

1. Spelling

AP follows Merriam-Webster's Collegiate Dictionary.

2. Keywords

Include up to six keywords following the abstract.

3. Headings

- Level 1 headings are all caps and centred. All other headings are title-style capitalization and set flush left.
- Level 1 headings may be numbered, but this is not required. Subsequent headings are not numbered.
- Heading levels 1 to 3 are on a separate line. Levels 4 and 5 are run into the text.

Level 1 **3. METHOD** (boldface)

Level 2 **Independent Variables** (boldface)

Level 3 *Typical Responses* (italics)

Levels 4 and 5 **Manipulation Checks.**

Other Issues.

(repeat the style of levels 2 and 3, respectively, but run into text, ending with a period)

4. Italics

- Variables defined in the paper and used in analyses must be in italics throughout.
- Conditions should not be italicized.
- Anchors of a scale should be in italics: ... ranged from 0 (*not confident*) to 10 (*very confident*).

5. Numbers

- In the text, spell out numbers from zero to nine, any number that begins a sentence, and common fractions.
- Use numerals to express numbers 10 and above, percentages, measurements, units of time, and exact sums of money.

- Indicator variables are defined as “equal to one [when some criteria are met], and zero otherwise” both in running text and table text.

6. In-text references

In-text references are styled as follows:

- Section 1
- Hypothesis 2 (H2)
- Equation (1), Model (1)
- Table 4
- Figure 2
- Panel A
- Column 1
- Appendix 1

7. Hypotheses, research questions, definitions, theorems, lemmas, etc.

The headings of hypotheses, research questions, definitions, theorems, lemmas, propositions, and similar items should be formatted as follows. If there is more than one hypothesis, research question, etc., number them consecutively using Arabic numerals and, if needed, lowercase letters (1a, 1b). Abbreviate them in parentheses (H1, H2b, RQ2, etc.) and refer to the abbreviations in subsequent references in the text.

HYPOTHESIS 1 (H1). *Abnormal returns have a positive partial correlation with the innovation in prior quarter earnings for the previous three periods.*

8. Mathematical text format

- Use the minus sign, not a hyphen or an en dash.
- Use the multiplication sign (\times), not the letter “x” or an asterisk.
- Wherever possible, unstack equations that appear inline in the text: (e.g., b/c).
- Include the initial zero for decimal fractions less than one (e.g., 0.25, not .25).
- Avoid using commas in subscripts and superscripts unless they are essential for clarity (e.g., X_{ijt-1} , not $X_{i,j,t-1}$; but $Y_{t-3,q}$ if Y has two subscripts, $t-3$ and q).
- No multiplication sign should appear between a coefficient and its associated variable (e.g., $\beta_3 \text{Earnings}$, not $\beta_3 \times \text{Earnings}$).
- Punctuate mathematical expressions as if they are grammatically part of the text in which they appear:

Observe that if $\omega_1 = 1$, then

$$P_t = k(\varphi x_t - d_t) + \beta' v_{1t},$$

where $\beta' \equiv R_1 / [(R_F - 1)(R_F - \gamma)]$. On the other hand, ...

- Equations should be set flush left on a new line, with the equation number or label in parentheses set flush right. For example:

$$bv_t = bv_{t-1} + x_t - d_t \quad (1)$$

- If an equation extends beyond one line, break the equation before a verb (e.g., = or >) or before a conjunction (e.g., + or ×). Avoid line breaks within parentheses, brackets, or interaction terms. If the runover line begins with a verb, align it with the verb on the line above. Align initial conjunctions (e.g., + or –) either to the right of the verb on the line above or with a conjunction on the line above. For example:

$$\begin{aligned} oa^a &= x_t - (R_F - 1) bv_{t-1} \\ &= (R_F - 1)[\varphi x_t - (bv_t + d_t)], \end{aligned}$$

and

$$\begin{aligned} Perf_i &= \beta_0 + \beta_1 Monitor_i + \beta_2 TeamDepend_i + \beta_3 Monitor \times TeamDepend_i \\ &\quad + \beta_4 TeamSize_i + \beta_5 Cohesion_i + \beta_6 Complexity_i + \varepsilon_i \end{aligned} \quad (8)$$

9. Variables

- Variables defined in the manuscript and used in analyses must be italicized and must be consistently presented throughout the text, tables, figures, and appendices.
- Variables defined in other places (e.g., Compustat) are not italicized.

