

Carmen-Alexandra BALTARIU
„Babe - Bolyai University” of Cluj-Napoca,
Faculty of Economic Sciences and Business Administration

THE CURRENT STATE OF KNOWLEDGE IN THE VALUE RELEVANCE RESEARCH FIELD

Literature
Review

Keywords

Value relevance
Consolidated reporting
Accounting information
Literature review

JEL Classification

M40; M41; M48

Abstract

The purpose of this paper is to assess the scientific literature referring to the value relevance of reported accounting information over a twelve year period starting from 2002. The approach of the paper is a theoretical (conceptual) one. In order to complete the purpose of the paper we selected as research method the longitudinal qualitative analysis. The qualitative analysis carried out presents a deductive character. Our conclusions regarding the general characteristics of the research field pertaining to the value relevance of reported accounting information are drawn based on the main results and scientific contributions identified in the research field of interest.

1. Introduction

Value relevance represents "a major area of empirical research" according to Beaver (2002: 460). This research domain can be included in a wider area of accounting research, called Market-Based Accounting Research (MBAR). MBAR is considered by Lev and Ohlson (1982: 249) as "the most focused and ambitious research effort in the history of accounting." The purpose of this paper is to assess the scientific literature pertaining to the value relevance research domain over a twelve year period starting from 2002. Following our analysis we point out the main characteristics of the research field of interest between 2002 and 2014. This paper represents a descriptive review of the current state of knowledge in the accounting research field of value relevance of reported information. In the academic literature we can find similar studies, namely Lev and Ohlson (1982), Holthausen and Watts (2000), Barth, Beaver and Landsman (2001). By qualitatively analyzing more than 80 value relevance studies, we make a contribution to the value relevance research field by summarizing the main topics and highlighting its essential characteristics in the period 2002-2014.

In order to carry out our qualitative analysis we conducted a thorough investigation for articles published in journals recognized nationally, or internationally, or for books relevant to the topic being addressed. Our search was conducted in scientific journals published online by the American Accounting Association, the Romanian Chamber of Financial Auditors, the Emerald Group Publishing, Franklin Publishing Company, Heckner, Inderscience, John Wiley & Sons (Wiley-Blackwell), JSTOR, Oxford University Press, Palgrave Mcmillan, Questia, SAGE Publication, Springer, Reed Elsevier, and Taylor & Francis. We performed our search by using expressions and words such as: „value relevance”; „value relevance of accounting information”; „accounting information and value relevance”; „value relevance of financial information”; „value relevance of financial statements”; „value relevance of consolidated financial information”. The qualitative analysis carried out presents a deductive character, our conclusions regarding the general characteristics of the research field pertaining to the value relevance of reported accounting information being based on the main results and scientific contributions identified in the research field of interest.

2. Literature review

Between 2002 and 2014 the academic literature regarding value relevance is very well represented by studies focused on a country level analysis. In country level analysis studies value relevance is very often analyzed in relation to national accounting reporting standards (NGAAPs) (Ragab & Omran, 2006: 279 – Egypt), or in relation to the newly adopted international reporting framework (IASs/IFRSs) (El Shamy & Kayed, 2005: 68-69). A number of studies address the topic of value relevance considering the influence that moderator factors (covariates) have on value relevance as a reporting quality attribute. One of the moderator factors that we encountered in our research are

macroeconomic circumstances, an umbrella term for financial-economic crisis (Davis-Friday & Gordon, 2002: 2; Moraes da Costa, Santana dos Reis & Campagnaro Teixeira, 2012: 128), accounting system reforms (Naceur & Nachi, 2006: 2; Chalmers, Navissi & Qu, 2010: 792), the adoption of a new currency (Dimitropoulos, Asteriou, & Siriopoulos, 2012: 299) or the effect of inflation (Kirkulak & Balsara, 2009: 363). The academic literature on value relevance includes studies addressing value relevance in relation with other type of moderator factors, namely different company characteristics (Ely & Pownall, 2002: 632 – shareholder/ stakeholder orientation; Habib, 2004a: 1 – management practices like company earnings manipulation; Brown Jr., He & Teitel, 2006: 605; Kousenidis, Ladas & Negakis 2009: 219 – accounting conservatism; Habib & Azim, 2008: 167 – corporate governance practices; Chandrapala, 2013: 98 – company size and ownership concentration; Gallizo & Salvador, 2006: 268 – life cycle of the company) or circumstances considered to have a strong influence on the value relevance of reported accounting information.

