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great by
deeds, not by
birth"
-Chanakya

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Geopolitical Risk and Earnings Management

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Geopolitical Risk and Earnings Management

Abstract:

This paper examine relationship between earnings management (EM) and geopolitical risk (GPR) in Indian context. We find that firms engage in greater levels of accruals management when faced with periods of high GPR. Our results are robust to range of robustness tests, including alternative measures of EM and GPR and endogeneity issues.

Keywords: accruals management, geopolitical risk



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