

CORPORATE TAX AVOIDANCE AND STOCK PRICE CRASH RISK: THE MODERATING ROLE OF AUDIT QUALITY

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Appendix 1. Definitions of variables

<i>Variables</i>	<i>Measurements</i>	<i>Definitions</i>	<i>Data source(s)</i>
NCSKEW	Negative conditional skewness	The asymmetry of the return distribution that reflects the extent to which returns are skewed toward extreme negative outcomes.	Calculation of weekly adjusted closing stock price, collected from Investing.com
LRETR	Long-run cash effective tax rate	Ratio of total cash tax paid to total pretax income excluding special items over a period of 4 years.	Calculation of data from financial statements, collected FiinPro-X database
AQ	Audit quality	Equals 1 if the external audit company is one of the four largest audit firms in Vietnam and 0 otherwise.	Vietstock database
SIZE	Firm size	Natural logarithm of total assets.	FiinPro-X database
MB	Market-to-book ratio	Ratio of equity's market value to book value of equity.	FiinPro-X database
LEV	Leverage	Ratio of total long-term liabilities to total assets.	FiinPro-X database

Appendix 2. Descriptive statistics for variables

Variables	N	Mean	Std. Dev.	25%	Median	75%
NCSKEW	1120	-0.303	0.863	-0.747	-0.312	0.137
LRETR	1120	0.186	0.082	0.144	0.190	0.218
AQ	1120	0.401	0.490	0.000	0.000	1.000
LEV	1120	0.070	0.101	0.000	0.020	0.110
MB	1120	1.396	1.116	0.660	1.120	1.723
ROA	1120	0.084	0.094	0.020	0.064	0.126
SIZE	1120	28.575	1.581	27.557	28.289	29.479

Notes: 25% (Q1) represents the first quartile, indicating that 25% of the observations fall below this value. 75% (Q3) represents the third quartile, indicating that 75% of the observations fall below this value.

NCSKEW is negative conditional skewness; LRETR is long-run cash effective tax rate; AQ is audit quality; LEV is leverage; MB is market-to-book ratio; ROA is profitability; SIZE is firm's size.

Appendix 3. Correlation matrix

<i>Variables</i>	<i>NCSKEW</i>	<i>LRETR</i>	<i>AQ</i>	<i>LEV</i>	<i>MB</i>	<i>ROA</i>
<i>NCSKEW</i>	1.000					
<i>LRETR</i>	-0.158***	1.000				
<i>AQ</i>	-0.061**	0.109***	1.000			
<i>LEV</i>	0.021	-0.023	-0.007	1.000		
<i>MB</i>	-0.072**	-0.026	0.244***	-0.111***	1.000	
<i>ROA</i>	0.096***	-0.214***	0.071**	-0.149***	0.529***	1.000
<i>SIZE</i>	-0.034	0.114***	0.506***	0.200***	0.218***	-0.122***

Notes: Significance levels at ***1%, **5%, *10%, respectively.

NCSKEW is negative conditional skewness; *LRETR* is long-run cash effective tax rate; *AQ* is audit quality; *LEV* is leverage; *MB* is market-to-book ratio; *ROA* is profitability; *SIZE* is firm's size.