The academic literature regarding value relevance is mainly focused on two reported accounting elements, namely book value of equity and earnings. The studies presenting a country level analysis regarding these accounting items are numerous (Anandarajan, Hasan, Isik & McCarthy, 2006; Durán Vásquez, Lorenzo Valdés & Valencia Herrera 2007; Abiodun, 2012; Shamki & Rahman, 2012; Dahmash & Qabajeh, 2012). The interest of value relevance researchers was piqued by other reported accounting items as well (Ben Ayed & Abaoub, 2006: 2; Beisland, 2011: 773– earnings components; Kabir & Laswad, 2011: 268 – net income; Negakis, 2006: 7 – residual earnings (= net income minus the cost of borrowed capital); Kwon, 2009: 28 – cash-flows; Cheng, Cheung & Gopalakrishnan, 1993: 195; Dhaliwal, Subramanyam & Trezevant, 1999: 46; Biddle & Choi, 2006: 1; Kanagaretnam, Mathieu & Shehata, 2009: 349; Kabir & Laswad, 2011: 268 – comprehensive income and its components; Habib, 2010: 190 – operating income; Perera & Thrikawala, 2010: 1 – earnings per share, return on equity (ROE), earnings yield; Christian & Jones, 2004: 16; da Silva Macedo, Machado, Dal Ri Murcia & Reis Machado, 2011: 300 – operational cash-flows; Habib, 2004b: 23; Al-Hares, AbuGhazaleh & Haddad, 2012: 221 – dividends; Dorantes Dosamanes, 2013: 5 – fundamental variables employed in forecasting).

From the point of view of its evolution, value relevance is studied through a country level analysis by Thinggard & Damkier, (2008: 375). The authors carry out a longitudinal investigation from 1983 until 2001 on a sample of Danish companies. The comparative approach regarding value relevance is very well represented in the academic literature through a large number of studies. In some of these works (Kang, 2003; Platikanova & Nobes, 2006; Hellström, 2006, Davis-Friday, Eng & Liu, 2006; Iatridis & Dimitras, 2013) the parallel is drawn between two or more countries with respect to the relative or incremental value relevance of reported accounting information on the financial markets. The comparative

perspective in the value relevance academic literature is extended from countries to other elements. Some of these elements are represented by consolidated financial information reporting theories, namely the entity theory in contrast with the extended parent company theory. (Müller, 2012: 949) Likewise, the comparative perspective is adopted in papers studying the value relevance of accounting information reported in the consolidated financial statements in comparison with the accounting information reported in the parent company separate financial statements (Dolinar, 2002; Yamaji, 2002; Goncharov, Werner & Zimmermann, 2009; Gould & Rammal, 2009; Safa, Gholami Mehrabadi & Borhani, 2011; Müller, 2011; Srinivasan & Narasimhan, 2012). The research studies mentioned above report various findings, a higher value relevance of the accounting information reported in the consolidated financial statements is suggested in Dolinar (2002: 69), Yamaji (2002: 5), Goncharov et al. (2009: 352), Gould & Rammal (2009: 5) and Müller (2011: 342), while a superior value relevance of the information reported in the parent company's separate financial statements is supported by the findings of Safa et al. (2011: 127) and Srinivasan & Narasimhan (2012: 58).

