

APPENDIX C

Regression Results from Alternative Outliers Criterion

As discussed in Chapter 4, this appendix shows the results from the alternative criterion to define influential outliers. This criterion is a value of *Cook's Distance* (D_i) equal to 1.0 or greater.

From this criterion, only one influential outlier is found in model (4) with the negative discretionary accruals sample. No influential outliers are found in models (1) to (3) with full, positive and negative discretionary accruals samples. In addition, no influential outliers are found in model (4) with full and positive discretionary accruals samples. The relationship between the log of discretionary accruals and the related party transactions from this criterion is also significant, but at a lower level of confidence than the results presented in Chapter 4.

Table C1: Multiple Regression of Log of Discretionary Accruals on Net Value of Related Party Transactions

Table C2: Multiple Regression of Log of Discretionary Accruals on Related Party Transactions Classified by Activities

Table C3: Multiple Regression of Log of Discretionary Accruals on Inflow and Outflow of Related Party Transactions Classified by Activities

Table C4: Multiple Regression of Log of Discretionary Accruals on Types of Related Party Transactions

Table C1

**Multiple Regression of Log of Discretionary Accruals on
Net Value of Related Party Transactions**

$$\text{Log DAC}_{it} = \alpha_0 + \alpha_1 \text{NetRPT}_{it} + \alpha_2 \text{TA}_{it} + \alpha_3 \text{Leverage}_{it} + \alpha_4 \text{ABS_TAC}_{it} \\ + \alpha_5 \text{Growth}_{it} + \alpha_6 Y_{1it} + \alpha_7 Y_{2it} + \varepsilon_{it}$$

	Full Sample (N = 440)			Positive DAC Sample (N = 217)			Negative DAC Sample (N = 223)		
	b	t-stat.	p value	b	t-stat.	p value	b	t-stat.	p value
Intercept	-1.486	-24.02	0.000	-1.573	-19.32	0.000	-1.429	-15.30	0.000
NetRPT	0.140	2.060	0.040	0.281	2.985	0.003	0.040	0.412	0.680
TA	0.001	0.849	0.396	0.005	2.424	0.016	0.000	0.081	0.935
Leverage	-0.046	-0.480	0.632	0.206	1.489	0.138	-0.260	-1.866	0.063
ABS_TAC	1.980	8.381	0.000	1.680	5.769	0.000	2.460	6.206	0.000
Growth	0.000	-0.476	0.634	0.000	0.028	0.978	-0.001	-0.856	0.393
Y ₁	-0.053	-0.955	0.340	-0.101	-1.374	0.171	-0.024	-0.290	0.772
Y ₂	0.065	1.149	0.251	0.045	0.595	0.553	0.075	0.894	0.372
Adj. R²	16.0%			22.9%			13.2%		
F-stat.	12.978 0.000			10.179 0.000			5.815 0.000		

The variables are defined in Table 3.5.

b is the coefficient estimate.

Table C2

**Multiple Regression of Log of Discretionary Accruals on
Related Party Transactions Classified by Activities**

$$\text{Log DAC}_{it} = \alpha_0 + \alpha_1 \text{NetO}_{it} + \alpha_2 \text{NetI}_{it} + \alpha_3 \text{NetF}_{it} + \alpha_4 \text{TA}_{it} + \alpha_5 \text{Leverage}_{it} \\ + \alpha_6 \text{ABS_TAC}_{it} + \alpha_7 \text{Growth}_{it} + \alpha_8 Y_{1it} + \alpha_9 Y_{2it} + \varepsilon_{it}$$

