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## Preface to Volume 4

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*Advances in Quantitative Analysis of Finance and Accounting* is an annual publication designed to disseminate developments in the quantitative analysis of finance and accounting. The publication is a forum for statistical and quantitative analyses of issues in finance and accounting as well as applications of quantitative methods to problems in financial management, financial accounting, and business management. The objective is to promote interaction between academic research in finance and accounting and applied research in the financial community and the accounting profession.

The papers in this volume cover a wide range of topics, including earnings management, management compensation, option theory and application, debt management and interest rate theory, and portfolio diversification.

In this volume, there are 14 papers, seven of them apply accounting information to earnings management and management compensation: 1. *Firm Performance and Compensation-Based Stock Trading by Corporate Executives*; 2. *Management Compensation, Debt Contract, and Earnings Management Strategy*; 3. *Estimated Operating Cash Flow, Reported Cash Flow from Operating Activities, and Financial Distress*; 4. *Earnings Surprise and the Relative Information Content of Short Interest*; 5. *Group Types and Earnings Management*; 6. *The Tendency of Firm Managers to Avoid Small Losses*; 7. *Beating or Meeting Earnings-Based Target Performance in CEOs' Annual Cash Bonuses*.

Two of the remaining seven papers are related to option theory and application: 1. *Real Option Based Equity Valuation Models: An Empirical Analysis*; 2. *The Shift Function for the Extended Vasicek Model*. Three of the remaining five papers are related to debt management and interest rate theory: 1. *Risky Debt-Maturity Choice under Information Asymmetry*; 2. *A Bayesian Approach for Testing the Debt Signaling Hypothesis in a Transitional Market: Perspectives from Egypt*; 3. *Taking Positive Interest Rates Seriously*. The remaining two papers are related to portfolio diversification: 1. *Do Winners Perform Better Than Losers? A Stochastic Dominance Approach*; 2. *Corporate Diversification and the Price-Earnings Association*.