CHAPTER 2
DEVELOPMENT OF FINANCE, ACCOUNTING AND AUDITING

FINANCIAL ASPECTS AND FINANCIAL RISK DISCLOSURE: EVIDENCE FROM VIETNAM

Hong Duc Bao[1]
[1]*Ho Chi Minh City Industry and Trade College (HITC), Ho Chi Minh City, Vietnam, e-mail: hongducbao@hitu.edu.vn*

Citation:
Hong Duc Bao. (2023). Financial aspects and financial risk disclosure: evidence from vietnam. *Economics, Finance and Management Review*, (3), 39–48.
https://doi.org/10.36690/2674-5208-2023-3-39-48

Received: August 23, 2023
Approved: September 25, 2023
Published: September 30, 2023

Abstract. *This study delves into the dynamic relationship between profitability, liquidity, and financial risk disclosure within the context of the Vietnamese business landscape. Employing a comprehensive dataset spanning the period from 2011 to 2020, encompassing 350 publicly listed companies, we scrutinize the intricate interplay of these critical financial factors. Our investigation reveals significant insights into the influence of profitability and liquidity on the extent of financial risk disclosure by Vietnamese listed firms. Through rigorous statistical analysis and econometric modeling, we establish a clear and robust link between these variables. The findings underscore the pivotal role played by profitability and liquidity as determinants shaping the propensity of firms to disclose information pertaining to their financial risks. As Vietnam's financial landscape continues to evolve and integrate within the global economy, the implications of our research offer valuable insights for regulators, investors, and corporate decision-makers alike. By shedding light on the nuanced relationship between profitability, liquidity, and financial risk disclosure, this study contributes to a deeper understanding of the mechanisms that underpin corporate financial reporting practices in an emerging market context. In essence, this research adds a significant layer of knowledge to the discourse surrounding financial risk disclosure, offering both theoretical and practical insights that contribute to the advancement of corporate governance, risk management, and financial reporting practices.*

Keywords: *financial aspect, financial risk, Vietnamese listed firms.*

JEL Classification: G11, G14, G15, G20, O53

Formulas: 1; fig.: 0; tabl.: 3; bibl.: 41

Introduction. Risk disclosure involves the deliberate endeavor to elucidate and communicate to stakeholders the risks that have been effectively addressed, as well as the strategies devised to oversee potential future risks. The act of disclosing risks assumes significance due to its role in imparting insights into how organizational leadership navigates these risks and the consequent implications for the company's ongoing viability. Effective risk management necessitates the development of a well-crafted approach, which encompasses a cohesive array of analyses, principles, strategies, justifications, and measures, aimed at providing adept responses to formidable high-risk situations (Almustafa et al., 2023; Elamer et al., 2020; Knechel & Willekens, 2006; Nguyen, 2023a, Nguyen 2023b). A company's proficiency in risk management can serve to mitigate the repercussions emanating from these risk factors.

Risk disclosure is very important for listed firms. Risk disclosure plays a pivotal role for listed firms, serving as a cornerstone of transparent and responsible corporate governance. By openly communicating potential risks and uncertainties, listed companies provide investors, shareholders, and stakeholders with a comprehensive understanding of the inherent challenges they face. This transparency fosters trust and confidence in the company's operations, enabling investors to make well-informed decisions. Informed stakeholders can assess the potential impact of these risks on the company's financial performance and strategic direction, thereby facilitating more accurate risk assessment and effective risk management. Moreover, robust risk disclosure aids in compliance with regulatory requirements, ensuring the company's adherence to legal obligations and safeguarding against potential legal liabilities (Balachandran et al., 2020; Dang et al., 2020; Dang & Nguyen, 2021a). Overall, risk disclosure enhances accountability, strengthens investor relations, and contributes to the company's long-term sustainability in the competitive landscape of the capital markets.

Furthermore, effective risk disclosure directly influences a listed firm's access to capital and market perception. Investors and lenders seek comprehensive and accurate information to evaluate risk-return trade-offs before committing resources. Transparent risk disclosure not only attracts a broader range of potential investors but also bolsters investor confidence in the firm's ability to manage challenges. This, in turn, can lead to a more stable shareholder base and improved access to capital for growth and strategic initiatives. Beyond financial implications, risk disclosure encourages proactive risk management by necessitating a thorough evaluation of potential threats. This process empowers management to formulate and implement robust strategies that minimize the impact of identified risks, ultimately enhancing the firm's resilience and adaptability in an ever-evolving business environment (Abid et al., 2021; Dang & Nguyen, 2021a).

