

Financial Accounting



Chapter 1: Video assignment to submit and discuss

Please watch the Wall Street Journal video by logging into this link:

<https://www.wsj.com/video/are-some-companies-cooking-the-books/F9C9CCDC-3653-4269-8C0C-ED99E49A81C2.html>

*Transcript is available beneath the video

Alternatively, Log into: <http://www.wsj.com/video>

And type in the search tab: **Are Some Companies Cooking the Books?**

Answer the following questions:

1. What is the meaning of cooking the accounting books?
2. According to the studies presented in the video: what percentage of companies cooks the accounting books?
3. By how much do these companies increase earnings?
4. Do companies always increase earnings? How can investors adapt to earnings misstatement?

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