THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

A Review on the Literature of Value Relevance of Financial and Accounting Variables

Swati Dhaval Modi
Associate Professor, Department of Management
GLS (J.P Shah) Institute of Business Administration, Law garden, Ellis Bridge, Ahmedabad, India

Abstract:
There have been numerous pragmatic and practical studies which have talked about value relevance in developed countries and now there is a growing literature of value relevance for the emerging economies too. The various studies have been conducted to test the value relevance of earnings and its association with the value of equity. Different stock markets have different value relevance. The aim of this paper is to review the studies relating to accounting information, the methodologies used and summarizing the results. This would provide a set of guidelines for future research. Various past studies have investigated the association between accounting numbers and stock prices and many of them has shown that this association is declining over time but at the same time there are contradictory views declaring and affirming the claim that accounting information is losing its value relevance is precipitate and early.
The studies related to value relevance have not been new and exists from over 40 years. It is important and requires more insight about the inclusion of intangible assets as non reporting of such assets in the financial statements is becoming the major cause of declining relevance.

Keywords: *Value relevance, accounting information, intangible assets, financial statements*

1. Introduction

Capital Markets is the most significant source to reach the optimized allocation of society resources. It mobilizes and channelizes the savings into productive activities. It is the foundation of an economy and plays a vital role in the economic growth of a country. It links the savers and investors and promotes growth on a sustained basis. In capital market, information plays a very important role, may it be financial information or non financial information which ultimately has an effect on the investor.

Value relevance refers to the capacity of information to influence the decision making process of users. The users should be in a position to make predictions about the future with the available information. Information in order to be relevant should be made available to the user before it loses its capacity to influence decisions and therefore it should be apt and well-timed. Not only this, information should also be reliable that is free from bias and error.

The value relevance research provides evidence as to whether accounting numbers relate to corporate value in a predicted manner (Beaver 2002). The value relevance literature explains how well accounting amounts reflect information used by equity investors, and provides insights into questions of interest to standard setters.

The value relevance research is useful to the investors and also to the accounting standard setters. The objective of value relevance research is to find the company's financial statements are providing the investors with valid, adequate and reliable accounting information or not for decision making. It provides the statistical association measures whether investors actually use the information in question in setting prices or not.

2. Concept of Value Relevance

"Holthausen and Watts, (2001) indicated that the valuation research which aims at investigating the empirical relation between stock market values and particular accounting numbers for the purpose of assessing an accounting standard are broadly categorized as the 'value relevance' literature".

Various academicians Penman (1989), Harris and Ohlson (1990), Francis and schipper (1999), Barth, Beaver and Landsman(2001) have given their interpretation of the term value relevance. However the key commonality in all the definitions remains that an accounting amount is deemed to be value relevant if it has a significant association with equity market value.

According to "Ou and Penman,(1989,1996) and Harris and Ohlson(1990), The variable is value relevant if it enables the prediction of stock price by capturing the intrinsic value of the stock and therefore value relevance is measured as the profits generated from implementing accounting based trading rules".

According to “Beaver (2002), value relevance research investigates the association between a security price dependent variable and a set of independent accounting variables”.
Value Relevance means the accounting amount is associated with some measure of value. In simple words it implies ability of the financial information contained in the Financial Statements to explain the stock market measures. Simplifying it still further by value we mean creation of wealth and relevance means the information that has the ability to influence decisions.
In one of the study by Elen Svensson and Andreas Larsson(2009) titled “Value relevance of accounting information- A Swedish Perspective”, Gothenburg university spring 2009- value relevance is ability of accounting figures to capture and summarize information that affects stock prices.
According to “Kees Cools, C. Mirjam van Praag , Information disclosed by an event is value relevant if it updates investors beliefs about the value of the firm. This definition is consistent with earlier studies (e.g. Shevlin, 1996; Heflin and Shaw, 2000).
From the literature we can say that value relevance is not just the ability of accounting information but also of non financial information which is available to equity shareholders directly or indirectly and that affect stock prices.
The literature on value relevance can broadly be divided into Financial and accounting variables and non financial variables. When we further consider the financial variables it can be further classified into Earnings, book value, dividends and cash flows, Accruals and relevance of financial statements. There is also another category which talks about the declining relevance of financial and accounting variables.
Though Value relevance literature is so mature it has been criticised as it relies on the assumption that the accounting standard is preferred if it has a significant association with the market value.