Note: For clarity, avoid variable names that are also used as abbreviations or terms within the text. For example, if you use “MW” as an abbreviation for “material weaknesses” throughout, avoid using “MW” as a variable name. Use “*M_WEAK*” or “*M_W*” instead.

10. Tables

All tables must be referenced in the main text. Typesetters will place tables as close as possible to the first in-text reference.

If tables are created in Excel and included in the Word manuscript as images, please submit the Excel file(s) with your final manuscript.

Please follow these guidelines for tables:

- Tables use Arabic numerals and must include a caption:

TABLE 1

Descriptive statistics

- Panel headings should be followed by a colon and a descriptive title:

Panel A: All issuers with direct involvement

- Table notes appear at the bottom of the table and are preceded by **Notes:**. Indications of statistical significance levels in table notes should follow this format:

*, **, and *** represent significance levels of 0.10 [or 10%], 0.05 [or 5%], and 0.01 [or 1%], respectively.

- Tables should include test statistics in parentheses below coefficient estimates.
- If data are bold or in italics (or other special treatment), ensure that the meaning of that treatment is described in the table notes.
- The meaning of any parenthetical data in the table must be explained in the table notes unless it is explained by a row or column label within the table itself.
- For data expressed as percentages, the percent sign (%) should be included in the appropriate heading and not with the individual results.
- Avoid mixing panels with portrait and landscape orientations in the same table. All panels should use the same orientation whenever possible.
- Table notes should appear together at the bottom of the table, not after individual panels. Use superscript lowercase letters for linked footnotes.
- Unless a variable is unique to a table, avoid defining it in the notes to the table. Rather, place the definition in an Appendix and refer to the Appendix in the notes.
- Numbered equations that have been stated in the text of the article should be referenced by the equation number rather than included in the table or panel titles or in the table notes.

11. Figures

All figures must be referenced in the main text. Typesetters will place figures as close as possible to the first in-text reference.

Submit a separate image file for each figure in one of the preferred file formats, with adequate resolution. See the section titled “For Post-Acceptance Articles” in [the publisher’s electronic artwork guidelines](#). Name the image file using the figure number (e.g., Figure_1.pdf). At the end of the manuscript, for each figure, include a caption and any notes.

Please follow these guidelines for figures:

- Figures use Arabic numerals and must include a caption:
Figure 1 Timeline of events
- Panel headings should be followed by a colon and a descriptive title:
Panel A: Full sample
- Figure notes appear at the bottom of the figure and are preceded by **Notes:**.
- Ensure that chart axes are labeled.
- Use en dashes for number ranges and minus sign symbols for negative values.
- Include the initial zero for decimal fractions less than one (e.g., 0.01, not .01).

12. Appendices and supporting information

Body appendices are numbered Appendix 1, Appendix 2, etc. A single appendix need not be numbered.

Format the Appendix title as a Level 1 heading and use subsequent heading styles as appropriate. A tabulated appendix should be formatted as a table according to the standards described in section 10.

Supplementary appendices are numbered Appendix S1, Appendix S2, etc. Reference this supporting information in the text as follows, with a footnote at the first mention.

We present the results in Table 4 of Appendix S1.¹

1. See Appendix S1 in the Supporting Information.

Note that supporting information is not copyedited. Your final submission of supporting information is the version that will appear in that section of the article.

13. Neutral language

When referring to occupations and position titles in a general way (i.e., not official job titles), opt for neutral language rather than gender-specific forms (e.g., member of Congress or congressional member, not congressman; chair or chairperson, not chairman).

