

Panithan Sujirachato 2009: The Relation between Audit Committee Characteristics and Quarterly Earnings Management by Accruals: Evidence from the Stock Exchange of Thailand. Master of Accountancy, Major Field: Accounting, Department of Accounting. Thesis Advisor: Associate Professor Sasivimol Meeampol, D.B.A. 110 pages.

The purpose of this thesis was to study the relationship between audit committee characteristics and quarterly earnings management from the Stock Exchange of Thailand. The audit committee characteristics have 4 parts: (1) independence of audit committee members, (2) number of meetings of audit committee members, (3) qualifications and experience in accounting, finance and auditing the accounts of audit committee members, and (4) number of audit committee members.

The sample for the study was the 228 listed companies from 2003 to 2005 by quarter. Then, the data analysis had two steps. The first one was to examine quarterly earnings management by using Jones Model (1991), measures of quarterly discretionary accruals, and the difference between realized total quarterly accruals and predicted quarterly non-discretionary accruals. The second step was to test the correlation between discretionary accruals and 4 audit committee characteristics by quarter and total quarter 11 quarters.

As expected at 95% confidence interval, analyzed by quarter or total quarter , the qualifications and experience in accounting, finance and auditing the accounts was significantly negatively associated with quarterly earnings management or the greater the proportion of audit committee members with the existence of financial expertise, the lower the probability the managers will manage discretionary accruals for quarterly financial Statement. However, other characteristics were found to be unrelated, with no significant association between quarterly earnings management and independence or number of meetings or size of audit committee members.

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Thesis Advisor's signature

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