Earnings Management: Empirical Evidence on value relevance and Income smoothing.
van Praag, B.J.

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**APPENDIX B: USED SYMBOLS**

\( \eta \) = information system  
\( y \) = signal  
\( E \) = expected value  
\( MV \) = monetary value  
\( \phi_i \) = probability of state \( i \)  
\( a_j \) = action \( j \)  
\( a \) = optimal act  
\( A \) = set of mutually exclusive acts  
\( C \) = outcome of action  
\( U \) = utility  
\( E \) = earnings  
\( T \) = target  
\( k \) = cost  
\( \Delta A \) = discretionary accruals  
\( TA \) = total accruals  
\( CA \) = current assets  
\( CL \) = current liabilities  
Cash = cash and cash equivalents  
\( STD \) = short term debt  
\( Dep \) = depreciation  
\( A \) = total assets  
\( NDA \) = non discretionary accruals  
\( REV \) = revenue  
\( PPE \) = gross property plant and equipment  
\( REC \) = receivables  
\( ALL \) = allowance for loan losses  
\( NALL \) = non discretionary portion of the loan loss account  
\( DALL \) = discretionary component of the loan loss account  
\( NPA \) = non performing assets  
\( Loan \) = loans outstanding  
\( CO \) = charge-off's  
\( WRITEOFF_i \) = pre-tax amount of the write-off deflated by firm \( i \)'s total assets at the end of the prior year  
\( \Theta_i \) = the set of factors affecting firm \( i \)'s write-off decision  
\( YEAR\_MONTH \) = year with the majority of months for a reporting period  
\( MARKET \) = market where the stock of a firm is traded  
\( IND \) = industry grouping dummy  
\( DMYACG \) = dummy for accounting change  
\( DMYACGT \) = dummy for type of accounting change  
\( ACG \) = amount of the accounting change  
\( EXG \) = extraordinary gains  
\( EXL \) = extraordinary losses  
\( EXI \) = extraordinary items  
\( DI \) = discretionary line items
DRPOV = change in restructuring provision
DBLC = correction for double count in discretionary line items
DIDC = discretionary line items after double count correction
2 = the addition of 2 to the variable name indicates that the total accruals variable includes changes in restructuring provision
JON = the JON prefix indicates that the data was estimated using a standard Jones Model
MJO = the MJO prefix indicates that the data was estimated using a Modified Jones Model
IND = the IND prefix indicates that the data was estimated using a standard Jones Model by sector