INDEX

<table>
<thead>
<tr>
<th>Term</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABI/INFORM Global database</td>
<td>119</td>
</tr>
<tr>
<td>Abnormal distracting events (ABN_DISTRACT)</td>
<td>79–80</td>
</tr>
<tr>
<td>Absolute forecast error (ABS_FE)</td>
<td>61, 66–69, 73</td>
</tr>
<tr>
<td>Absolute value of abnormal return (ABS_ARET)</td>
<td>61, 71, 75</td>
</tr>
<tr>
<td>Accountability pressure</td>
<td>4, 7</td>
</tr>
<tr>
<td>ANCOVA, mean scores and standard deviation for budgetary slack</td>
<td>16</td>
</tr>
<tr>
<td>relationship with budgetary slack creation</td>
<td>5–6</td>
</tr>
<tr>
<td>relationship with subordinates’ perceived levels of honesty</td>
<td>8–9</td>
</tr>
<tr>
<td>two-way interaction</td>
<td>18</td>
</tr>
<tr>
<td>Accounting education</td>
<td>130–131</td>
</tr>
<tr>
<td>financial</td>
<td>119–122</td>
</tr>
<tr>
<td>management</td>
<td>122–126</td>
</tr>
<tr>
<td>profession</td>
<td>131–132</td>
</tr>
<tr>
<td>Adverse selection</td>
<td>5</td>
</tr>
<tr>
<td>Agency theory</td>
<td>5</td>
</tr>
<tr>
<td>Analysis of covariance (ANCOVA)</td>
<td>14–17</td>
</tr>
<tr>
<td>Analyst portfolio complexity</td>
<td>53–54</td>
</tr>
<tr>
<td>Analysts</td>
<td>58–59</td>
</tr>
<tr>
<td>Analysts’ earnings forecast accuracy limited attention and</td>
<td>54–56</td>
</tr>
<tr>
<td>and price discovery process</td>
<td>56–57</td>
</tr>
<tr>
<td>Analysts’ earnings forecasts</td>
<td>52, 56–57</td>
</tr>
<tr>
<td>ANCOVA. See Analysis of covariance (ANCOVA)</td>
<td></td>
</tr>
<tr>
<td>AS3. See Auditing Standard No. 3 (AS3)</td>
<td></td>
</tr>
<tr>
<td>Attention span variation</td>
<td>79</td>
</tr>
<tr>
<td>Audit</td>
<td>126–128</td>
</tr>
<tr>
<td>Audit documentation</td>
<td>88</td>
</tr>
<tr>
<td>audit litigation</td>
<td>91–92</td>
</tr>
<tr>
<td>audit work</td>
<td>94–96</td>
</tr>
<tr>
<td>auditor litigation research</td>
<td>90–91</td>
</tr>
<tr>
<td>auditors expectations</td>
<td>94–96</td>
</tr>
<tr>
<td>dependent variables</td>
<td>100</td>
</tr>
<tr>
<td>descriptive statistics</td>
<td>100–108</td>
</tr>
<tr>
<td>disclosure</td>
<td>92–94</td>
</tr>
<tr>
<td>expectancy deviations</td>
<td>92–94</td>
</tr>
<tr>
<td>experimental task</td>
<td>97–98</td>
</tr>
<tr>
<td>independent variables</td>
<td>99</td>
</tr>
<tr>
<td>legal professional</td>
<td>91–92</td>
</tr>
<tr>
<td>participant demographics</td>
<td>100</td>
</tr>
<tr>
<td>participants</td>
<td>97</td>
</tr>
<tr>
<td>procedures</td>
<td>98–99</td>
</tr>
<tr>
<td>regression analysis</td>
<td>100–108</td>
</tr>
<tr>
<td>research design</td>
<td>97</td>
</tr>
<tr>
<td>Audit work quality (QUALITY)</td>
<td>100</td>
</tr>
<tr>
<td>cell means plot for</td>
<td>107</td>
</tr>
<tr>
<td>impact on AUDRESP</td>
<td>108</td>
</tr>
<tr>
<td>perceptions</td>
<td>100–101</td>
</tr>
<tr>
<td>Auditing Standard No. 3 (AS3)</td>
<td>88, 95–97</td>
</tr>
<tr>
<td>Auditor responsibility (AUDRESP)</td>
<td>99</td>
</tr>
<tr>
<td>cell means plot</td>
<td>105</td>
</tr>
<tr>
<td>judgments</td>
<td>100–101</td>
</tr>
<tr>
<td>legal professionals’ judgment of</td>
<td>94</td>
</tr>
<tr>
<td>QUALITY impact on</td>
<td>108</td>
</tr>
<tr>
<td>impact of the manipulations and interactions</td>
<td>103–105</td>
</tr>
<tr>
<td>Auditors</td>
<td>127</td>
</tr>
<tr>
<td>expectations</td>
<td>94–96</td>
</tr>
<tr>
<td>litigation research</td>
<td>90–91</td>
</tr>
</tbody>
</table>
AUDRESP. See Auditor responsibility (AUDRESP)

