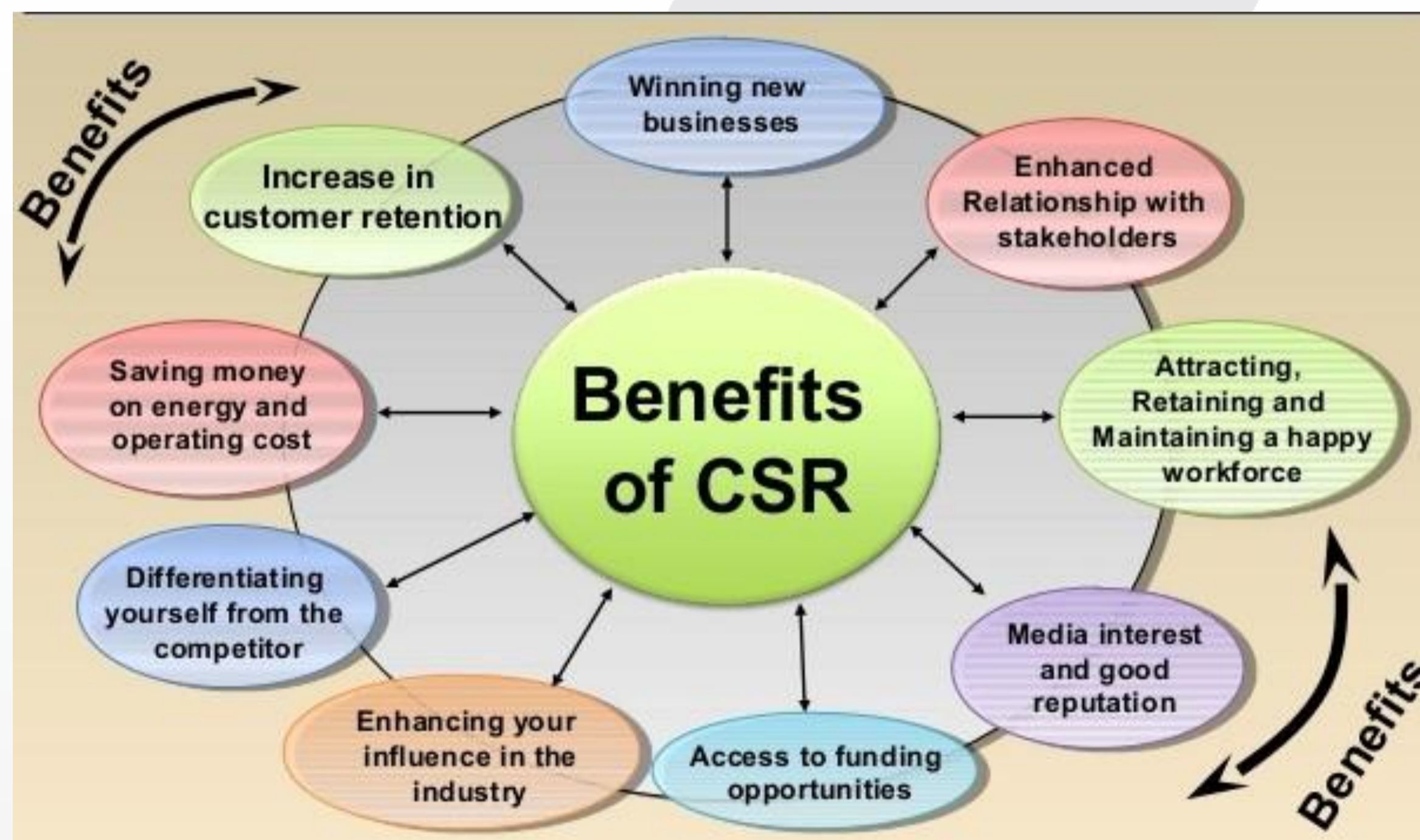


Purpose

To explore the association between CSR and the level of EQ by analyzing the relationship between the independent variables of CSR activities and the dependent variable of the possibility of reducing the discretionary accruals as one of the indicators of the EQ at the corporations listed on the Bahrain Bourse.



What is CSR?

Is a organization's initiatives to assess and take responsibility for the company's effects on environmental and social wellbeing.

It involves developing businesses with a positive relationship to the society in which they operate.

What is EQ?

The extent to which a firm's reported earnings accurately reflect income for that period.

Higher quality earnings provide more information about the features of a firm's financial performance that are relevant to a specific decision made by a specific decision-maker.

The Association Between CSR & EQ

The relationship between CSR and EQ depends on the motives of management regarding the exercise of social activities.

If the motivation is to keep good reputation and transparency of the company it will work to reduce its practices relating to the earnings management which result in the quality of earnings hence the existence of a positive relationship between CSR and EQ, But if the motive is to cover up the manipulation of earnings therefore a negative relationship will arise between CSR and EQ.



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