

Editor's Word

Dear readers, here is the first issue of 2024, and I begin this letter by congratulating the papers published in this number.

An analysis of the 2023 report revealed that REPeC reached the same level as international journals regarding the number of articles approved, with a 90% rejection rate.

Bruna Avelino and Juliana Prates wrote the editorial, the objective of which was to critically analyze whether researchers share the same understanding of the concept of transparency within the scope of sustainability reporting and the implications of using this construct for accounting. The primary result was that the publications reviewed presented different understandings regarding the transparency of sustainability reports.

This first issue opens with an article by Caroline Soschinski, Alice Carolina Ames, and Ilse Maria Beuren. It analyzes the relationship between business strategy and capital structure. The results showed that the type of business strategy a company adopts is related to how it finances its capital. Hence, prospectors tend to more frequently depend on third-party capital, present greater risk, and have lower cash flow profitability than defenders. In contrast, as defender companies seek market dominance and make more conservative decisions, they generate funds internally to finance their activities.

The second article, by Diego Dantas Siqueira, Gabriel Santos de Jesus, Lauro Vinício de Almeida Lima, and Égon José Mateus Celestino, presents an analysis of the influence of life cycle stages (LCS) on the relationship between corporate governance (CG) and earnings management (EM) among publicly held companies in Latin America. The results show that GC contributes to reducing EM. Additionally, there is a lower level of EM in a company's initial stages (growth and growth) and maturity than in its final stages (turbulence and decline). The analysis of the influence of LCS on the relationship between CG and EM revealed that CG is more effective in reducing EM in a company's initial stages than in its final stages; however, its ability to mitigate EM is lower in the maturity stage than in the final stages.

The third article, written by Luciana de Sousa Santos, Carlos Henrique Silva do Carmo, and Ilírio José Rech investigated the effect of the COVID-19 pandemic on the practice of intentional income smoothing on the market value (MC) of companies listed on [B]3. The results show that the COVID-19 pandemic negatively affected the companies' MV. However, the negative impact of general intentional smoothing was reduced in this period, while the negative effect of intentional smoothing using accruals intensified. These findings suggest that the companies' decreased level of operations during the pandemic more intensively affected the effect of general smoothing. In contrast, the effect of intentional smoothing on the companies' MV value was less intensely affected.

The fourth article by Antonio Rodrigues Albuquerque Filho, Alessandra Carvalho de Vasconcelos, and Editinete André da Rocha Garcia analyzed the relationship between intangible assets and risk disclosure among financial companies listed on B3. The results showed significant differences in financial, non-financial, and general risk disclosure between intangible-intensive and tangible-intensive companies. Additionally, the regression estimates indicated a positive influence of intangible assets on companies' risk disclosure. Hence, the results indicate that intangibility contributes to more transparent information regarding financial, non-financial, and general risks in financial companies listed on B3, which favors the adoption of strategies intended to maximize a company's economic value.

The fifth article was written by Carolini Verdan Brandão, Vagner Antônio Marques, Laise Mascarenhas Ballarini, and Patrícia Pain. It presents an analysis of whether companies restating financial statements experienced changes in fees and/or replaced their auditing firms in the year following the event. As a result, companies that restated financial statements paid higher audit fees in the subsequent year and were more likely to replace audit firms.

The sixth article was written by Vanessa Rodrigues dos Santos Cardoso and Paulo Augusto Pettenuzzo de Britto to analyze the potential relationship between the accounting asset informativeness and the systematic risk of Brazilian companies. The research hypothesis is based on the assumption that investors less frequently perceive risks when there are elements restricting uncertainty, such as better-quality information. The results revealed that asset informativeness is relevant and negatively associated with Brazilian companies' systematic risk, with its non-discretionary affecting systematic risk more intensively than the discretionary portion.

Finally, as shown in its objectives, REPeC is not a publication only linked to education; it encompasses several fields, such as financial, managerial, public, tax, and auditing.

Without further ado, I thank our thoughtful referees and all the researchers who submitted their articles to REPeC. Congratulations to those who had their papers approved, as the demand is reasonably high, and the road to the final publication is arduous.

Dear readers, thank you very much. I hope you enjoy this new issue. Have a great and productive year, accomplishing good-quality research through new submissions and publications.

Academic greetings,

Gerlando Lima, Ph.D.
Editor in Chief