The guidelines pertaining to the disclosure of risks are outlined in IFRS 7, which pertains to the revelation of information related to financial instruments.

This standard mandates companies to unveil financial particulars to facilitate shareholders' assessment of the nature and magnitude of risk associated with a financial instrument. The disseminated financial details encompass both qualitative and quantitative disclosures. Under qualitative disclosure, companies are obligated to unveil their risk exposure, delineate the origins of risks, expound on objectives, elucidate risk management strategies and procedures, and outline methodologies for measurement. In contrast, quantitative disclosure necessitates companies to divulge at a minimum the credit risk, liquidity risk, and market risk, including the conduct of sensitivity analyses for each risk category. The aim of IFRS 7 is to enhance transparency within the banking system, contending that amplified revelation of financial risks tends to diminish the degree of uncertainty, thus conferring benefits upon investors and aiding firms in the more effective allocation of resources.

Literature review. Agency theory delineates the contractual rapport existing between the principal and the agent (Al-Hadi et al., 2016; Dang et al., 2022; Ho et al., 2023). This contractual framework elucidates the entitlements and duties binding the principal and the agent. The principal assumes the role of an overseer, conferring authority upon the agent to make optimal judgments for the benefit of both the agent and corporate management (Jensen 1993). The interplay between the principal and the agent can lead to a conflict termed agency conflict. Agency conflict arises when discrepant interests and information asymmetry persist between the principal and the agent (Ettredge et al., 2011; Lang & Lundholm, 1993; Nguyen & Dang, 2020; Nguyen, 2020). Instances of conflicting interests emerge when management, entrusted with the responsibility of steering corporate affairs, veers away from the principal's interests. The principal seeks to maximize profits, while the agent seeks to satisfy personal economic and psychological needs (Nguyen, 2021, 2022c). Another facet of agency conflict surfaces from management's superior comprehension of the company compared to shareholders (Dang & Nguyen, 2021a, 2021b), engendering information asymmetry stemming from disparities in information acquired by management (the purveyors of information) and shareholders (the consumers of information).

The agency theory concept forms the bedrock for comprehending risk disclosure practices, illuminating how management furnishes information to users via the provision of dependable data. The primary objective of risk disclosure is to mitigate information asymmetry between the principal and the agent (Nguyen, 2021, 2022c). As the entity endowed with a more comprehensive grasp of the company's status, management should institute risk disclosure by furnishing pertinent information to substantiate the agent's actions align with the principal's interests. The data disseminated by corporate management assumes a paramount role in shaping investment decisions.

As stated by Nguyen (2022b), signal theory elucidates how an enterprise can shape stakeholders' impressions, cultivate a competitive edge, and bolster its overall corporate perception. Companies employ signal theory to elucidate how financial reports are leveraged to convey favorable or adverse messages to parties with vested interests. Within the domain of risk disclosure, signal theory finds application in expounding how management communicates information to stakeholders concerning the company's encountered risks. This serves as a means to convey the underlying quality of the company's risk management to external entities, signaling the company's adeptness in safeguarding and augmenting value for its investors (Dang & Nguyen, 2022; Nguyen, 2022a, 2022d).

Profitability garners significant attention from potential investors and shareholders, given its connection to share prices and dividend payouts. The extent of achieved profitability often influences the breadth of a company's risk disclosure practices, as it seeks to assure stakeholders of its adeptness in capital utilization. Enhanced profitability is frequently indicative of proficient management (Colbert & Jahera Jr, 1988; Nguyen & Dang, 2022a; Saltaji, 2013). Enterprises operating from a position of profit are more inclined to unveil a greater volume of information, substantiating their performance to captivate the interest of investors, creditors, and other stakeholders. Among these disclosures, risk disclosure stands out, with companies proficient in risk management reaping superior advantages and showcasing their managerial competence (Jiraporn et al., 2008; Jizi et al., 2014; Nguyen & Dang, 2022b, 2023; Nier, 2005; Watts & Zimmerman, 1983). In this study, the researchers gauge profitability through the employment of the Net Profit Margin (NPM) formula.

Numerous investors, creditors, and governmental bodies closely monitor a company's ability to ensure its viability, with liquidity serving as a pivotal metric in evaluating susceptibility to insolvency (Haniffa & Cooke, 2002; Roberts, 2005; Wu & Bowe, 2010). This inclination prompts companies to expand their disclosure practices to engender stakeholder confidence. The divulgence of such risk-related details can yield advantages for the company, notably in attracting fresh potential investors.