Behavior controls, 121–122
*Behavioral Research in Accounting*, 119

Bias, 1–2
Bias-mitigation strategies, 90
Budget negotiation process, 3, 12–13, 21
Budgetary slack creation, 1–2
accountability, 4
impact of availability of information and accountability pressure, 7
descriptive statistics, 15
experimental procedures, 11–13
laboratory experiment, 3
manipulation checks, 14
mediational effect of honesty, 10
method, 11–14
operational measures of variables, 13–14
process, 8
relationship between accountability pressure and subordinates’ perceived levels of honesty, 8–9
relationship between subordinates’ perceived levels of honesty, 9–10
relationship with accountability pressure, 5–6
relationship with information availability, 5
results, 14–20
supplementary analyses, 19–20

Budgeting managers, 1–2
studies, 1–2

*California Business and Professions Code*, 91–92
Carhart Four Factor model, 60

Committee on Model Civil Jury Instructions, 99
Competing tasks, 79
and forecast error, 69–71
hypothesis, 52–53, 57–59
measurement, 62
and price adjustment process, 71–73
Contracts, 117–118
Corporate social responsibility, 121–122

Defined benefits plans, 121–122
Defined contribution plans, 121–122
Dependent variables, 61
in audit documentation, 100
Pearson correlation matrix for, 15

Descriptive statistics in audit documentation, 100–108
in limited attention, 63–69
Disclosure, 92–94
Distraction hypothesis, 52–53, 57–60
measurement, 62–63
and price reaction, 75–77
Distractions, abnormal levels of, 79–81
Diverse expertise, 79
Diversity of analyst experience, 77–78
DOC condition, 97–99, 102, 104–105
Documentation, 90–91
requirements, 95–96
Dummy-coded variables, 102

EFA. See Exploratory factor analysis (EFA)
Effective monitoring, 20
Endogeneity issues, 79–80
abnormal levels of, 79–81
Escalation of commitment, 119–120
Ethical environment, 30, 38–40, 41–42
manipulation, 48–49
results, 38–40
EVT. See Expectancy Violations Theory (EVT)
Expectancy deviations, 92–94
Expectancy Violations Theory (EVT), 93–96
Experimental treatment conditions, 7
Expert information intermediaries, 55–56
Exploratory factor analysis (EFA), 130–131
Fama-French three factors plus momentum, 60
Feedback, 4
pressure, 5–6
Financial accounting, 119–122
Firm-level information environment, 71
Forecast error, 79
competing tasks and, 69–71
distracting events and, 73–75
Gama Company, 11
Gift-exchange contracts (GE), 123–124
Global Competitiveness Reports, 129
Global Settlement, 81
GS. See Self-set goals (GS)
Her Majesty’s Revenue and Customs (HMRC), 129–130
High moral intensity, 34–35, 47–48
HMRC. See Her Majesty’s Revenue and Customs (HMRC)
Honesty, 2–3
mediational effect of, 10
subordinates’ perceived levels of, 8–9
Hours (Bygg) Inc., 47–48
IC. See Instrumental commitment (IC)
Impression management, 8
Independent variables, 37
in audit documentation, 99
Pearson correlation matrix for, 15
Information availability
ANCOVA, mean scores and
standard deviation for
budgetary slack, 16
impact, 7
relationship with budgetary slack
creation, 5
two-way interaction, 18
Information impactedness condition, 7
Information uncertainty, 56–57
Instrumental commitment (IC), 125
Intrusion, 122–123
Justification pressure, 4
Legal proceedings, 88
Legal professionals, 91–92, 109–110
judgment of auditor responsibility, 94
Limited attention, 52–54
abnormal levels of distractions and
forecast error, 79–81
and analysts’ earnings forecast
accuracy, 54–56
attention span variation, 79
competing tasks, task complexity, diverse expertise, and
forecast error, 79
competing tasks and forecast error, 69–71
competing tasks and price
adjustment process, 71–73
competing tasks and price reaction, 72
correlations, 63–69
data and variables, 58–59
descriptive statistics, 63–69
distracting events and forecast
error, 73–75
distracting events and price reaction, 75–77
issues of endogeneity, 79–80
propensity score matched analysis, 81
research questions and hypotheses, 57–60
robustness checks and limitations, 81–82
task complexity and diversity of analyst experience, 77–78
Low moral intensity, 32–34, 47
Machievillianism, 30–31
high moral intensity, 34–35, 47–48
independent variables, 37
low moral intensity, 32–34, 47
MTurk and undergraduate participants comparisons, 42–44
MTurk vs. student participants, 35–36
research methodology, 36–37
results, 38–44
Macroeconomic environment (MAI), 129
Magnitude of consequences, 33–34
MAI. See Macroeconomic environment (MAI)
Management accounting, 122–126
Management Accounting Quarterly, 119
Manipulation checks, 14
Market reaction, 71
Means, 2–3
Mechanical Turk (MTurk), 30–31
regression results, 38
student participants, vs., 35–36
and undergraduate participants comparisons, 42–44
Mediational effect of honesty, 10
Mergers and acquisitions (MERGE), 63
Microeconomic environment (MII), 129
MII. See Microeconomic environment (MII)
Minimum rate of return targets, 119–120
Moral hazard, 5
Moral intensity, 30
high, 34–35, 47–48
low, 32–34, 47
Multi-tasking, 58–59
Multiple regression analysis for judgments of audit work quality, 106
for judgments of auditor responsibility, 104
for judgments of auditor responsibility–controlling for quality, 108–109
NC. See Normative commitment (NC)
“Negligent” response, 100
Negotiated budget, 3, 13
Negotiation process, 2
rule, 118
subordinates’ perceived levels of honesty during, 9–10
NO PUR condition, 97–99, 102, 104–105
Non-profit organizations, 130
Normative commitment (NC), 125
“No negligent” response, 100
One-tailed Bonferroni adjusted tests, 17
Online labor pool, 31, 33
participants, 30–31
Operational measures of variables, 13–14
Opportunistic behavior, 5
Optimal contracts (OPT), 123–124
Organization culture, 21
Output controls, 121–122