The research regarding the value relevance of accounting information is enriched through findings stemming from examining associations between stock market price, stock return and goodwill (Duangploy, Shelton & Omer, 2005: 26; Al Jifri & Citron, 2009: 123; Lapointe-Antunes, Cormier & Magnan, 2009: 56; Dahmash, Durand & Watson, 2009: 120; Laghi, Matt & di Marcantonio, 2013: 32) Research studies such as those of Emmanuel & Garrod (2002: 215), Chen & Zhang (2003: 426), Bodnar, Hwang & Weintrop (2003: 171) and Aleksanyan (2004: 4) address the issue of segment reporting information value relevance. Regarding the value relevance of non-financial information, namely the information related to intangible assets, the studies of Kallapur & Kwan (2004: 151), Liang & Yao (2005: 135), Abayadeera (2010: 3) and Chang & Kim (2013: 237) bring evidence in its favour. Extraordinary accounting items such as the company's restructuring expenses, the expenses related to completed research and development activities, merger expenses, impairment expenses, the expenses or revenues resulting from legal lawsuits, the costs arising from the revaluation of assets at fair value after an inventory takes place, the expenses or revenues resulting from calamities, or other items, such as the income resulting from collected insurance premiums are tested for value relevance in the study of Eames & Sepe (2005: 61). Their findings suggest that only certain extraordinary accounting items, like for example the expenses related to uncompleted research and development activities or merger expenses are value relevant on the financial market. Hassan, Percy & Stewart (2006: 41) document the value relevance of accounting information regarding financial instruments. Graham, King & Morrill (2003) and Soonawalla (2006: 395) focus on testing the value relevance of accounting information reported by joint ventures through different methods of

consolidation (the proportionate method of consolidation and the equity method of consolidation). Minority interests' value relevance is examined by So & Smith (2009: 166). The results suggest that the change in the presentation of minority interests, minority interests being reported as an equity component, not a debt component, has value relevance for investors. A new measure of performance, different from the earnings reported in accordance with the enforced GAAPs, is tested in terms of value relevance by Albring, Cabán-García & Reck (2010: 264). The information regarding pensions recognized in the financial statements is analyzed by Werner (2011: 427), while the value relevance of the R&D expenses are addressed in the work of Ali Shah, Liang & Akbar (2013: 159).

A few studies provide the value relevance research field with arguments explaining the decline in the value relevance of accounting information. The works of Dontoh, Radhakrishnan & Ronen (2004: 2) and Dontoh, Radhakrishnan & Ronen (2007: 3) suggest that the decline in value relevance might be the consequence of 'noise' embedded into the stock market price. The "noise" is due to the increase in the volume of non-information based transactions, the ability of the stock price to reflect accounting information being thus reduced. Similar results are reported by Gu (2007: 1073), and Lim & Park (2011: 947). The field of value relevance also presents research studies focused on the financial sector (Danbolt & Rees, 2002; Asthana & Chen, 2007), or the venture capital market (Hand, 2005).

3. Discussion of results and conclusions

First of all, we remark upon the diversity which characterizes the value relevance research field. In the academic literature published between 2002 and 2014 we find studies that cover a large number of value relevance topics, mainly from an empirical perspective. From a methodological point of view, the value relevance empirical research uses for the most part two econometric models, namely the price specification and the return specification econometric models. These models are designed to address both types of value relevance, the relative value relevance, as well as the incremental value relevance of accounting information. (Biddle, Seow, and Siegel, 1995: 1) In a large number of studies the value relevance of accounting information is analyzed in relation with moderator factors, or covariates, with a possible role in determining its level. The covariates that we encountered are mainly macroeconomic circumstances and microeconomic (company level) characteristics. The studies we included in our qualitative examination exhibited a country level perspective, a longitudinal perspective, or a comparative perspective regarding value relevance.

