The purpose of my dissertation is to investigate whether the use of International Financial Reporting Standards (IFRS) for financial reporting is associated with incremental changes in the value relevance of accounting information and to explore whether cross-country institutional factors or corporate governance mechanisms provide incremental information to explain the firm’s stock price (return). I used a price-based valuation model, which shows the association between the market value of equity and accounting earnings (book value), and a returns-based valuation model, which shows the association between returns and earnings levels (changes). In Chapter 2, I investigate whether the use of IFRS is associated with the value relevance of accounting information across sixteen countries using a price (return) sample of 888 (843) firms with 5,180 (4,684) firm-year observations. The results are mixed; in both models, the IFRS dummy is significantly informative, but the
interaction terms are not. Next, I examine whether the use of IFRS for financial reporting is related to the country’s legal origin, strength of its judicial system, or secrecy of its culture in Chapter 3 using the same samples. The results suggest that the use of IFRS can affect the informativeness of accounting information and that cross-country factors continue to be informative. Chapter 4 investigates whether firm-level corporate governance mechanisms across fourteen countries provide incremental information to the value relevance of the firm’s accounting information when IFRS is used for financial reporting using a price (return) sample of 176 (163) firms with 610 (554) firm-years. The corporate governance measure is insignificant in the price model and shows some significance in the return model. Overall, my results confirm prior research regarding the use of IFRS and provide evidence that cross-country differences continue to provide incremental information when IFRS are used for financial reporting. Prior research has examined these factors in different combinations, but, to my knowledge, a study of incremental association of these factors with the value relevance of accounting information and the use of IFRS has not been investigated. My dissertation contributes to the literature in international accounting and offers policy, practical, and educational implications for convergence with IFRS.

This annual series from the Brookings Institution and the Financial Institutions Center at the Wharton School provides timely and insightful analyses of the financial services industry. The fourth volume in the series focuses on integrating emerging market countries into the global financial system. Contents include: "The Regulation and Supervision of Banks around the World" James R. Barth (Auburn University), Gerald Caprio Jr. (World Bank), and Ross Levine (University of Minnesota) "Effective Property Rights and Economic Development: Next Steps" Hernando De Soto (Institute for Liberty and Democracy, Peru) and Robert E. Litan (Brookings Institution) "Infrastructure Requirements in the Area of Bankruptcy Law" Clas Wihlborg (University of Gothenburg), Shubhashis Gangopadhyay (Indian Statistical Institute), and Qaizar Hussain (International Monetary Fund) "Relevance and Need for International Regulatory Standard" Edward Kane (Boston College) "Regulatory Infrastructure Covering Financial Markets" Reena Aggarwal (Georgetown University) "The Importance of Emerging Capital Markets" Richard M. Levich (NYU) "The Relevance and Need for International Accounting Standards" Ray Ball (University of Chicago) Robert E. Litan is vice president and director of the Economic Studies program at the Brookings Institution. Richard Herring is director of the Joseph H. Lauder Institute of Management and International Studies and codirector of the Wharton Financial Institutions Center.

The purpose of this book is to offer a more systematic and structured treatment of the research on accounting-based valuation, with a primary focus on recent theoretical developments and the resulting empirical analyses that recognize the role of accounting information in making managerial decisions. Since its inception, valuation research in accounting has evolved primarily along an “empirically driven” path. In the absence of models constructed specifically to explain this topic, researchers have relied on economic intuition and theories from other disciplines (mainly finance and economics) as a basis for designing empirical analyses and interpreting findings. Although this literature has shed important light on the usefulness of accounting information in capital markets, it is obvious that the lack of a rigorous theoretical framework has hindered the establishment of a systematic and well-structured literature and made it difficult to probe valuation issues in depth. More recently, however, progress has been made on the theoretical front. The two most prominent frameworks are (i) the “linear information dynamic approach” and (ii) the “real options-based approach” which recognizes managerial uses of accounting information in the pursuit of value generation. This volume devotes its initial chapters to an evaluation of the models using the linear dynamic approach, and then provides a synthesis of the theoretical studies that adopt the real options approach and the empirical works which draw on them. The book also makes an attempt to revisit and critique existing empirical research (value-relevance and earnings-response studies) within the real options-based framework. It is hoped that the book can heighten interest in integrating theoretical and empirical research in this field, and play a role in helping this literature develop into a more structured and cohesive body of work. Value is of ultimate concern to economic decision-makers, and valuation theory should serve as a platform for studying other accounting topics. The book ends with a call for increased links of other areas of accounting research to valuation theory.

