

Review of: "From M-Score to F-Score: Moderating the Relationship between Earnings Management and Stock Performance"

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Potential competing interests: No potential competing interests to declare.

The paper explores a research theme that, though old in the developed markets, needs more attention in the emerging markets, which is the relationship between earnings and stock prices, since the results are likely to change in different settings.

Here, I summarize a few points I believe can improve the paper. I hope my comments are useful and helpful to the authors.

Abstract:

- Establish the theoretical relationship
- Clarify the direct and moderating role of the earnings management scores.

Introduction:

- It is better to avoid the term "contemporary" when referring to a 2003 study.
- Give more information on the adoption of IFRS in Vietnam, such as when and how it occurred, to which firms, etc., so people from other countries will understand it better.
- Include a summary of the results.

Theoretical and empirical background

- Better explain the moderating role of the earnings management scores. The text focuses on the direct relationship between earnings management and stock returns.
- The section would be more fluid without the subsections. The text is too fragmented.
- Explore more specific theories and theoretical arguments (from the previous literature) rather than focusing on Agency Theory, which is general.

Research design and data collection

- As I suggested for Section 2, this Section would be better without the subsections.
- The hypotheses should be a result of what is discussed in Section 2.
- Only here do you directly say you analyze direct and indirect relationships between earnings management and stock returns. But you do not explain why we would expect both relationships to occur.
- Please explain better how the lagged instruments ameliorate endogeneity in your model.

Study data

- Panel A in Table 1 shows the descriptive statistics of Market capitalization only. Why focus on this variable?
- The gray hues in Figure 4 are hard to separate.
- Why do the F and M scores have such different behavior, especially from 2012? You should explore this better.

General:

- Could firms with earnings management work as a strategy to gain abnormal returns?
- Reconcile the conflicting results: why did the F and M scores yield different results in the post-crisis period?