A qualitative summarization of the results in a particular research field entails certain limitations, like subjectivity or lack of transparency concerning a number of factors that remain at the discretion of the researcher. These factors are the criteria used for selecting the studies included in the analysis, the different levels of importance

given to the various studies, or the number of papers included in the review. In addition, the usefulness of this type of summarization is limited to the period of time analyzed, because of new papers being published and new results being made available in the following periods of time. (Borenstein, Hedges, Higgins & Rothstein, 2009: XXII) In addition, following a qualitative analysis we cannot specify the manner in which the values of the effects reported are being influenced by moderator factors (covariates). Thus, a qualitative analysis does not allow us to formulate general conclusions concerning the field of interest.

Acknowledgements

Faculty of Economic Sciences and Business Administration, “Babe -Bolyai” University of Cluj-Napoca – a partner university within the European project “Competitive Researchers at a European Level in the Humanities and Socioeconomic fields. Multiregional Research Network (CCPE)” POSDRU/159/1.5/S/140863.

References

- [1] Abayadeera, N. (2010). *Value relevance of information in high-tech industries in Australia: financial and non-financial*. October, Ph.D. Thesis, School of Accounting, Faculty of Business and Law, Victoria University, Melbourne, Australia, 1-326.
- [2] Abiodun, B. Y. (2012). Significance of accounting information on corporate values of firms in Nigeria. *Research Journal in Organizational Psychology & Educational Studies*, 1(2), 105-113.
- [3] Al Jifri, K. & Citron, D. (2009). The value-relevance of financial statement recognition versus note disclosure: evidence from goodwill accounting. *European Accounting Review*, 18(1), 123-140, DOI:10.1080/09638180802324351.
- [4] Albring, S. M., Cabán-García, M. T. & Reck, J. L. (2010). The value relevance of a non-GAAP performance metric to the capital markets. *Review of Accounting and Finance*, 9(3), 264-284, DOI:10.1108/14757701011068066.
- [5] Aleksanyan, M. (2004). *Valuation and value relevance of the firm-level, and geographic and business segment-level accounting information*. Ph.D. Thesis, University of Glasgow, United Kingdom, 1-429.
- [6] Ali Shah, S. Z., Liang, S. & Akbar, S. (2013). International Financial Reporting Standards and the value relevance of R&D expenditures: pre and post IFRS analysis. *International Review of Financial Analysis*, 30, 158-169, DOI: 10.1016/j.irfa.2013.08.001.
- [7] Al-Hares, O. M., AbuGhazaleh, N. M. & Haddad, A. E. (2012). Value relevance of earnings, book value and dividends in an emerging capital market: Kuwait evidence. *Global Finance Journal*, 23, 221-234.
- [8] Anandarajan, A., Hasan, I., Isik, I. & McCarthy, C. (2006). The role of earnings and book values in pricing stocks: evidence from Turkey. *Advances in International Accounting*, 19, 59-89, DOI: 10.1016/S0897-3660(06)19003-0.
- [9] Asthana, S. & Chen, L. H. (2007). Differential changes in the value-relevance of earnings and book values over time: financial versus other industries. *Working Paper Series*, College of Business, University of Texas San Antonio, (November), 3-29.
- [10] Barth, M. E., Beaver, W. H. & Landsman, W. R. (2001). The relevance of the relevance literature for financial accounting standard setting: another view. *Journal of Accounting and Economics*, 31, 77-104.
- [11] Beaver, W. H. (2002). Perspectives on recent capital market research. *The Accounting Review*, 77(2) (April), 453-474.
- [12] Beisland, L. A. (2011). The effects of earnings variables on stock returns among public companies in Norway: a multiple regression analysis. *International Journal of Management*, 28(3), Part 1, 773-783.
- [13] Ben Ayed, M. R. & Abaoub, E. (2006). Value relevance of accounting earnings and the information content of its components: empirical evidence in Tunisian Stock Exchange. (October), 1-19, Retrieved from SSRN: <http://dx.doi.org/10.2139/ssrn.940791>.
- [14] Biddle, G. C., Seow, G. S. & Siegel, A. F. (1995). Relative versus incremental information content. *Contemporary Accounting Research*, 12(1-1) (Summer), 1-23.
- [15] Biddle, G. C. & Choi, J. H. (2006). Is comprehensive income useful?. *Journal of Contemporary Accounting and Economics*, 2(1), 1-32.
- [16] Bodnar, G. M., Hwang, L.-S. & Weintrop, J. (2003). The value relevance of foreign income: an Australian, Canadian, and British comparison. *Journal of International Financial Management and Accounting*, 14(3), 171-193.
- [17] Borenstein, M., Hedges, L. V., Higgins, J. P. T. & Rothstein, H. R. (2009). *Introduction to meta-analysis*. Chichester, United Kingdom: John Wiley & Sons Publication.
- [18] Brown Jr., W. D., He, H. & Teitel, K. (2006). Conditional conservatism and the value relevance of accounting earnings: an international study. *European Accounting Review*, 15(4), 605-626.
- [19] Chalmers, K., Navissi, F. & Qu, W. (2010). Value relevance of accounting information in China pre- and post-2001 accounting reforms. *Managerial Auditing Journal*, 25(8), 792-813.
- [20] Chandrapala, P. (2013). The value relevance of earnings and book value: the importance of ownership concentration and firm size. *Journal of Competitiveness*, 5(2) (June), 98-107, DOI: 10.7441/joc.2013.02.07.
- [21] Chang, H. & Kim, J. Y. (2013). Value relevance of financial information considering industry life cycle – evidence from Korean internet related industry. *International Journal of Software Engineering and its Applications*, 7(1) (January), 237-246.
- [22] Chen, P. F. & Zhang, G. (2003). Heterogeneous investment opportunities in multiple-segment firms and the incremental value relevance of segment accounting data. *The Accounting Review*, 78(2) (April), 397-428.