Advances in International Accounting is a refereed, academic research annual, that is devoted to publishing articles about advancements in the development of accounting and its related disciplines from an international perspective. This serial examines how these developments affect the financial reporting and disclosure practices, taxation, management accounting practices, and auditing of multinational corporations, as well as their effect
on the education of professional accountants worldwide. Advances in International Accounting welcomes traditional and alternative approaches, including theoretical research, empirical research, applied research, and cross-cultural studies.

International GAAP® 2016 is a comprehensive guide to interpreting and implementing IFRS, setting IFRS in a relevant business context and providing insights into how complex practical issues should be resolved in the real world of global financial reporting. This book is an essential tool for anyone applying, auditing, interpreting, regulating, studying or teaching IFRS. Written by the financial reporting professionals from the International Financial Reporting Group of EY, this three-volume guide to reporting under IFRS provides a global perspective on the application of IFRS. Complex technical accounting issues are explained clearly and IFRS is set in a practical context with numerous worked examples and hundreds of illustrations from the published financial reports of major listed companies around the world. The 2016 edition of International GAAP® has been fully revised and updated to: • Explore the implementation issues arising as entities plan for the future adoption of IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers), including those referred to the IFRS Transition Resource Group for Impairment of Financial Instruments and the Joint Transition Resource Group for Revenue Recognition. • Address amended standards and new interpretations issued since the preparation of the 2015 edition. • Explain the many other initiatives that are currently being discussed by the IASB and by the IFRS Interpretations Committee and the potential consequential changes to accounting requirements. In particular, projects on insurance contracts, leases and the conceptual framework for financial reporting may all result in significant changes to current accounting practice. • Provide insight on the many issues relating to the practical application of IFRS, based on the extensive experience of the book’s authors in dealing with recent day-to-day issues. This online edition is available through a 12-month subscription and features include the ability to: ● Navigate ● Print and bookmark chapters and sections ● Search showing search terms highlighted in the text ● Format search results and set the length of display ● Save frequent searches

Preface; The Role of Revenues and Costs in CEO Compensation; The Importance of Intellectual Capital Reporting: Perspectives from Finance Professionals; Has Regulation Changed the Market's Reward for Meeting or Beating Expectations?; Reaction of the Brazilian Stock Market to Positive and Negative Shocks; Earnings Management to Meet Earnings Benchmarks: Evidence from Japan; Audit in Ukraine; Auditor Reputation and Auditor Independence: Evidence from an Emerging Market; Trends of the Returns-Earnings Associations Over the Last Three Decades; Managers' Discretionary Behaviour, Earnings Management and Corporate Governance: An Empirical International Analysis; Index.

In a global and increasingly competitive world, companies must be aware of important drivers. Entrepreneurship and innovation are important contributions to the development of economies and creation of employment, gaining relevance in the business context due to a more complex market and needs for higher differentiation. The Handbook of Research on Entrepreneurship, Innovation, and Internationalization provides key data to business managers on dealing with entrepreneurship, as well as for creating networks and complementarities for leveraging the firm’s activity in order to help plan and control innovation and internationalization processes to avoid risk and increase the firm’s value. The content within this publication includes topics such as family business, economics, and business education. It is designed for entrepreneurs, managers, researchers, academicians, and students.