3. Review of Accounting Information

“Nilsson (2003) mentioned that there is a large body of literature studying the relationship between accounting information and the stock market because of the importance of accounting information to equity investors”.
“ Ball and Brown (1968) were the first to bring to light the relationship between stock prices and information disclosed in the financial statements”. They were the pioneers for studying the relationship between earnings and returns and showed a significant relationship between them. This study was path breaking and since then various studies were undertaken in various aspects of value relevance. Following this study various studies were done in the developed countries and the results confirmed the positive association between stock returns and earnings.
The other break through study was done by “Ohlson (1995) who depicted in his work that the value of a firm can be expressed as a linear function of book value, earnings and other value relevant information.” Ohlson (1995) models became the focal point of most accounting based research.
Amir et al. (1993) were the first to use the term “value relevance” in the context of information content of accounting figures. An accounting figure or accounting ratio is value relevant if it has the significant strong predicted association with the stock prices and stock market indicators such, price-earnings (P/E) or price to book (P/B) ratios.
The primary purpose of the value relevance studies is to find whether the financial statements published by the companies provides the investors and other stake holders the necessary, reliable and qualitative information for decision making or not. There has been an increase in the research of value relevance of financial statements as listed companies use Financial statements to communicate with the various stakeholders and moreover lot of emphasis has been done by the various regulatory authorities on improving the quality and transparency of the financial reporting. The statistical association measures whether investors actually use the information in question in setting prices or not. According to the International Accounting standard Board 1989, the purpose of financial statement is to provide information about the financial position of the company which is useful to the investors and if the information is useful to the investors it would be of help and of need to other users also. “Hendricks (1976) mentioned the main purpose of the financial statements is to provide information about a company in order to make better decisions for users particularly the investors.”
“Germon and Meek (2001) stated that financial statements should also increase the knowledge of the users and give a decision maker the capacity to predict future actions.”
“ Oyerinde D.T.,(2009) described financial statement as an indispensable requirement for stock market growth”.
Dung (2010) tested the value-relevance of financial statement information on the Vietnamese stock market. The results showed that the value relevance of accounting was statistically meaningful, though somewhat weaker than in other developed and emerging markets.
According to Dechow (1994), earnings had a stronger association with returns as compared to cash flows. The other study by cheng et al (1996) also asserted that both earnings and earnings changes are value relevant.
Studies by Kothari (2001), Haley and Palepu (2001) have extensively reviewed studies examining the relation between accounting information and security prices. These studies concluded that financial reports provide new and relevant information to investors although the relevance has considerably come down.
Value relevance of book value, earnings and cash flows has also been studied by Gee Jung and Kwon (2009) in Korean stock market, and he stated that book value is the most value relevant variable and cash flow is more value relevant than earnings. Lev (1989) finds that the correlation between earnings and stock returns is very low and instable over time. The value relevance research for earnings also affected by the quality of earnings. Persistence in earnings determines the quality of it. It is a fact that higher the persistence and consistency in earnings higher would be the quality of earnings. A firm’s earnings are more value relevant if they are permanent and less volatile.

"Brief and Zarowin, in their study on value relevance of dividends, book value and earnings, pointed out that the variables, book value and dividends, have almost the same explanatory power as book value and reported earnings." "Hartono (2004) examines the effect of a sequence of positive and negative dividend and earning information on stock prices." Data for this study was collected from Centre for Research in Security Prices (CRSP) tapes in the US from 1979 to 1993. Results show that the positive recent earning information has significant relation with stock prices when it follows negative dividend information, and the negative recent earning information has significant relation with stock prices when it follows positive dividend information. "Molodovsky (1995) discussed dividends as the hard core of stock value." In the generating and communicating of wealth of companies, accounting plays a very important role and the information associated with it should reach to the investing community.

"Martani, Mulyono and Khairurizka (2009) in their study titled "The effect of financial ratios, firm size and cash flow from operating activities in the interim report to the stock return" examined the value relevance of accounting information in explaining stock return." The study used profitability, liquidity, leverage, market ratio, size and cash flow as proxy of accounting information. The samples of the study are listed companies in manufacturing industries that actively trading in period 2003-2006 on Indonesia Stock Market. The study finds that NPM, ROE, DER, PBV have positive effect to the market adjusted return as stock return variable.

