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主 論 文 の 要 旨

論文題目

Audit Pricing Competitiveness of the Japanese Market during the Transition from the Big 4 to Big 3 Period

(ビッグ・フォー・ピリオドからビッグ・スリー・ピリオドへの転換期における日本市場のオーデイト・プライシング・コンペティティブネス)

氏 名 Frendy

論 文 内 容 の 要 旨

The 2006 dissolution of PwC ChuoAoyama significantly changed market share composition of Japanese audit firms which marked the transition from Big 4 period to Big 3 period. This study aims to investigate audit market pricing competitiveness between Big N and non-Big N auditors and audit market pricing competitiveness among individual audit firms at the industry-level using a sample of Japanese firms listed in the First Section of Tokyo Stock Exchange during the transition from Big 4 period (2004-2005) to Big 3 period (2006-2011).

The first part of this study analyzes audit market pricing competitiveness between Big N and non-Big N auditors by employing panel fixed effects multivariate regression with audit fee as the dependent variable and interaction between Big N audit fee premium and client segment size as variable of interest while controlling for other variables affecting audit fee. The empirical results indicate a non-competitive audit pricing market between Big N and non-Big N auditors where Big N auditors earn increasingly higher audit fee as client segment size becomes larger. The difference-in-difference analysis results show that the transition from Big 4 to Big 3 period contributes to a less competitive audit pricing between Big N and non-Big N auditors.

The second part of the study investigates the pricing competitiveness among individual audit firms at the industry-level by examining the association between audit fee and industry-level market

concentration. The results show that the audit pricing at the industry-level among individual audit firms, within Big N and within non-Big N audit market remain competitive; even after considering the transition from the Big 4 to the Big 3 period. The competitive audit pricing among individual audit firms suggests that Japanese audit market at the industry-level represents a buyer's market where audit clients have more power to set audit pricing.