P/E ratio. See Price-to-earnings ratio (P/E ratio)
Participants, 3, 11, 13
in audit documentation, 97

PCAOB. See Public Company Accounting Oversight Board (PCAOB)
Pearson correlation matrix for independent and dependent variables, 15

Perceived responsibility, 33–34, 37, 42, 43–44

PII. See Soundness and quality of public institutions (PII)
Portfolio size, 53
Positive impression, 9
Post-earnings announcement price adjustment, 52
Pre-AS3 standards (PRE-AS3), 97–98, 104–105

Price adjustment process, 52–53
competing tasks and, 71–73
Price discovery process, 56–57
Price reaction
competing tasks and, 72
distracting events and, 75–77
Price-to-earnings ratio (P/E ratio), 63–64
Private information conditions, 12
Process, 2–3, 8

Propensity score matched analysis, 81
PSO. See Public service organization (PSO)

Psychological contracts, 118–119
accounting applications, 119–132
accounting education, 130–131
accounting profession, 131–132
audit, 126–128
breach, 120–128, 132–133
financial accounting, 119–122
future research, 132–133

...management accounting, 122–126
non-profit organizations, 130
research, 119
tax, 129–130
Public Company Accounting Oversight Board (PCAOB), 88–94, 110
Public information conditions, 12
Public service organization (PSO), 129–130
PUR condition, 97–99, 102
Quality-reducing behaviors, 126–127

Rebuttable presumption, 88–92, 109–110
Reciprocity rule, 118
Regression analysis, 127
in audit documentation, 100–108
Reputation, 9
Responsibility pressure, 4–6
Robustness checks and limitations, 81–82

SAS No.96. See Statement on Auditing Standards No.96 (SAS No.96)
Scrutiny, 122–123
Self-set goals (GS), 125
SEM. See Structural equation modeling (SEM)
Serial processing, 58–59
Slack, 125
Social exchange theory, 118
Soundness and quality of public institutions (PII), 129
Statement on Auditing Standards No.96 (SAS No.96), 88, 97
Strategic performance measurement systems (SPMS), 124–125
Structural equation modeling (SEM), 124–125
Student participants, 30–31
MTurk vs., 35–36, 42–44
Subordinates, 1–2
perceived levels of honesty, 8–9
perceived levels of honesty during
negotiation, 9–10
Superior-imposed budget, 3, 13

Task complexity, 52–53, 79
of analyst experience, 77–78
Tax, 129–130
Technological innovativeness (TI),
129
Trial-run and training session, 3,
11–12

Unrelated distraction, 52–53

Wharton Research Data Services
(WRDS), 60
Whistle-blowing, 31–32
Work accuracy, 53
World’s Economic Forum, 129
WRDS. See Wharton Research Data
Services (WRDS)
WRDS-COMPUSTAT quarterly
database, 60
WRDS-CRSP database, 60
WRDS-IBES database, 60
WRDS-Thompson Reuters 13f
database, 60