

## **Abstract**

This bachelor thesis enhances existing research about unusual operating performance of firms that are subject to Seasoned Equity Offerings. It uses modern tools of estimation of earnings management by discretionary revenues measured as portion of account receivables that cannot be explained by revenues and credit policy. Therefore, it helps to discriminate between two existing explanations of the unusual operating performance, market timing and earnings management, with greater precision. Apart of finding evidence in favour of the earnings management theory, the results additionally, in contrast to previous research, suggest downward-oriented adjustment of revenues in the year before SEO and therefore provide evidence in favour of newly proposed “revenue buffer” hypothesis. Implicitly, combined with the past results, also a shift from dominance of expense management before SEO to dominance of revenue management at the time of SEO is suggested.