10-Ks may contain  
fraud in the form of intentionally misstated numbers and/or  
misleading statements made by the authors. In the Form 10-K, a  
corporate annual report mandated by the Securities and Exchange  
Act of 1934, the MD&A section contains written explanations  
regarding the current status of the company, the industry, and  
forward looking statements for the company. Since the MD&A is  
intended to give investors a sense of management's perspective on  
the health and future outlook of a company, it contains a discussion  
of the company's financial condition, the results of operations, and  
an analysis of the quantitative and qualitative market risks facing  
the company. The MD&A, an unaudited section of the 10-K, is quasimandatory because much of the content is only suggested by the  
SEC and the content is largely uncontrolled. It is the most read  
section of the 10-K [50], but there is little research on the language  
used in the MD&A. Many scholars have called for additional  
research in this area [13].

Fraudulent MD&As display higher (a) quantity, (b) expressivity, (c)  
affect, (d) uncertainty, (e) nonimmediacy, and (f) complexity, and  
less (g) diversity and (h) specificity of language than non-fraudulent  
MD&As.