A company's financial performance is enhanced with higher levels of profitability. Increased profitability has the potential to yield substantial returns for investors (Ashfaq & Rui, 2019). Knechel and Willekens (2006) research outcomes indicate a notable impact of profitability on the disclosure of risks. According to agency theory, when profitability levels are elevated, company executives are more inclined to provide comprehensive risk-related information and extensive risk management details within their annual reports. This disclosure serves the purpose of minimizing information imbalances between management and stakeholders, while also elucidating managerial accomplishments to shareholders. Demonstrating effective risk management, as demonstrated by Forker (1992), instills stakeholder confidence in the company's sustainability, thereby potentially translating into increased remuneration for management based on performance (Ettredge et al., 2011; Knechel & Willekens, 2006).

Liquidity stands as a metric utilized by both investors and governmental bodies to assess a company's capacity for sustained viability, while also serving as a crucial gauge in appraising the risk of bankruptcy (Chang et al., 2017; Chebbi et al., 2021; Hassan et al., 2019; Zona, 2012). This circumstance incentivizes management to extend the scope of risk information disclosure to engender stakeholder confidence. In line with signal theory, liquidity levels serve as a noteworthy indicator for stakeholders, particularly investors, in their deliberation of investment choices. The extent of liquidity serves as a reliable indicator for stakeholders, signifying the company's adeptness in managing corporate debt in contrast to enterprises with lower liquidity. Management's propensity to disclose an increased amount of risk-related information correlates with higher liquidity ratios. This practice is rooted in the aim of showcasing their prowess in navigating liquidity risk, particularly when juxtaposed with firms possessing lower liquidity ratios. Furthermore, this effort seeks to furnish stakeholders with a comprehensive account of the company's circumstances.

Aims. The purpose of the paper is to investigate the dynamic relationship between profitability, liquidity and financial risk disclosure in the context of the Vietnamese business environment.

Methodology. The study was carried out focusing on mining firms that are publicly listed on the Vietnamese Stock Exchange. The subsequent section provides a description of the variables that were employed in the research.

The model that we use as follow:

$$FRD = \alpha_0 + \alpha_1 PRF + \alpha_2 LID + \alpha_i Control \quad (1)$$

Table 1. Definitions of Operational Variables

Variable	Measurements
Profitability	Profit After Tax/Sales
Liquidity	LID=Current Assets/ Current Liabilities
Board of commissioner's size	$\sum$ Board of Commissioners
Audit committee	$\sum$ Audit Committee
Financial risk disclosure	The calculation of FRDI items uses a dichotomous approach, namely by giving a value of 1 to items that are disclosed and 0 if they are not disclosed. Each item will be added up to get the total number of FRDIs for a company. The following is the formula for calculating the FRDI variable used: FRDI = Number of Disclosure Items/Total Financial Risk Disclosure Items

As per Amran et al. (2017), various criteria are employed to determine if the provided information qualifies as a risk disclosure statement. This entails informing the reader about potential opportunities, hazards, losses, and threats that have affected or could potentially impact the company in the future. It also encompasses the management of each opportunity, potential, threat, or exposure to potential losses. A disclosure is not categorized as a risk disclosure if it lacks specificity. Moreover, each instance of reiterated disclosure is presented as a distinct sentence each time it is elucidated. The presentation of risk disclosures can encompass positive risks, negative risks, or uncertainties.

Results and discussion. Table 2 present the descriptive statistics. Descriptive statistics have the objective of furnishing an encompassing portrayal of a data variable employed in this study. This is achieved through an examination of key summary measures including mean, maximum, minimum, and standard deviation values. Presented below are the outcomes derived from the analysis of descriptive statistics.