Ball and Brown (1968) and many more have examined the value relevance of book value, earnings and cash flows. A lot of studies report that book values and earnings have significant information content in equity valuation (Lev 1989; Ou and Penman 1989; Barth 1991; Easton and Harris 1991; Penman 1991; Easton, Harris and Ohlson (1992); Ou and Penman 1993; Dechow 1994; Ohlson 1995; Feltham and Ohlson 1995; Penman 1996; Barth and Kallapur 1996; Easton 1999 et.al.).

"Abhijit Dutta (2001) has examined the investors reaction to information using primary data collected from 600 individual investors and observes that the individual investors are less reactive to bad news as they invest for longer period."

Various studies have tried to associate the accounting variables with the share price but the results are mixed and do not lead to any firm conclusions. Studies relate to the developed nations has a mixed result where as studies relating to developing economies like Nigeria, Srilanka, Vietnam, India, shows the accounting variables or information is value relevant.

Few important value relevance studies are discussed below in tabular form:

Author	Purpose	Methodology	Result
Jamal Barzegari Khanagha	It examines the value relevance of accounting information in pre and post periods of International Financial Reporting Standards implementation.	Regression coefficient of variations and the portfolio-returns approaches.	The results obtained from a combination of Regression and portfolio approaches, show accounting information are value relevant in UAE stock market.
Michalis Glezakos	To examine the effect of the accounting information on the Athens Stock Exchange (ASE),	Regression and coefficient of determination	The results shows that the explanatory power of earnings and book value in the formulation of prices increases over time. They also found that, in the last years, earnings appear to play an increasingly diminishing role in the Interpretation of stock prices, compared with the book value. In an attempt to interpret this finding, it is assumed that Investors strive more towards fundamental parameters of businesses, than stock market data.
Nguyen Viet Dung	The paper tests the value-relevance of financial statement information on the Vietnamese stock market.	Ohlson's model (1995)	financial statement information is related to stock prices in Vietnam, the results show that this relationship is statistically meaningful, though somewhat weaker than in other developed and emerging markets. In addition, there is sign that earnings and book value are reflected in stock prices with a time lag and the value-relevance of earnings becomes much higher during stock market boom periods.
Gee-Jung, Kwon (Corresponding author)	The purpose of this paper is to investigate the relative and incremental value relevance of book value, earnings and	Use of a generalized version of the Ohlson (1995) model	The results of the paper indicate that book value is the most value relevant variable and cash flows have more value relevance than earnings.

	cash flows in security prices.		
Vijitha P. and Nimalathasan B.	The purpose of the research is to provide empirical evidence concerning value relevance of accounting information such as Earning per Share (EPS), Net Assets Value Per Share (NAVPS), and Return On Equity (ROE) and Price Earnings Ratio (P/R) to Share Prices (SP) of manufacturing companies in Colombo Stock Exchange (CSE).	Regression Analysis	Research revealed that the value relevance of accounting information has the significant impact on share price and value relevance of accounting information is significantly correlated with share price.
Sushma Vishnani and Bhupesh Kr. Shah	The purpose is to determining the value relevance of financial reporting and study the impact of impact of financial reporting by listed companies on the market prices of their shares.	Regression Models	Ratios based on these financial statements show significant association with stock market indicators. The results also shows negligible value being added by cash flow reporting.
R.A.A.S. Perera, S. S. Thrikawala,	The study attempts to address the relevance of accounting information on investor's stock market decisions in commercial Banks registered under Colombo Stock Exchange (CSE) in Sri Lanka. The data analysis was based on the accounting information. It covers a period of 5 years from 2006 to 2009.	Regression analysis is used. The relevance of accounting data was measured by correlation coefficient between Market Price per Share (MPS) and selected accounting information such as Earning per Share (EPS), Return on Equity (ROE) and Earning Yield (EY).	study indicate that the Earning per Share, Earning Yield and Return on Equity has not declined its value relevance. Further it explained that investors react according to the aggregate of accounting information which published in financial statements. According to the findings there is a relationship between Accounting Information and Market Price per share.
Leif Atle Beisland	The purpose of this study is to investigate the combined effect of accounting for the sign of earnings and disaggregating earnings in value relevance research. This study focuses on the difference between	Regression analysis of stock returns	The paper presents evidence that value relevance as measured by the explanatory power of regression analysis more than doubles if both the sign and the disaggregation effect are incorporated into the analysis.

