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**AUDIT QUALITY DIFFERENCES AMONG BIG 4 AUDITOR:
CASE FROM MALAYSIA**

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Abstract. Audit quality can be defined as relates to the level of assurances or probability that financial statements contain no material omissions or misstatements. Previous research on audit quality relies on the assumption that big audit firm provided high audit quality. There is evidence that large audit firms provide higher quality audits and offer greater credibility to clients' financial statements than small auditor. However, the collapse of Arthur Anderson has undermined the assertion that large auditors are associated with high audit quality. Recent study had an attempt to distinguish audit quality services among big audit firm as to question the assumption that the quality of audit services provided by big audit firms has been assumed to be treated as homogenous. Thus, this paper examined the audit quality pertaining to the disclosure requirement under the new FRS 136 in the transition period. The data were from the 2006 annual report for 34 large Malaysian listed corporations and all companies were clients of "Big 4" auditors. The result found that the audit firm identity appear to be a substantial proportion of observed cross sectional variation. Which, the quality of disclose pertaining to impairment testing process were significantly varies among Big 4 audit firms.

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