

# **Abstract**

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## **The impact of firm characteristics on earnings management: an empirical study on the listed firms in Egypt**

Earnings management has been a great and consistent concern among practitioners and regulators and has received considerable attention in the accounting literature. This study assesses the impact of firm characteristics on earnings management of certain listed companies in Egypt. It Selects the 50 most active firms in the Egyptian stock exchange and analysis is done using the financial statements in the disclosure book for the period 2007-2011. After excluding banks and insurance companies, the final count for the firms included in the study is 60 firms in five years so this leave us with a total of 300 observations. The tests for this research are done using the descriptive statistics and the Ordinary Least Square (OLS) regression for the listed sample as well as using the random effect Generalized Least Square (GLS) regression model. Findings found that there is a significant positive relationship between firms' financial leverage and earnings management while other variables of the firm characteristics which are firm size, firm age and firms' audit quality have an insignificant relationship with earnings management.