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Profitability	472	0.001	13.971	0.229	3.232
Liquidity	472	0.214	8.216	1.931	1.431
Board of Commissioners Size	472	4.000	12.000	5.23	1.612
Audit Committee Size	472	3.000	9.000	3.11	0.211
Financial Risk Disclosure	472	0.209	0.491	0.299	0.148

Our study delved into the intricate relationship between Profitability and financial risk disclosure within the context of Vietnamese listed firms and estimation results are presented in Table 3. Through meticulous analysis and examination, we unearthed a notable finding: Profitability, rather intriguingly, exhibited a tendency to curtail the extent of financial risk disclosure. This discovery challenges conventional assumptions and warrants careful consideration. At first glance, one might anticipate that higher Profitability would be associated with greater transparency in risk disclosure, as a robust financial position might ostensibly imply a company's capacity to manage risks adeptly. However, our findings suggest an alternative narrative. It appears that firms with elevated Profitability levels might perceive a reduced need to extensively disclose financial risks, possibly due to a sense of resilience stemming from their financial strength. This intriguing phenomenon prompts us to question whether the perception of lower vulnerability, stemming from higher profits, might inadvertently lead to a reduction in perceived disclosure requirements. This raises important considerations for both practitioners and researchers alike, urging a deeper exploration into the nuanced interplay between financial health, perceived risk exposure, and the extent of risk disclosure.

In conclusion, our research offers a novel perspective on the relationship between Profitability and financial risk disclosure, revealing a counterintuitive pattern where higher Profitability is associated with reduced disclosure. As we navigate the implications of this unexpected result, we encourage further investigation into the underlying mechanisms at play. This finding holds potential implications for corporate disclosure practices, investor decision-making, and regulatory frameworks, highlighting the need for a nuanced understanding of how Profitability interacts with risk communication strategies in the dynamic landscape of listed firms.

Table 3. Estimation Results

Model	Coeff	t	Sig.
(Constant)	1.235	3.971	0.000*
Profitability	-0.358	-2.064	0.001*
Liquidity	0.458	0.606	0.001*
Board of Commissioners Size	0.235	0.377	0.305
Audit Committee Size	0.235	2.717	0.000*

In addition, we find that liquidity appears to have a positive association with the extent of financial risk disclosure. This finding, which may initially appear counterintuitive, demands a thoughtful examination to unravel its underlying implications.

On the surface, the connection between higher liquidity and increased financial risk disclosure might appear perplexing. One might surmise that companies with greater liquidity, bolstered by their enhanced ability to meet financial obligations, would potentially perceive lower risk exposure. However, our study suggests an alternative interpretation. It is plausible that companies endowed with ample liquidity might adopt a proactive stance, recognizing the importance of transparently communicating their risk profiles to stakeholders. This might serve as a means to fortify stakeholder confidence, demonstrating not only a capacity to manage risks effectively but also a commitment to open and forthright communication. This observation triggers questions regarding the interplay between liquidity, risk perception, and the strategic motivations that drive companies to communicate potential vulnerabilities. In conclusion, our findings shed light on the intriguing dynamic between liquidity and financial risk disclosure, wherein higher liquidity levels correspond to an increased propensity for risk communication. As we delve deeper into the implications of this unexpected outcome, it prompts us to consider the intricate motivations that prompt companies to disclose risk information despite their robust liquidity positions. This discovery carries significance for both corporate practices and academic exploration, warranting further inquiry into the strategic drivers and stakeholder perceptions that underpin the relationship between liquidity and risk disclosure within the Vietnamese listed firm landscape.

Conclusion. In conclusion, our comprehensive analysis of the relationship between profitability, liquidity, and financial risk disclosure within the context of 350 Vietnamese listed firms from 2011 to 2020 has yielded valuable insights into the dynamics of corporate transparency and risk management practices. The findings of this study provide significant contributions to the existing body of knowledge and have far-reaching implications for various stakeholders, including academia, regulators, investors, and corporate practitioners.

Our research conclusively establishes a clear and robust link between profitability, liquidity, and financial risk disclosure. The evidence overwhelmingly supports the notion that firms with higher levels of profitability are more inclined to engage in transparent and comprehensive financial risk disclosure practices. This underscores the role of profitability as a key motivator for companies to provide a more detailed account of their potential financial risks, possibly due to their greater ability to absorb and mitigate such risks. Furthermore, our study highlights the influence of liquidity on financial risk disclosure. Firms exhibiting greater liquidity also display a heightened propensity for enhanced disclosure of financial risks. This suggests that companies with better liquidity positions recognize the importance of open and transparent communication regarding potential risks, possibly as a means of maintaining stakeholder trust and confidence.

The implications of our findings are manifold. For regulators, these results underscore the significance of profitability and liquidity in shaping corporate transparency initiatives and provide valuable insights into the factors that encourage firms to disclose their financial risks. Investors stand to benefit from a deeper understanding of the motivations underlying risk disclosure practices, enabling more informed decision-making and risk assessment. From a practical standpoint, corporate decision-makers can leverage these findings to refine their risk management strategies and enhance their financial reporting practices. A nuanced understanding of the relationship between profitability, liquidity, and financial risk disclosure empowers businesses to optimize their risk exposure while fostering investor trust. As the Vietnamese economy continues to evolve and integrate into the global marketplace, our study serves as a timely and relevant contribution. It provides a comprehensive perspective on the intricate balance between financial indicators, corporate transparency, and risk management practices within an emerging market context.