Advances in International Accounting is a refereed, academic research annual, that is devoted to publishing articles about advancements in the development of accounting and its related disciplines from an international perspective. This serial examines how these developments affect the financial reporting and disclosure practices, taxation, management accounting practices, and auditing of multinational corporations, as well as their effect on the education of professional accountants worldwide. Advances in International Accounting welcomes traditional and alternative approaches, including theoretical research, empirical research, applied research, and cross-cultural studies. Advances in International Accounting is now available online at ScienceDirect - full-text online of volumes 14 onwards.

Spending on M&A has, in aggregate, grown so fast that it has even overtaken capital
accounting information of financial returns, the level of earnings management and the value relevance of accounting information in African capital markets. This study examines the impact of adopting International Financial Reporting Standards (IFRS) and the prior and superseded International Accounting Standards (IAS) on investor returns, the level of earnings management and the value relevance of accounting information in African capital markets. This study is motivated by the growing momentum of African countries adopting International Financial Reporting Standards (IFRS) for listed, cross listed or even unlisted companies. Prior to the adoption of IFRS, a high level of diversity existed in accounting standards between African countries. These differences consisted of the number of promulgated standards, conservatism of these standards, their completeness for potential accounting transactions, depth and guidelines on allowable measurement.
methods and disclosure requirements. First, this study empirically examines whether IFRS adoption has impacted investor returns through the informativeness of reported earnings and secondly, whether the level of discretionary earnings management as determined by several models and proxies has declined from the IFRS adoption. This study finds significantly higher informativeness of reported earnings under IFRS for investor returns compared to earnings per share (EPS) reporting under local GAAP after controlling for confounding factors. This provides evidence for the valuation impact of IFRS adoption. Furthermore, this study finds evidence of significantly lower earnings management by firms using IFRS compared to firms utilizing local GAAP’s. This lower earnings management by IFRS reporting firms is observed for both the use of discretionary accruals to manage earnings upwards and earnings smoothing. On the value relevance of financial statements, this study first, finds that accounting reports are value relevant in all African markets examined. In addition, IFRS adopted countries and those harmonizing closely with IFRS are found to have the highest value relevance. Furthermore, test of difference in value relevance in South Africa between IFRS and South African GAAP reporting firms shows significantly higher value relevance for IFRS accounting information. -- Abstract.

The Saudi financial reporting environment witnessed significant development in the past two decades, which is evidenced by the incorporation of the Saudi accounting standard setter (Saudi Organization for Certified Public Accountants (SOCPA)) and its subsequent development of the accounting profession. The main objective of this study is to investigate whether developments in financial reporting following SOCPA’s inception resulted in financial statement information being more value relevant over time. This study focuses solely on quantitative methods and employs secondary data in addressing the research questions. This study uses adjusted R2 as a primary metric for measuring value relevance. Value relevance of accounting information has been investigated through its association with contemporaneous market values and future cash flow-predictive ability studies. The theoretical frameworks of Ohlson (1995) and Easton and Harris (1991) have been used to specify the relationship between accounting information and market values. To link accrual-based earnings and accrual components with future cash flows, the theoretical frameworks of Dechow, Kothari and Watts (1998) and Barth, Cram and Nelson (2001) have been used. A sample of firms listed in the Saudi Stock Market during the 1993-2009 time period has been used. The total number of observations included in the sample is 997 from 97 firms, which excludes firms in the banking and insurance sectors. The main findings of the value relevance of accounting information in equity valuation are: First, earning (book value) coefficients were found to be significant in (nine) all years in the price regressions. Second, earning levels and changes have not been found significantly related to stock returns in all years. Third, hedge portfolio strategies based on pre-knowledge of accounting information yielded non-zero returns. Fourth, the explanatory power of the price model increased from the 1993-1997 to the 1998-2003 time period and declined in the following time period. Fifth, the explanatory power of the return model shows no significant change over time. Sixth, earnings are not value-relevant in equity valuation for loss-making firms, while book value is value-relevant for the 1993-1997 and 1998-2004 time periods. Earnings are only asymmetrically timely in reflecting good and bad news in the 1998-2003 and 2004-2009 time periods. Findings from the predictive ability of future cash flows show that earnings provide incremental explanatory power beyond that provided by current cash flows in all three pooled cross sections. Earnings’ accrual components have also been found to significantly provide incremental explanatory power beyond that provided by current cash flows in predicting future cash flows. These two measures did not witness any significant change over time. Earnings as a summary measure have not been found to outperform current cash flows in their predictive ability except for three years. This study concludes that accounting information has been value relevant during the entire period of this study and that an increase in value relevance might only be present in the early period of this sample.