	positive and negative earnings.		
Nadana Abayadeera	To test the value relevance of financial and non-financial information in high-tech industries in Australia.	Ohlson model(1995)	The overall results provide evidence that book value is the most significant factor and earnings are the least significant factor in deciding share prices in high-tech industries in Australia. This research proved that voluntary disclosures of intangible assets are value relevant.

Table 1

4. Review of Lost Relevance

There have been various pragmatic and rational studies recently which have shown that accounting information has lost its relevance to investors. For financial statements to be value relevant, they should be accurate and transparent so that it provides the right picture to stake holders about the position of the business. We can also not ignore the fact that investor's focal point is non financial information, short term capital gains, in addition to published accounting information, and there is something called market sentiment and speculative events which affect the investor's decision. However all such information is not reflected in the financial statements and hence accounting information has lost its relevance over the past few decades.

Financial statements are still considered to be the base and key resource to obtain realistic information on companies. In spite of their widespread use and lasting advance, there is some fear that accounting theory and practice have not kept pace with rapid economic changes and high technology changes (Meyer C., 2007)

Research has examined whether the relevance of financial statement information to the capital markets has diminished over time. Although the results of this research are mixed, there is no strong evidence of a decline in the value relevance of financial statement information, even if only new economy (e.g., high technology) stocks are considered. Additionally, while some studies document a decline in the value relevance of financial relevance, there doesn't appear to be major changes in the structure of the model mapping financial information into stock values.

Various studies have talked about the lost relevance of financial and accounting information and the reasons cited for it in general are change in technology, changing business environment, transformation of industrial economy to knowledge based economy and the growth in service economies has also led to increase in the intangibles which are not adequately disclosed or recognised in the financial statements and hence becomes the major reason for the loss of value relevance of financial statements. "Ball and Brown (1968), Oyerinde D.T., (2009) Accounting Information in published financial statements has lost their relevance over the period of time."

Studies in the USA and Australia documented that the value relevance of earnings has declined over the last few decades (Amir and Lev, 1996; Lev, 1996; Goodwin and Ahmad, 2006). " Amir and lev (1996) reported that the accounting measurement and the reporting system is not properly equipped is one of the reasons for the decline and the other reason being the treatment of intangibles as they are expensed it leads to the depressed earnings."

"Lev and Zarowin (1999) argued that the failure to include intangible assets in the financial statements is partly responsible for the decline (loss) of relevance of accounting numbers, both in current assessment of stock prices and in forecasting returns."

There have been studies by Amir and Lev (1996), Ittner and Larcker (1999), and Deng, Lev and Narin (1999) explaining the reasons for the difference between corporate market value and book value. Amir and Lev drew the attention towards the treatment of investments in intangibles like research and development and brand development as expenses or as deferred charges which leads to the under estimation of earnings by industries like telecommunications, software, bio technology resulting in negative values and lowering of earnings and book values and therefore the traditional financial statements do not have the competence to evaluate such industries.

"Lev and Zarowin (1999) clarified that the reported earnings, cash flows, and book (equity) values have been losing usefulness over the past 20 years because the business environments were drastically changed by R&D and other factors."

"Cañibano and Sanchez, (1992) stated that the traditional accounting model is not sufficient because innovative activities are not considered as strategic variables. Technological development is a challenge for accounting not only in the area of financial reporting, but also in the realm of management control."

"Guthrie J., (2007) has found that financial statements are considered as the least effective means of communicating information in United Kingdom".