- [23] Cheng, C. S. A., Cheung, J. K. I. & Gopalakrishnan, V. (1993). On the usefulness of operating income, net income and comprehensive income in explaining security returns. *Accounting and Business Research*, 23(91), 195-203.
- [24] Christian, C. & Jones, J. P. (2004). The value-relevance of earnings and operating cash flows during mergers. *Managerial Finance*, 30(11), 16-29, DOI: 10.1108/03074350410769353.
- [25] Dahmash, F. N., Durand, R. B. & Watson, J. (2009). The value relevance and reliability of reported goodwill and identifiable intangible assets. *The British Accounting Review*, 41(2), 120-137.
- [26] Dahmash, F. N. & Qabajeh, M. (2012). Value relevance of Ohlson model with Jordanian data. *Interdisciplinary Journal of Contemporary Research in Business*, 3(11) (March), 551-560.
- [27] Danbolt, J. & Rees, W. (2002). The valuation of European financial firms. *Review of Accounting and Finance*, 1(1), 1-24.
- [28] Davis-Friday, P. Y. & Gordon, E. A. (2002). The effect of macroeconomic changes on the value relevance of accounting information: the case of Mexico and the 1995 Financial Crisis. Current Draft, (July), 1-41, Retrieved from SSRN: <http://dx.doi.org/10.2139/ssrn.322762>.
- [29] Davis-Friday, P. Y., Eng, L. L. & Liu, C.-S. (2006). The effects of the Asian crisis, corporate governance and accounting system on the valuation of book value and earnings. *The International Journal of Accounting*, 41, 22-40, DOI: 10.1016/j.intacc.2005.12.002.
- [30] Dhaliwal, D., Subramanyam, K. R. & Trezevant, R. (1999). Is comprehensive income superior to net income as a measure of firm performance?. *Journal of Accounting and Economics*, 26(1), 43-67.
- [31] Dimitropoulos, E., Asteriou, D. & Siriopoulos, C. (2012). Euro adoption and the quality of accounting information. *Managerial Auditing Journal*, 27(3), 299-328.
- [32] Dolinar, D. (2002). *An evaluation of the value relevance of consolidated and unconsolidated accounting information: evidence from the United Kingdom*. Master Thesis, Faculty of Economics, University of Ljubljana, (October), 1-100.
- [33] Dontoh, A., Radhakrishnan, S. & Ronen, J. (2004). The declining value-relevance of accounting information and non-information-based trading: an empirical analysis. *Contemporary Accounting Research*, 21(4), 795-812, DOI: 10.1506/J6P4-2UYP-HFXY-RBT1.
- [34] Dontoh, A., Radhakrishnan, S. & Ronen, J. (2007). Is stock price a good measure for assessing value-relevance of earnings? An empirical test. *RMS*, 1, 3-45, DOI: 10.1007/s11846-007-0002-x.
- [35] Dorantes Dosamanes, C. A. (2013). The relevance of using accounting fundamentals in the Mexican Stock Market. *Journal of Economics, Finance and Administrative Science*, 18 (Special Issue), 2-10.
