

Independent study title	QUALITY OF FINANCIAL REPORTING: THE RELATIONSHIP BETWEEN EARNINGS MANAGEMENT AND CORPORATE DIVERSIFICATION IN THAILAND
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ABSTRACT

The objective of this study is to examine the association between corporate diversification and earnings management. The findings suggest that a positive and significant relationship exists between international diversification and abnormalities in production costs and discretionary expenses. Abnormal discretionary spending and industrial diversification are found to be strongly and favorably related. Nevertheless, the results of this investigation indicate that there are no notable connections between international and industrial diversification and the manipulation of reported earnings through accrual or abnormal operating cash flow. Consequently, investors need to consider the level of diversification, particularly from the cost and expense perspectives, as a crucial factor when making investment decisions.

Keywords: Corporate diversification, Earnings management, Information asymmetry theory, Earnings volatility theory