	Full Sample (N = 440)			Positive DAC Sample (N = 217)			Negative DAC Sample (N = 223)		
	b	t-stat.	p value	b	t-stat.	p value	b	t-stat.	p value
Intercept	-1.476	-23.68	0.000	-1.580	-19.30	0.000	-1.382	-14.30	0.000
NetO	0.152	2.165	0.031	0.280	2.913	0.004	0.060	0.589	0.557
NetI	0.632	1.347	0.179	0.988	0.965	0.336	0.680	1.204	0.230
NetF	-0.963	-1.872	0.062	-0.314	-0.464	0.643	-1.462	-1.862	0.064
TA	0.001	0.563	0.574	0.004	2.089	0.038	0.000	-0.165	0.869
Leverage	-0.005	-0.055	0.956	0.247	1.720	0.087	-0.220	-1.567	0.119
ABS_TAC	1.966	8.352	0.000	1.672	5.707	0.000	2.380	6.013	0.000
Growth	0.000	-0.187	0.852	0.000	0.273	0.785	-0.001	-0.922	0.358
Y ₁	-0.065	-1.159	0.247	-0.099	-1.338	0.182	-0.058	-0.686	0.494
Y ₂	0.055	0.968	0.333	0.047	0.617	0.538	0.043	0.513	0.608
Adj. R²	16.7%			22.6%			14.3%		
F-stat.	10.811		0.000	8.022		0.000	5.111		0.000

The variables are defined in Table 3.5.

b is the coefficient estimate.

Table C3

**Multiple Regression of Log of Discretionary Accruals on
Inflow and Outflow of Related Party Transactions
Classified by Activities**

$$\begin{aligned} \text{Log DAC}_{it} = & \alpha_0 + \alpha_1 \text{O_IN}_{it} + \alpha_2 \text{O_OUT}_{it} + \alpha_3 \text{I_IN}_{it} + \alpha_4 \text{I_OUT}_{it} \\ & + \alpha_5 \text{F_IN}_{it} + \alpha_6 \text{F_OUT}_{it} + \alpha_7 \text{TA}_{it} + \alpha_8 \text{Leverage}_{it} \\ & + \alpha_9 \text{ABS_TAC}_{it} + \alpha_{10} \text{Growth}_{it} + \alpha_{11} \text{Y}_{1it} + \alpha_{12} \text{Y}_{2it} + \varepsilon_{it} \end{aligned}$$

	Full Sample (N = 440)			Positive DAC Sample (N = 217)			Negative DAC Sample (N = 223)		
	b	t-stat.	p value	b	t-stat.	p value	b	t-stat.	p value
Intercept	-1.453	-22.41	0.000	-1.562	-17.60	0.000	-1.365	-13.81	0.000
O_IN	0.126	1.756	0.080	0.255	2.439	0.016	0.043	0.420	0.675
O_OUT	-0.296	-2.673	0.008	-0.359	-2.414	0.017	-0.217	-1.290	0.198
I_IN	1.107	1.356	0.176	1.167	0.700	0.485	1.277	1.221	0.223
I_OUT	-0.420	-0.761	0.447	-0.673	-0.518	0.605	-0.460	-0.709	0.479
F_IN	-0.721	-1.337	0.182	-0.246	-0.358	0.721	-1.118	-1.274	0.204
F_OUT	-0.247	-0.066	0.948	1.300	0.186	0.852	-2.496	-0.529	0.597
TA	0.001	0.702	0.483	0.004	1.923	0.056	0.000	0.165	0.869
Leverage	-0.015	-0.155	0.877	0.240	1.639	0.103	-0.238	-1.683	0.094
ABS_TAC	1.922	8.094	0.000	1.629	5.427	0.000	2.373	5.942	0.000
Growth	0.000	-0.370	0.712	0.000	0.267	0.790	-0.001	-1.140	0.256
Y ₁	-0.068	-1.214	0.225	-0.102	-1.375	0.171	-0.056	-0.656	0.513
Y ₂	0.054	0.948	0.344	0.045	0.580	0.562	0.047	0.556	0.579
Adj. R²	16.8%			21.7%			14.1%		
F-stat.	8.399 0.000			5.998 0.000			4.039 0.000		

The variables are defined in Table 3.5.

b is the coefficient estimate.