- [36] Duangploy, O., Shelton, M. & Omer, K. (2005). The value relevance of goodwill impairment loss. *Bank Accounting & Finance*, 18(5), 23-28.
- [37] Durán Vásquez, R., Lorenzo Valdés, A. & Valencia Herrera, H. (2007). Value relevance of the Ohlson model with Mexican data. *Contaduría y Administración*, 223, (Septiembre-Diciembre), 33-52.
- [38] Eames, M. J. & Sepe, J. (2005). The valuation of special items. *The Journal of Applied Business Research*, 21(3), 61-70.
- [39] El Shamy, M. A. & Kayed, M. A. (2005). The value relevance of earnings and book values in equity valuation: an international perspective – the case of Kuwait. *International Journal of Commerce and Management*, 15(1), 68-79.
- [40] Ely, K. M. & Pownall, G. (2002). Shareholder – versus stakeholder – focused Japanese companies: firm characteristics and accounting valuation. *Contemporary Accounting Research*, 19(2), 615-636.
- [41] Emmanuel, C. R. & Garrod, N. (2002). On the relevance and comparability of segmental data. *Abacus*, 38(1), 215-234.
- [42] Gallizo, J. L. & Salvador, M. (2006). Share prices and accounting variables: a hierarchical Bayesian analysis. *Review of Accounting and Finance*, 5(3), 268-278, DOI: 10.1108/14757700610686813.
- [43] Goncharov, I., Werner, J. R. & Zimmermann, J. (2009). Legislative demands and economic realities: company and group accounts compared. *The International Journal of Accounting*, 44(4), 334-362, DOI: 10.1016/j.intacc.2009.09.006.
- [44] Gould, G. & Rammal, H. G. (2009). The value relevance of accounting reports. *Business Journal for Entrepreneurs*, 22(1), 59-64.
- [45] Graham, R. C., King, R. D. & Morrill, C. K. J. (2003). Decision usefulness of alternative joint venture reporting methods. *Accounting Horizons*, 17(3), 123-137.
- [46] Gu, Z. (2007). Across-sample incomparability of R2s and additional evidence on value relevance changes over time. *Journal of Business, Finance & Accounting*, 34(7-8), 1073-1098.
- [47] Habib, A. (2004a). Impact of earnings management on value-relevance of accounting information: empirical evidence from Japan. *Managerial Finance*, 30(11), 1-15.
- [48] Habib, A. (2004b). Accounting-based equity valuation techniques and the value relevance of dividend information: empirical evidence from Japan. *Pacific Accounting Review*, 16(2), 23-44.
- [49] Habib, A. (2010). Value relevance of alternative accounting performance measures: Australian evidence. *Accounting Research Journal*, 23(2), 190-212.
- [50] Habib, A. & Azim, I. (2008). Corporate governance and the value-relevance of accounting information: evidence from Australia. *Accounting Research Journal*, 21(2), 167-194.

