

بسم الله الرحمن الرحيم





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جامعة عين شمس

التوثيق الإلكتروني والميكرو فيلم

قسم

نقسم بالله العظيم أن المادة التي تم توثيقها وتسجيلها
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Ain Shams University
Faculty of Business
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Using Game Theory to Encounter Management Practices in Managing Audits

- An Experimental Study -

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DEDICATION

*To My Dad, My Mom, Lovely Basma and
Super Ahmed, thanks for a lifetime of
love, support, and passion...
I am deeply grateful.*

Abstract

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“Using Game Theory to Encounter Management Practices in Managing Audits – An Experimental Study.” PhD. Thesis, 2021.

The current study aims to support auditors in interpreting the predictions of the game theory, which is used for dealing with conflicts and decision making. Also, this study explores different sets of tactics employed by the client to conceal intentional misstatements included in the financial statements.

This study uses signaling games as game solution. Signaling games, one of the game theory models that apply private information where one of the players knows nature's move, and the other player try to predict such move. A semi-controlled lab experiment is conducted. Data collected for the experiment was from Egyptian auditors working for the Big-4, Non-Big-4 auditing firms and Egyptian Accountability State Authority through an online instrument.

Findings from the experiment suggest that as the client exercises diversionary managing audit tactics to

ABSTRACT

conceal intentional misstatements significantly and adversely affects the audit effectiveness and significantly affect the auditor's judgment. While exercising distraction, managing audit tactics significantly and adversely affects the audit effectiveness only. It is recommended to apply industry specialization as a moderator variable to get more insights into the auditor's detection effectiveness.

Keywords: Managing Audits – Auditor-Client Relationship – Game Theory – Theory of Cognitive Style – Diversionary Statements – Distraction Tactics – Experiment.

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Arabic Summary

LIST OF TERMS & ABBREVIATIONS

List of Terms and Acronyms

<i>Acronym</i>	<i>Term</i>
AM	Audit Management
AQ	Audit Quality
ANOVA	Analysis of Variance
CRM	Customer Relationship Management
FD	Field-Dependence
FI	Field-Independence
FS	Financial Statements
GEFT	Group Embedded Figures Test
IAS	International Auditing Standards
NA	Nash Equilibrium
PBE	Perfect Bayesian Equilibrium
SAS	Statements on Auditing Standards
SG	Signaling Games
SV	Shapley Value
SPSS	Statistical Packages for the Social Sciences