Among banking industries and insurance and security sectors, systemic risk and information uncertainty can generate negative consequences. By developing solutions to address such issues, financial regulation initiatives can be optimized. Value Relevance of Accounting Information in Capital Markets is an essential reference source for the latest scholarly research on the importance of information asymmetries and uncertainties and their effects on the overall regulation of financial industries. Featuring extensive coverage on a wide range of perspectives, such as financial reporting standards, investor confidence, and capital flows, this publication is ideally designed for professionals, accountants, and academics seeking current research on the effects of the underlying elements in investing.

"This book examines the significance of financial communication in competitive business...
Masterarbeit aus dem Jahr 2007 im Fachbereich BWL - Bank, Börse, Versicherung, 
Sprache: Deutsch, Abstract: Listed Dutch firms are required by law to prepare their financial 
statements in accordance with the International financial Statements (IFRS) since 2005. 
Before 2005, listed Dutch firms prepared their financial statements using Dutch law, Title 
9 of book two of the Dutch Civil Code. It is interesting to investigate the effect of the 
implementation of IFRS. Is the quality of the financial statements improved by the 
implementation of IFRS for the users of the financial statements, such as investors, 
suppliers and banks? This question can be answered in many ways, looking at different 
characteristics of the accounting information, for example the comparability, the 
relevance, the reliability and the understandability. In this thesis the relevance will be 
studied. Information has the quality of relevance when it influences the economic decisions 
of users by helping them evaluate past, present or future events or conforming, or 
correcting, their past evaluations. (IFRS Handbook, 2007, p. 40) In order to be relevant 
the accounting information must reflect the information needs of the users in valuing a 
company. In order to determine the market price of a company, investors need accounting 
information that reflects the share price of a company. The research done studying the 
relevance of accounting information for valuating companies is called value-relevance 
research. The implementation of IFRS had consequences for the value-relevance of the 
accounting information. Whether the value-relevance had improved by the adoption of IFRS is 
dependent on the differences between the former accounting system and IFRS. The impact on 
value relevance in the Netherlands has not been studied yet. The impact on value-relevance 
in other countries has been studied however, for example in the United Kingdom (Harris and 
Muller, 1999), Germany (Hung and Subramanyam, 2007) and Spain (Callao et al. (2007)). These 
studies can give a powerful insight in how the difference in value-relevance of two 
accounting systems can be studied.

The purpose of this book is to study the association of corporate environmental 
responsibility (CER) with financial performance, capital structure, innovative activities, 
corporate risk, working capital management and accounting quality. Undoubtedly, CER has 
been developed into a crucial corporate issue around the world. CER has been incorporated 
within various sectors, countries and includes many types of activities and dimensions. A 
fundamental issue that is addressed in this book, is how corporate finance and accounting 
are affected by CER activities and how it impacts company performance. In order to analyse 
this interrelation, the authors focus on a sample of firms from 28 EU member countries. The 
purpose of this book is to study the association of CER with financial performance, capital 
structure, innovative activities, corporate risk, working capital management and accounting 
quality. The book also intends to provide useful policy recommendations as well as to offer 
constructive impulses for future research.