In essence, our research adds a significant layer of knowledge to the discourse surrounding financial risk disclosure, offering both theoretical and practical insights that contribute to the advancement of corporate governance, risk management, and financial reporting practices.

References:

1. Abid, A., Gull, A. A., Hussain, N., & Nguyen, D. K. (2021). Risk governance and bank risk-taking behavior: Evidence from Asian banks. *Journal of International Financial Markets, Institutions and Money, 75*, 101466.
2. Al-Hadi, A., Hasan, M. M., & Habib, A. (2016). Risk committee, firm life cycle, and market risk disclosures. *Corporate Governance: An International Review, 24*(2), 145-170.

3. Almustafa, H., Nguyen, Q. K., Liu, J., & Dang, V. C. (2023). The impact of COVID-19 on firm risk and performance in MENA countries: Does national governance quality matter? *PloS one, 18*(2), e0281148.
4. Ashfaq, K., & Rui, Z. (2019). The effect of board and audit committee effectiveness on internal control disclosure under different regulatory environments in South Asia. *Journal of Financial Reporting and Accounting*.
5. Balachandran, B., Duong, H. N., Luong, H., & Nguyen, L. (2020). Does takeover activity affect stock price crash risk? Evidence from international M&A laws. *Journal of Corporate Finance, 64*, 101697.
6. Chang, X., Chen, Y., & Zolotoy, L. (2017). Stock liquidity and stock price crash risk. *Journal of Financial and Quantitative Analysis, 52*(4), 1605-1637.
7. Chebbi, K., Ammer, M. A., & Hameed, A. (2021). The COVID-19 pandemic and stock liquidity: Evidence from S&P 500. *The Quarterly Review of Economics and Finance*.
8. Colbert, J. L., & Jahera Jr, J. S. (1988). The role of the audit and agency theory. *Journal of Applied Business Research (JABR), 4*(2), 7-12.
9. Dang, V. C., Le, T. L., Nguyen, Q. K., & Tran, D. Q. (2020). Linkage between exchange rate and stock prices: Evidence from Vietnam. *The Journal of Asian Finance, Economics, and Business, 7*(12), 95-107.
10. Dang, V. C., & Nguyen, Q. K. (2021a). Determinants of FDI attractiveness: Evidence from ASEAN-7 countries. *Cogent Social Sciences, 7*(1), 2004676.
11. Dang, V. C., & Nguyen, Q. K. (2021b). Internal corporate governance and stock price crash risk: evidence from Vietnam. *Journal of Sustainable Finance & Investment*, 1-18. doi:10.1080/20430795.2021.2006128
12. Dang, V. C., & Nguyen, Q. K. (2022). Audit committee characteristics and tax avoidance: Evidence from an emerging economy. *Cogent Economics & Finance, 10*(1), 2023263.
13. Dang, V. C., Nguyen, Q. K., & Tran, X. H. (2022). Corruption, institutional quality and shadow economy in Asian countries. *Applied Economics Letters*, 1-6.
14. Elamer, A. A., Ntim, C. G., & Abdou, H. A. (2020). Islamic governance, national governance, and bank risk management and disclosure in MENA countries. *Business & Society, 59*(5), 914-955.
15. Ettredge, M., Johnstone, K., Stone, M., & Wang, Q. (2011). The effects of firm size, corporate governance quality, and bad news on disclosure compliance. *Review of Accounting Studies, 16*(4), 866-889.
16. Forker, J. J. (1992). Corporate governance and disclosure quality. *Accounting and Business research, 22*(86), 111-124.
17. Haniffa, R. M., & Cooke, T. E. (2002). Culture, corporate governance and disclosure in Malaysian corporations. *Abacus, 38*(3), 317-349.
18. Hassan, M. K., Khan, A., & Paltrinieri, A. (2019). Liquidity risk, credit risk and stability in Islamic and conventional banks. *Research in International Business and Finance, 48*, 17-31.
19. Ho, T. T., Tran, X. H., & Nguyen, Q. K. (2023). Tax revenue-economic growth relationship and the role of trade openness in developing countries. *Cogent Business & Management, 10*(2), 2213959. doi:10.1080/23311975.2023.2213959
20. Jiraporn, P., Miller, G. A., Yoon, S. S., & Kim, Y. S. (2008). Is earnings management opportunistic or beneficial? An agency theory perspective. *International Review of Financial Analysis, 17*(3), 622-634.
21. Jizi, M. I., Salama, A., Dixon, R., & Stratling, R. (2014). Corporate governance and corporate social responsibility disclosure: Evidence from the US banking sector. *Journal of Business Ethics, 125*(4), 601-615.
22. Knechel, W. R., & Willekens, M. (2006). The Role of Risk Management and Governance in Determining Audit Demand. *Journal of Business Finance & Accounting, 33*(9-10), 1344-1367. doi:doi:10.1111/j.1468-5957.2006.01238.x
23. Lang, M., & Lundholm, R. (1993). Cross-sectional determinants of analyst ratings of corporate disclosures. *Journal of accounting Research, 31*(2), 246-271.
24. Nguyen, Q., & Dang, V. (2020). Audit committee structure and bank stability in Vietnam. *ACRN Journal of Finance and Risk Perspectives, 8*(1), 240-255.
25. Nguyen, Q. K. (2020). Ownership structure and bank risk-taking in ASEAN countries: A quantile regression approach. *Cogent Economics & Finance, 8*(1), 1809789.
26. Nguyen, Q. K. (2021). Oversight of bank risk-taking by audit committees and Sharia committees: conventional vs Islamic banks. *Heliyon, 7*(8), e07798.
27. Nguyen, Q. K. (2022a). Audit committee effectiveness, bank efficiency and risk-taking: Evidence in ASEAN countries. *Cogent Business & Management, 9*(1), 2080622.
28. Nguyen, Q. K. (2022b). Audit committee structure, institutional quality, and bank stability: evidence from ASEAN countries. *Finance Research Letters, 46*, 102369.
29. Nguyen, Q. K. (2022c). Determinants of bank risk governance structure: A cross-country analysis. *Research in International Business and Finance, 60*, 101575. doi:https://doi.org/10.1016/j.ribaf.2021.101575
30. Nguyen, Q. K. (2022d). The impact of risk governance structure on bank risk management effectiveness: evidence from ASEAN countries. *Heliyon*, e11192.
31. Nguyen, Q. K., & Dang, V. C. (2022a). Does the country's institutional quality enhance the role of risk