- [51] Hand, J. R. M. (2005). The value relevance of financial statements in the venture capital market. *The Accounting Review*, 80(2) (April), 613-648.
- [52] Hassan, M. S., Percy, M. & Stewart, J. (2006). The value relevance of fair value disclosures in Australian firms in the extractive industries. *Asian Academy of Management Journal of Accounting and Finance*, 2(1), 41-61.
- [53] Hellström, K. (2006). The value relevance of financial accounting information in a transitional economy: the case of Czech Republic. *European Accounting Review*, 15(3), 325-349, DOI: 10.1080/09638180600916242.
- [54] Holthausen, R. W. & Watts, R. L. (2000). The value of the value-relevance literature for financial accounting standard setting. *Journal of Accounting and Economics*, 31, 3-75.
- [55] Iatridis, G. & Dimitras, A. I. (2013). Financial crisis and accounting quality: evidence from five European countries. *Advances in Accounting, Incorporating Advances in International Accounting*, 29, 154-160, DOI: 10.1016/j.adiac.2013.03.001.
- [56] Kabir, M. H. & Laswad, F. (2011). Properties of net income and total comprehensive income: New Zealand evidence. *Accounting Research Journal*, 24(3), 268-289, DOI: 10.1108/10309611111187000.
- [57] Kallapur, S. & Kwan, S. Y. S. (2004). The value relevance and reliability of brand assets recognized by UK firms. *The Accounting Review*, 79(1), (January), 151-172.
- [58] Kanagaretnam, K., Mathieu, R. & Shehata, M. (2009). Usefulness of comprehensive income reporting in Canada. *Journal of Accounting and Public Policy*, 28, 349-365, DOI: 10.1016/j.jaccpubpol.2009.06.004.
- [59] Kang, T. (2003). The association between legal regime and the value-relevance of accounting information: a Japan-U.K. comparison. *Journal of International Accounting, Auditing and Taxation*, 12, 121-130, DOI: 10.1016/J.intaccudtax.2003.08.2004.
- [60] Kirkulak, B. & Balsari, C. K. (2009). Value relevance of inflation-adjusted equity and income. *The International Journal of Accounting*, 4, 363-377.
- [61] Kousenidis, D. V., Ladas, A. C. & Negakis, C. I. (2009). Value relevance of conservative and non-conservative accounting information. *The International Journal of Accounting*, 44, 219-238.
- [62] Kwon, G.-J. (2009). The value relevance of book values, earnings and cash flows: evidence from Korea. *International Journal of Business and Management*, 4(10), (October), 28-42.
- [63] Laghi, E., Mattei, M. & di Marcantonio, M. (2013). Assessing the value relevance of goodwill impairment considering country-specific factors: evidence from EU listed companies. *International Journal of Economics and Finance*, 5(7), 32-49, DOI: 10.5539/ijef.v5n7p32.
- [64] Lapointe-Antunes, P., Cormier, D. & Magnan, M. (2009). Value relevance and timeliness of transitional goodwill-impairment losses: evidence from Canada. *The International Journal of Accounting*, 44(1), 56-78.
- [65] Lev, B. & Ohlson, J. A. (1982). Market-based empirical research in accounting: a review, interpretation, and extension. *Journal of Accounting Research*, 20, Supplement: Studies on Current Research Methodologies in Accounting: A Critical Evaluation, 249-322.
- [66] Liang, C.-J. & Yao, M.-L. (2005). The value relevance of financial and nonfinancial information – evidence from Taiwan's information electronics industry. *Review of Quantitative Finance and Accounting*, 24, 135-157.
- [67] Lim, S. C. & Park, T. (2011). The declining association between earnings and returns. Diminishing value relevance of earnings or noisier markets? *Management Research Review*, 34(8), 947-961, DOI: 10.1108/01409171111152538.
- [68] Moraes da Costa, F., Santana dos Reis, D. J. & Campagnaro Teixeira, A. M. (2012). Implications of economic crises on the value relevance of accounting information in Brazilian companies. *Journal of Education and Research in Accounting (Revista de Educação e Pesquisa em Contabilidade)*, 6(2), (June), 128-139.
- [69] Müller, V.-O. (2011). Value relevance of consolidated versus parent company financial statements: evidence from the largest three European capital markets. *Accounting and Management Information Systems*, 10(3), 326-350.
- [70] Müller, V.-O. (2012). Value relevance of group financial statements based on entity versus parent company theory: evidence from the largest three European capital markets. *Annals of the Faculty of Economics*, University of Oradea, Faculty of Economics, 1(1), (July), 949-955.
- [71] Naceur, S. & Nachi, W. (2006). Does the Tunisian accounting reform improve the value relevance of financial information?. March, 1-27, Retrieved from SSRN: <http://dx.doi.org/10.2139/ssrn.888922>.
- [72] Negakis, C. I. (2006). Using earnings and residual income in the valuation of newly listed firms. *Spoudai*, University of Piraeus, 56(3), 7-16.
- [73] Perera, R. A. A. S. & Thrikawala, S. S. (2010). An empirical study of the relevance of accounting information on investor's decisions. *ICI (International Conference on Business and Information)*, 1-12, University of Kelanlya, Sri Lanka.
- [74] Platikanova, P. & Nobes, C. (2006). Was the introduction of IFRS in Europe value-relevant?, 1-36, Retrieved from SSRN: <http://ssrn.com/abstract=949160>.
- [75] Ragab, A. A. & Omran, M. M. (2006). Accounting information, value relevance and investors' behaviour in the Egyptian Equity Market. *Review of Accounting and Finance*, 5(3), 279-297.
- [76] Safa, M., Gholami Mehrabadi, S., Borhani, A. (2011). The value relevance of consolidated financial statements information versus information of parent company financial statements: evidence from quoted