Our third edition of the Miller European Accounting Guide delivers critical new information 
on the vastly different accounting systems of 23 European countries. Widely disparate 
regulations, customs, and accounting practices throughout Europe present financial 
professionals with a unique economic challenge. To meet this challenge, the Guide includes 
extensive historical background on the legal and economic environments, an examination of 
the different accounting standards and self-regulatory agencies, and even presents sample 
financial statements. The Guide also covers the changes that are taking place as a result 
of the European union as well as the attempts to harmonize the accounting and reporting 
practices.

My dissertation comprises of two essays: 1) The Effects of Fair Value Measurements (IFRS 
13) on Operating Performance and Market Performance, and on Value Relevance of Firms across 
European Countries; 2) The Disclosure of Fair Value Pension Asset under SFAS No. 158, 
Pension Assumptions, and Earnings Manipulation. Fair value accounting has been gained a 
spotlight over years. My first essay focuses on Fair Value measurements (IFRS13), which 
provides a single source for all fair value measurements, and clarifies the definition of 
fair value and enhance the disclosures. I examine the effect of IFRS 13 fair value on 
operating performance, the market reaction to the key event of the announcement date of 
IFRS 13 adoption, and the effect on value relevance in the context of IFRS 13 adoption by a 
large sample of five countries in European Union: France, Germany, Italy, Spain, and United 
Kingdom from 2010 to 2014. Evidences from the analyses of the models revealed that the 
operating performance overall decreased after IFRS 13 adoption in France and Germany but 
increased in Italy, Spain and United Kingdom based on some ratios to evaluate the operating 
performance. Firms with higher ROA in pre-IFRS 13 might report more consecutive earnings 
after IFRS 13 adoption than firms with lower ROA in pre-IFRS 13. Market reaction was tested 
on the key event of IFRS 13 adoption, the announcement date of IFRS 13. The results of the
event study indicate that the cumulative abnormal returns (CAR) are negatively associated
with the release date of IFRS 13 adoption, suggesting that European markets’ reaction has
been somewhat negative to IFRS 13. The adjustment to earnings per share model suggests
mixed evidence of a increase in value relevance. In summary, European market may perceive
IFRS 13 as an important in financial reporting or a reduction in the formation asymmetry
and these results have implications for investors, auditors, and educators. In September
Defined Benefit Pension and Other Postretirement Plans, required firms to disclose and
recognize the full funded status of defined benefit pension plans in the balance sheet
instead of only in the footnote. Comparing with recognition, there are limited researches
about the effect of the disclosure of fair value pension assets on the expected rate of
return (ERR). Therefore, my second essay examines the association between the disclosure of
fair value pension plans assets under SFAS No. 158 and ERR. Empirical results support that
firms with the Level-3 fair value of pension assets are more like to inflate ERR and are
more like to meet ERR through the actual rate of return (ARR) of the Level-3 fair value of
pension assets. In addition, I explore the relationship between the disclosure of fair
value pension plan assets and earnings target through ERR management. The results document
that firms with the Level-3 fair value pension asset more like to achieve earnings target
when they marginally fall short of earnings expectations. Such disclosures could improve
the efficient use of the information by market participants.

This book continues the discussion on recent developments relating to ethical and
sustainable issues in accounting & finance from Ethics and Sustainability in Accounting and
Finance, Volume I. Accounting is often seen as a technical discipline that records,
classifies and reports financial transactions. However, since the financial information
produced concerns all interest groups both within and outside the enterprise, accounting
also has social characteristics and involves multi-faceted duties and responsibilities. As
such, in addition to basic principles and accepted rules and standards in the field, this
book focuses on the ethical aspects and fundamentals of this profession that accountants
should also take into consideration, as this is the only way to build and preserve
society’s confidence in accounting and increase its social credibility.

The case for adoption of International Financial Reporting Standards (IFRS) is generally
made on the basis of improvements in accounting reporting quality and comparability across
firms and countries. The potential benefits of high quality and more comparable financial
reporting are greater market liquidity and a better allocation of capital (Hail, Leuz, &
Wysocki, 2010). These arguments are based on the Contract Theory that investigates how
individuals and businesses construct legal agreements in the presence of asymmetric
information (‘Contract Theory,’’ n.d.). This study evaluates convergence of Chinese
Accounting Standards (CAS) with IFRS by examining whether reported accounting figures of
net income (profit attributable to shareholders) and net equity (equity attributable to
shareholders) under the two sets of financial reporting standards are comparable.