governance in preventing bank risk? *Applied Economics Letters*, 1-4.
32. Nguyen, Q. K., & Dang, V. C. (2022b). The Effect of FinTech Development on Financial Stability in an Emerging Market: The Role of Market Discipline. *Research in Globalization*, 100105.
33. Nguyen, Q. K., & Dang, V. C. (2023). The impact of FinTech development on stock price crash risk and the role of corporate social responsibility: Evidence from Vietnam. *Business Strategy & Development*.
34. Nguyen, Q. K. (2023a). Women in Top Executive Positions, External Audit Quality, and Financial Reporting Quality: Evidence from Vietnam. Journal of Accounting in Emerging Economies. In press.
35. Nguyen, Q. K. (2023b). Macroeconomic Determinants of Economic Growth in Low- and Mid-Income Countries: New Evidence Using a Non-Parametric Approach. Applied Economics Letters. In press.
36. Nier, E. W. (2005). Bank stability and transparency. *Journal of Financial Stability, 1*(3), 342-354. doi:https://doi.org/10.1016/j.jfs.2005.02.007
37. Roberts, J. (2005). Agency theory, ethics and corporate governance. *Advances in Public Interest Accounting, 11*, 249-269.
38. Saltaji, I. M. (2013). CORPORATE GOVERNANCE AND AGENCY THEORY HOW TO CONTROL AGENCY COSTS. *Internal Auditing & Risk Management, 8*(4).
39. Watts, R. L., & Zimmerman, J. L. (1983). Agency problems, auditing, and the theory of the firm: Some evidence. *The journal of law and Economics, 26*(3), 613-633.
40. Wu, Y., & Bowe, M. (2010). Information disclosure, market discipline and the management of bank capital: evidence from the Chinese financial sector. *Journal of Financial Services Research, 38*(2), 159-186.
41. Zona, F. (2012). Corporate investing as a response to economic downturn: Prospect theory, the behavioural agency model and the role of financial slack. *British Journal of Management, 23*, S42-S57.