- Iranian firms. *American Journal of Scientific Research*, 23, 127-134.
- [77] Shamki, D. & Rahman, A. A. (2012). Value relevance of earnings and book value: evidence from Jordan. *International Journal of Business and Management*, 7(3), (February), 133-141, DOI: 10.5539/ijbm.v7n3p133.
- [78] da Silva Macedo, M. A., Machado, M. A. V., Dal Ri Murcia, F., Reis Machado, M. (2011). Impact analysis of replacing the SSAF by the CFS: a study from a value-relevance perspective. *Revista de Contabilidade Financeira*, 22(57), 299-318.
- [79] So, S. & Smith, M. (2009). Value relevance of IAS 27 (2003) revision on presentation of non-controlling interest: evidence from Hong Kong. *Journal of International Financial Management and Accounting*, 20(2), 166-197.
- [80] Soonawalla, K. (2006). Accounting for joint ventures and associates in Canada, U.K., And U.S.: do U.S. rules hide information?. *Journal of Business, Finance & Accounting*, 33(3-4), 395-417.
- [81] Srinivasan, P. & Narasimhan, M. S. (2012). The value relevance of consolidated financial statements in an emerging market. The case of India. *Asian Review of Accounting*, 20(1), 58-73.
- [82] Thinggard, F. & Damkier, J. (2008). Has financial statement information become less relevant? Longitudinal evidence from Denmark. *Scandinavian Journal of Management*, 24, 375-387, DOI:10.1016/j.scaman.2008.06.001.
- [83] Werner, E. M. (2011). The value relevance of pension accounting information: evidence from „Fortune” 200 firms. *Review of Accounting and Finance*, 10(4), 427-458, DOI:10.1108/14757701111185362.
- [84] Yamaji, N. (2002). The value relevance of consolidated versus unconsolidated accounting information in Japan. *Asian Academic Accounting Association*, 3rd Annual Conference in Nagoya, Japan, October, 1-10.

