

MASTER'S THESIS PRESENTATION

Measuring Natural Direct Effect by Machine Learning: A Case Study of Societal Trust's Effect on Income Smoothing.

WHEN

May 3, 2022

1:00 PM

WHERE

Zoom Meeting

**Ji-Eon Kim, MS candidate**

In this study, I investigate the relationship between societal trust in countries and income smoothing which is the act of firm managers for smoothing out fluctuations in net income using accounting methods. Using specifically modified structure of the data, I find evidence by using Average Treatment Effect on the Treated(ATT) estimators with machine learning methodologies. Additionally, I robustness test by checking if this question can be solved without violating assumptions such as overlap and if it is plausible that I have got identification.

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