Researches examining association between accounting information and stock prices are based
on the Efficient Market Hypothesis. This study assumes the weak form of market efficiency
in Chinese stock market and applies Ohlson’s 1995 valuation model in assessing value
relevance of CAS-based and IFRS-based accounting information of earnings and book values in
Chinese A-share and H-share markets. Sample include Chinese AH-share companies that issued
separate annual financial statements for different classes of stocks from 2007 to 2016. The
study reports three primary findings. First, CAS-based and IFRS-based accounting figures of
net income and net equity are comparable. Second, accounting information of earnings and
book values is value-relevant in both A-share and H-share markets; and the accounting
information is more value-relevant in H-share market than in A-share market. Third,
analysis of incremental value relevance of CAS-based earnings and incremental value
relevance of CAS-based book values on A-share prices shows mixed result. These findings
have implications for investors, accounting standard setters, securities regulators and
stock exchanges in China and other countries.

This collection considers the financial crisis from a managerial perspective, focussing on
the business implications for the financial industry. Topics examined include governance,
information needs and strategy of financial intermediaries and investors. The contributions
build on the existing literature and present some unique insights on governance, credit
quality evaluation and performance measurement. In a fast growing or steady market, it is
possible for even an inefficient financial system to satisfy investors’ and firms’ needs.
However, the current financial crisis has brought into sharp relief the limits of the
inefficient practices adopted by the market, and made clear the importance of developing
more effective governance mechanisms, more detailed and complete information databases and
new strategies. The crisis has also brought to the fore issues about the governance of
financial intermediaries that had not been previously addressed. These include board
diversity, internal monitoring procedures and the existence of interlocking directorates.
More broadly, the financial crisis has radically altered the international framework, with
an increasingly consolidated financial sector, and the rise of new markets (such as China)
that now play a predominant role in the worldwide market. Studies on the competition and on
the performance in this new scenario are essential in order to understand the implications
of recent events.

Mathematical tools: matrix algebra; Statistical tools: inference and distribution theory;
Least squares and the standard linear model; Partial and multiple correlation; The
statistical analysis of disturbances; Generalized least squares and linear constraints; The
combination of several linear relations; Asymptotic distribution theory.

An innovative new valuation framework with truly useful economic indicators The End of
Accounting and the Path Forward for Investors and Managers shows how the ubiquitous
financial reports have become useless in capital market decisions and lays out an
actionable alternative. Based on a comprehensive, large-sample empirical analysis, this
book reports financial documents' continuous deterioration in relevance to investors' decisions. An enlightening discussion details the reasons why accounting is losing relevance in today's market, backed by numerous examples with real-world impact. Beyond simply identifying the problem, this report offers a solution—the Value Creation Report—and demonstrates its utility in key industries. New indicators focus on strategy and execution to identify and evaluate a company's true value-creating resources for a more up-to-date approach to critical investment decision-making. While entire industries have come to rely on financial reports for vital information, these documents are flawed and insufficient when it comes to the way investors and lenders work in the current economic climate. This book demonstrates an alternative, giving you a new framework for more informed decision making. Discover a new, comprehensive system of economic indicators Focus on strategic, value-creating resources in company valuation Learn how traditional financial documents are quickly losing their utility Find a path forward with actionable, up-to-date information Major corporate decisions, such as restructuring and M&A, are predicated on financial indicators of profitability and asset/liabilities values. These documents move mountains, so what happens if they're based on faulty indicators that fail to show the true value of the company? The End of Accounting and the Path Forward for Investors and Managers shows you the reality and offers a new blueprint for more accurate valuation.

Copyright code: d3d2377896bd05359906dd660c9f4fe6