

**ASSESSING THE IMPACT OF CUE REDUNDANCY ON INEXPERIENCED AUDITORS' JUDGMENT
ACCURACY**

El-Hussein El-Masry, California State University, Los Angeles
Lijuan Zhao, California State University, Los Angeles
Haihong He, California State University, Los Angeles

[dx.doi.org/10.18374/JIFS-14-1.1](https://doi.org/10.18374/JIFS-14-1.1)

ABSTRACT

Auditors may consciously or subconsciously rely on redundant cues to confirm an initial hypothesis or to gain the approval of superiors. Inexperienced auditors required to examine a large numbers of evidential cues are even more susceptible to judgment bias and inefficiency. Reliance on evidential cues with little informational content (redundant) instead of orthogonal cues with substantial informational content can lead to overconfidence and thus could impair judgment. In the current study a lab experiment involving twenty seven graduate and senior accounting students at a large university in the Southeastern United States was conducted to examine the ability of inexperienced auditors to mitigate the negative effects of cue redundancy vis a vis an unstructured audit task: going concern assessment. In the current study, however, an automated bankruptcy prediction model was used to assess judgment bias. Contrary to the findings in cognitive behavior (Shepard 1964; Oskamp 1965; Ryback 1967; and Einhorn, 1979), auditors because of their adherence to the principle of Conservatism highly emphasized in the auditing and accounting pronouncements (US GAAP and IFRS) were able to mitigate the negative effects of cue redundancy. This finding was reflected in their confidence estimates, their judgment accuracy estimates and the dispersion of their accuracy estimates around their group means. Additionally, the length of time it took them to complete the task didn't increase when the redundant cues were provided. Significant implications to the teaching of auditing practice sets in the classroom and on the job and to other professions where cue redundancy is present and where more emphasis on Conservatism could improve judgment accuracy are addressed.

Keywords: *cue redundancy, auditing, going concern, bankruptcy prediction, accounting, education*