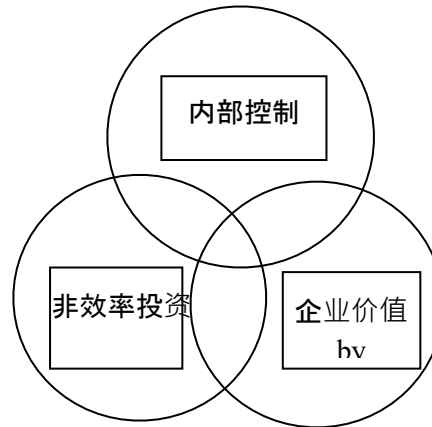


Internet Appendix A232: Chinese-English Dual Language Example (1)

研究作者	嘉 Jia (Angel) Chen	研究类别	内部控制	完成	June 2017
(A) 研究	Fang, Y. (2017). 内部控制、非效率投资与股价. 会计之友, 2017 (04), 79-83.				
(B) 基本研究	本文献从内部控制而非公司治理的角度, 分析内部控制、非效率投资与股价之的关系。				
(C) 重要文献	Richardson, S.R. (2006). Over-Investment of Free Cash Flows. <i>Review of Accounting Studies</i> , 11 (2) ,159-189. Fang, H.X., & Jin, Y.N. (2013). 公司治理、内部控制与非效率投资: 理论与数据. <i>会计研究</i> , 2013 (07), 63-69. Hu, S.Y., & Lu, Z.F. (2015). 非执行董事持股度投资的抑制作用研究——来自中国A股上市公司的数据. <i>会计研究</i> , 2015 (11), 41-48.				
(D) 研究问题/解决疑惑?	投资是公司重要的活动, 其决策合理与否股价和绩效展有着深远的影响, 越高效率的投资越能企业于竞争。然而委托代理关系、信息不对称以及管理层与股东之利益的不一致致非效率投资现象广泛存在, 令公司无法有效配置, 增加公司的成本, 并且损害企业价值。因此, 寻求合理的途径去有效抑制企业的非效率投资具有重要的理论和实践意义。已有的国内外文献大多从公司治理角度出发, 而在内部控制方面至今尚未得出统一结论。本文研究了内部控制非效率投资的约束效果, 并分析内部控制是否可以通改善企业的投资效率来提升企业价值, 内部控制如何抑制企业的非效率投资行来提升企业价值作了进一步的研究。				
三	研究的核心要素				
(E) 思路?	中国上市公司普遍存在过度投资与投资不足两种非效率投资现象, 造成这种现象的原因一般是信息不对称和委托代理关系。由于内部控制产生的根源是代理问题, 需要解决的问题是信息不对称, 它可以通一系列制衡和监督的制度安排, 防止逆向选择和道德风险的产生, 解决信息不对称造成的投资不足及管理层和股东、大股东和中小股东之因代理造成的非效率投资现象。基于以上原因, 本文提出了假设1: 内部控制上市公司的非效率投资行有着明显的抑制作用。另一方面, 公司价值提升与公司的投资效率和投资决策密切相关, 于是在假设1的基上, 本文做出了假设2: 内部控制通有效约束企业非效率投资行可以提升企业价值。本文将影响非效率投资的其他公司治理变量(包括股权集中度、大股东占款、独立董事比例等)作控制变量, 利用期投资支出模型(包括量有率、金持有量等)确定投资度和投资不足两本量, 将收益率ROA作企业价值的替代变量, 内部控制与非效率投资以及与企业价值的关系。				
(F) 数据?	(1) 来源: 采用CSMAR数据中2012—2015年的全部A股上市公司作本行分析; (2) 理: 剔除ST类公司, 因这些公司状况异常, 影响整体本的完整性; 剔除金融保类公司, 减少本差, 因类公司的运模式不同于其他公司, 不具有代表性; 剔除缺失, 剩余数据才具有完整性, 更有研究的意义; (3) 分析: 用Stata 11.0件取数据行数据相关性分析; 健性。				
(G) 研究方法?	模型 (期投资支出模型等); 回分析 (包括多元性回分析法)。				
二	两个关				

(H) 新点?	分析内部控制、非效率投资和企价值之间的关系，一步研究企如何通过内部控制去抑制非效率投资行来提升企价值，上市公司一步制定和落企内部控制措施提供了依据；同丰富了内部控制的相关文献。
(I) 什么?	强内在企投资中的重要性，上市公司一步制定与落企内部控制措施可束企非效率投资行，源的有效配置，降低公司，企价值最大化，而有利于企的可持展。
—	一个本内容
(J) 献?	本文从角度明内部控制束了企的非效率投资行，而提升企价值，上市公司的有效投资提供了建和启示；企有效抑制非效率投资和如何展具有重要的理和践意；同一步丰富了内部控制、非效率投资和企价值三者之关系的文献。
(K) 三个重要	<p>(1)根据期投资模型，我国上市公司存在非效率投资象，其中，投资不足更普遍；</p> <p>(2)通内在控制与非效率投资关系的，内在控制与投资度和投资不足显著相关，明内在控制非效率投资具有束效果；</p> <p>(3)通将非效率投资分，内在控制、非效率投资与企价值之的关系行分析，可以通内在控制去抑制非效率投资象，而在一定程度上来提升企价值。</p>