Avoid gendered pronouns by using plural forms or articles (e.g., instead of “A researcher must apply for his grant,” phrase as “Researchers must apply for their grants” or “The researcher must apply for the grant”), or revise the sentence. Another option is to use the singular they, which continues to gain acceptance in formal writing. Use “he or she” as a last resort. Avoid alternating “she” and “he” or using distracting forms such as “he/she” or “s/he.”

14. Documentation

AP uses APA style for in-text citations and reference list entries. Some examples are included below.

Journal articles

Cohen, J., Hoitash, U., Krishnamoorthy, G., & Wright, A. (2014). The effect of audit committee industry expertise on monitoring the financial reporting process. *The Accounting Review*, 89(1), 243–273.

Parenthetical citation: (Cohen et al., 2014)

Narrative citation: Cohen et al. (2014)

Choi, J. H., Gipper, B., & Malik, S. (2023). Financial reporting quality and wage differentials: Evidence from worker-level data. *Journal of Accounting Research*. Advance online publication. <https://onlinelibrary.wiley.com/doi/10.1111/1475-679X.12477>

Parenthetical citation: (Choi et al., 2023)

Narrative citation: Choi et al. (2023)

Books

Kline, R. B. (2016). *Principles and practice of structural equation modeling* (4th ed.). Guilford Press.

Parenthetical citation: (Kline, 2016)

Narrative citation: Kline (2016)

Zummo, P. (2011). Hedge funds and funds of hedge funds. In D. Smith & H. Shawky (Eds.), *Institutional money management: An inside look at strategies, players and practices* (pp. 263–294). Wiley.

Parenthetical citation: (Zummo, 2011)

Narrative citation: Zummo (2011)

Standards and statements

FASB. (2008). *Disclosures about derivative instruments and hedging activities* (Statement No. 161).

Parenthetical citation: (FASB, 2008)

Narrative citation: FASB (2008)

PCAOB. (2010). *Identifying and assessing risks of material misstatement* (Auditing Standard No. 12).
https://pcaobus.org/oversight/standards/archived-standards/pre-reorganized-auditing-standards-interpretations/details/Auditing_Standard_12

Parenthetical citation: (PCAOB, 2010)

Narrative citation: PCAOB (2010)

Reports

Canadian Public Accountability Board. (2016). 2016 Big Four inspections report. http://www.cpab-csrc.ca/Documents/Annual%20Reports/CPAB_2016_Big_Four_Inspections_Report_EN.pdf

Parenthetical citation: (Canadian Public Accountability Board [CPAB], 2016)

Narrative citation: Canadian Public Accountability Board (CPAB, 2016)

Magazine and newspaper articles

Maurer, M., & Kiernan, P. (2020, February 13). White House proposal for SEC to absorb audit watchdog raises concerns. *The Wall Street Journal*. <https://www.wsj.com/articles/white-house-proposal-for-sec-to-absorb-audit-watchdog-raises-concerns-11581624345>

Parenthetical citation: (Maurer & Kiernan, 2020)

Narrative citation: Maurer and Kiernan (2020)

Blog posts

Bullock, M. (2017, June 8). Benefits of team competition for improving sales performance. *Spinify*.
<https://spinify.com/blog/benefits-of-team-competition/>

Parenthetical citation: (Bullock, 2017)

Narrative citation: Bullock (2017)

Laws and statutes

Sarbanes-Oxley Act of 2002, Pub. L. No. 107-204, 116 Stat. 745 (2002). <https://www.govinfo.gov/content/pkg/PLAW-107publ204/pdf/PLAW-107publ204.pdf>

Parenthetical citation: (Sarbanes-Oxley Act, 2002)

Narrative citation: Sarbanes-Oxley Act (2002)

Legal cases

Dura Pharmaceuticals, Inc. v. Broudo, 544 U.S. 336 (2005). <https://supreme.justia.com/cases/federal/us/544/336/opinion.html>

Parenthetical citation: (*Dura Pharmaceuticals, Inc. v. Broudo*, 2005)

Narrative citation: *Dura Pharmaceuticals, Inc. v. Broudo* (2005)