Table C4

**Multiple Regression of Log of Discretionary Accruals on
Types of Related Party Transactions**

$$\begin{aligned} \text{Log DAC}_{it} = & \alpha_0 + \alpha_1 \text{SSR}_{it} + \alpha_2 \text{MRI}_{it} + \alpha_3 \text{OI}_{it} + \alpha_4 \text{PUR}_{it} + \alpha_5 \text{MRE}_{it} + \alpha_6 \text{OE}_{it} \\ & + \alpha_7 \text{AS}_{it} + \alpha_8 \text{DR}_{it} + \alpha_9 \text{IR}_{it} + \alpha_{10} \text{AA}_{it} + \alpha_{11} \text{STL}_{it} + \alpha_{12} \text{LTL}_{it} \\ & + \alpha_{13} \text{STB}_{it} + \alpha_{14} \text{LTB}_{it} + \alpha_{15} \text{DP}_{it} + \alpha_{16} \text{TA}_{it} + \alpha_{17} \text{Leverage}_{it} \\ & + \alpha_{18} \text{ABS_TAC}_{it} + \alpha_{19} \text{Growth}_{it} + \alpha_{20} Y_{1it} + \alpha_{21} Y_{2it} + \varepsilon_{it} \end{aligned}$$

	Full Sample (N = 440)			Positive DAC Sample (N = 217)			Negative DAC Sample (N = 222)		
	b	t-stat.	p value	b	t-stat.	p value	b	t-stat.	p value
Intercept	-1.451	-21.64	0.000	-1.547	-16.84	0.000	-1.361	-13.18	0.000
SSR	0.130	1.728	0.085	0.260	2.365	0.019	0.058	0.518	0.605
MRI	0.017	0.005	0.996	-1.919	-0.422	0.674	1.819	0.399	0.691
OI	0.854	0.290	0.772	0.860	0.289	0.773	6.158	0.516	0.606
PUR	-0.320	-2.572	0.010	-0.327	-2.061	0.041	-0.198	-0.979	0.329
MRE	0.478	0.152	0.879	1.027	0.244	0.808	1.343	0.255	0.799
OE	-0.157	-0.634	0.526	-0.454	-0.874	0.383	-2.671	-1.138	0.256
AS	1.422	1.436	0.152	26.08	1.481	0.140	1.455	1.332	0.184
DR	1.660	0.561	0.575	3.186	0.650	0.516	-5.989	-0.660	0.510
IR	-0.105	-0.058	0.954	0.502	0.264	0.792	0.278	0.063	0.950
AA	-1.114	-0.628	0.530	-6.400	-1.064	0.288	-0.727	-0.367	0.714
STL	-0.871	-0.657	0.512	0.859	0.463	0.644	-2.389	-1.203	0.230
LTL	-0.172	-0.256	0.798	-2.103	-0.955	0.341	0.067	0.089	0.929
STB	-0.702	-0.823	0.411	-1.732	-1.479	0.141	0.522	0.402	0.688
LTB	-0.708	-0.901	0.368	1.078	1.052	0.294	-2.928	-2.227	0.027
DP	-0.595	-0.147	0.883	-3.247	-0.297	0.767	-3.107	-0.639	0.524
TA	0.001	0.664	0.507	0.005	2.037	0.043	0.001	0.644	0.521
Leverage	-0.020	-0.201	0.841	0.192	1.247	0.214	-0.278	-1.917	0.057
ABS_TAC	1.917	7.895	0.000	1.785	5.651	0.000	2.437	5.840	0.000
Growth	0.000	-0.422	0.674	0.000	-0.519	0.605	-0.001	-1.256	0.211
Y ₁	-0.067	-1.175	0.241	-0.110	-1.437	0.152	-0.046	-0.530	0.597
Y ₂	0.058	1.001	0.317	0.049	0.622	0.535	0.047	0.539	0.591
Adj. R²	15.3%			20.8%			13.7%		
F-stat.	4.784 0.000			3.704 0.000			2.673 0.000		

The variables are defined in Table 3.5.

b is the coefficient estimate.