Pitcher's Name	Jia (Angel) Chen	FoR category	Internal Control	Date Completed	June 2017
(B) Working Title	Fang, Y. (2017). Internal Control, Inefficient Investment, and Enterprise Value. <i>Friends of Accounting</i> , 2017(04), 79-83.				
(B) Basic Research Question	This research constructs empirical analysis on the dynamic relationship among internal control, inefficient investment and enterprise value from the internal control perspective, rather than the corporate governance perspective.				
(C) Key paper(s)	Richardson, S.R. (2006). Over-Investment of Free Cash Flows. <i>Review of Accounting Studies</i> , 11(2), 159-189. Fang, H.X., & Jin, Y.N. (2013). Corporate Governance, Internal Control and Inefficient Investment: Theoretical Analysis and Experimental Evidence. <i>Accounting Research</i> , 2013(07), 63-69. Hu, S.Y., & Lu, Z.F. (2015). A Moderating Effect on Overinvestment from Non-Executive Directors: Experimental Evidence from "A" Share Listed Companies in China. <i>Accounting Research</i> , 2015(11), 41-48.				
(D) Motivation/Puzzle	Investment acts as a significant role in the company's financial activity. Rational investment decision making usually has profound effects on the company's enterprise value and long-term development, because with more efficient investment, companies will be more competitive in its related industry. However, due to the principal-agent relationship, information asymmetries and interest conflict between management team and stakeholders, the inefficient investment widely exists in different companies. It hinders the effective resource allocation, increases the operational risks, and damages the enterprise value of the company. Therefore, it is of great theoretical and practical significance to seek reasonable approach that effectively constrains companies' inefficient investment. The current related literature from home and abroad focuses more on the perspective of corporate governance. Although covering the view of internal control, they do not come to a final conclusion of whether it would constrain inefficient investment. This paper aims to seek the internal control's binding effect on inefficient investment, and attempts to analyze if internal control would be able to improve the enterprise's investment efficiency and further improves the enterprise value. It then conducts further research on how internal control would improve the enterprise's value through constraining inefficient investment.				
THREE	Three core aspects of any empirical research project i.e. the "IDioTs" guide				
(E) Idea?	Listed companies in China commonly have inefficient investment, either over-investment or under-investment, due to information asymmetry and principal-agent relationship. The root of internal control is the principal-agent problem, which relates to information asymmetry. It could prevent adverse selection and moral hazards, alleviate under-investment and inefficient investment caused by agency problem among management team and stockholders, also major and minor stockholders. Based on these, Hypothesis 1 is set up: internal control could constrain inefficient investment in listed companies. On the other hand, the enterprise value is closely related to investment efficiency and investment decision making of the company. Based on Hypothesis 1, Hypothesis 2 is set up: internal control could effectively constrain company's inefficient investment to help the management team make correct investment decision making and efficient investment to improve enterprise value. This study uses other corporate governance perspective variables that affect inefficient investment as controlled variables (including ownership concentration, capital occupied by major stakeholders, proportion of independent directors, etc.), uses expectation model for investment expenditure (including asset-liability rate, cash holding, etc.) to decide two variables: over-investment and under-investment, uses rate of return on assets (ROA) as a substitute variable for enterprise value to examine the relationship among internal control, inefficient investment and enterprise value.				
(F) Data?	(1) Sourcing: adopting China's "A" share listed companies from 2012 to 2015 in CSMAR Database as a sample to make empirical analysis; (2) Cleansing: excluding ST type companies as their exceptional financial situation will affect the integrity of the total sample; excluding financial institutions and insurance companies to reduce the sample errors because these companies own different operational styles and would not be representative; excluding missing data to ensure the integrity of the sample; (3) Analysis: using Stata 11.0 software to conduct data correlation analysis; using robustness tests to examine.				
(G) Tools?	Model design (expectation model for investment expenditure, etc.); regression analysis (including multiple linear regression analysis).				

TWO	Two key questions
(H) What's New?	The empirical analysis of the relationships among internal control, inefficient investment and enterprise value helps further research on how internal control would improve the enterprise value by constraining inefficient investment. It provides empirical evidence on developing and implementing internal control measures for companies. At the same time it enriches the content of the literature on internal control.
(I) So What?	This paper stresses the importance of internal control in company's investment. Listed companies could restrain their inefficient investment, realize the effective allocation of resources, reduce operational risks, and maximize enterprise value through further developing and implementing internal control measures. It is beneficial to enterprises' sustainable development.
ONE	One bottom line
(J) Contribution?	This study provides empirical evidence that internal control could constrain inefficient investment to improve enterprise value. It provides advice and implication on listed companies' efficient investment and future development. In addition, it has theoretical and practical significance on how to constrain inefficient investment, and meanwhile enriches the content of the current literature on relationships among internal control, inefficient investment and enterprise value.
(K) Three Key Findings	<p>(1) According to expectation model for investment expenditure, inefficient investment exists in listed companies in China, and the under-investment is more common;</p> <p>(2) Through empirical examination on the relationship between internal control and inefficient investment, this study found that internal control has a significantly negative relationship to over-investment and under-investment. It shows evidence that internal control constrains inefficient investment.</p> <p>(3) Through empirical analysis on the relationships among internal control, inefficient investment and enterprise value, this study found that internal control can improve enterprise value through constraining inefficient investment.</p>

