

## عنوان مقاله:

Firm Characteristics And Stock Price Reaction To Sox 404 Compliance

## محل انتشار:

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## خلاصه مقاله:

This study examines the stock price reaction to the internal control reporting as required under Section 404 of the Sarbanes-Oxley Act of 2002 for three distinct groups of firms. After controlling for the general stock price movements, we find that stock returns are most negative for firms that delay filing of their internal control reports, continue to be negative for firms with ineffective internal controls, and are positive for firms with effective internal controls. The decrease in stock prices of the first two groups is more pronounced for those with a lower return on assets, higher growth rate in sales, and no prior disclosure of their internal controls weaknesses. Our results indicate that market participants value the reliability of financial information resulted from Section 404 compliance irrespective of firm size and debt proportion, consistent with the SEC recent release of Section 404 compliance for smaller public companies

## کلمات کلیدی:

Capital market; Security price reaction; Corporate governance; Internal control

## لینک ثابت مقاله در پایگاه سیویلیکا:

<https://civilica.com/doc/183650>

