MANAGEMENT, AND EQUITY VALUATION

Date: September 25, 2000 from 4:00 pm to 6:00 pm

Location: New York University
Leonard N. Stern School of Business
40 West Fourth Street
Surdna Conference Center, Third Floor
New York, NY 10012-1118

Contact: (212) 998-4144 or (212) 998-4143

Roundtable Coordinator:

Eli Bartov, *Department of Accounting, Taxation and Business Law*

Roundtable Theme

The problem of earnings management is not new, but it becomes prevalent in a market that severely penalizes companies that miss their consensus estimates by even one penny. In an effort to maximize share price and increase the value of their stock options, in recent years many company managers have been trying to meet earnings estimates not only by managing earnings but also by managing analysts' expectations.

At the same time, analysts seek constant guidance from companies to form those expectations.

The Roundtable will consider whether the integrity of underlying financial reporting is eroding, and if so why. We will also speculate on the consequences of this erosion, including recent and future SEC actions. Some recent research results on firms' efforts to manage earnings expectations, and the rewards associated with this activity, will also be discussed.

The Ross Roundtable provides a forum for "public opinion shapers" -- business writers, financial analysts, educators, corporate financial executives, regulators, etc. -- to discuss with policymakers important developments in capital markets and the financial world. To provide ample opportunity for participants to voice their opinions, the size of the Roundtable is limited.



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**Requirements for participation in program:
Adequate business and/or academic experience**

Recommended CPE Credits: 2