While there have been a number of studies on this topic internationally (Ball and brown 1968, Francis & Scghipper, 1999, Vishnani S., Shah B.K., 2008, Dontoh A., Radhakrishnan S., Ronen J., 2000, Dung N.V., 2010, Hadi M.M., 2004, Oyerinde D.T., 2009), in Indian scenario it is still not much explored. One study by Sharma, Anil K.; Kumar, Satish; Singh, Ramanjeet, titled "Value relevance of Financial Reporting and its Impact on stock prices: Evidence from India" aimed to examine the value relevance of financial statements using the ordinary least square method of the sample of non financial CNX 100 companies listed at NSE revealed that value relevance of financial statements per se is negligible in Indian markets. Though the ratios based on financial statements showed significant association with stock market indicators. The return on net worth (RONW) is found to be the most significant and useful measure for investment decision in this study.

It's a fact that investors do consider the information other than contained in financial statements and it does affect the financial and investment decisions of the investors. Investors are sometime speculative and want to have huge gains in short span.

5. Observations

- In testing the value relevance of accounting numbers, book value, earnings and net income have been the most important and leading variables in value relevance literature.
- Most of the studies have shown the positive association between the accounting variables and share price. The studies have used the well established valuation models provided by Ohlson (1995)
- Book value is more dominant compared to earnings in most of the studies and Collins et al(1997) noted a inverse relationship between value relevance of earnings and book values. Swati (2014) stated Book value is considered significant because it serves as a indicator for a company's ability to avoid bankruptcy as it is based on reserves of the company.
- The variables like cash flows, accruals and dividends have been used in addition to book value and earnings in order to determine the relevance of the financial statements.
- Bernard(1995) compared the model of share price based on dividend only with the model based on book value and earnings and found that the book value and earnings are more dominant compared to dividends. On the contrary hand and landsman (1995), Zarowin (1999) found that information content is more with dividends and dividends are having more value when earnings are temporary.
- The literature reveals that the value relevance of accounting information is severely underestimated in traditional value relevance studies. The literature also suggest that the association of variables improves if the earnings are disaggregated into components like cash flow and accrual items and if it is sign dependent as revealed in studies conducted by Barth, Beaver, Hand and Landsman, ohlson and penman.
- As "Goldfinger (1997) states, the source of economic value and wealth is no longer the production of material goods but the creation and manipulation of intangible assets." In this scenario, firms feel a growing need to make investments in intangibles, that in most cases are not reflected in the balance sheet but on which the future success of the company is based to a large extent. As a consequence, financial statements are becoming less informative on the firm's current financial position and future prospects (Lev and Zarowin, (1998).

6. Conclusion

Various studies have tried to associate the accounting variables with the share price but the results are mixed and do not lead to any firm conclusions. Moreover there is perplexity as to what accounting variables to be included in testing the value relevance.
Studies relate to the developed nations has a mixed result where as studies relating to developing economies like Nigeria, Srilanka, Vietnam, India, shows the accounting variables or financial information is value relevant. The accounting relevance differs from country to country because of the difference in macroeconomic environment, tax structure, accounting body, accounting standards etc.
Value relevance of information largely depends on the quality of reported financial information.
The results of declining value relevance has been mixed and have created a notion that financial statements are losing the value relevance because of transformation of industrial economies to service economies.

7. References

1. Amir, E., Harris, T. S., & Venuti, E. K. (1993), "A comparison of the value-relevance of US versus non-U.S. GAAP accounting measures using Form 20-F reconciliations", Journal of Accounting Research, 31, 230–264.
2. Amir, E., 1993, "The market valuation of accounting information: The case of postretirement benefits other than pensions." The Accounting Review 68, 703–724.
3. Amir, E. and B. Lev 1996, "Value relevance of non financial information: The wireless communication industry," Journal of Accounting & Economics 22(1-3),3-30.
4. Barth, M. (1991), "Relative measurement errors among alternative pension assets and liability measures", The Accounting Review, 69, 1-25.
5. Barth, M. E., and S. Kallapur (1996), "The effects of cross-sectional scale differences on regression results in empirical accounting research", Contemporary Accounting Research vol 13, 527–567.
6. Ball R., Brown P (1968), "An empirical evaluation of accounting numbers", Journal of Accounting Research, Vol 6, pp 159-177.
7. Beaver (2002), "Perspectives on Recent Capital Market Research", Accounting Review vol 77, 453-474.
8. Bernard V. L(1995), " The Feltham-Ohlson Framework: Implications for Empiricists",
9. Contemporary Accounting Research, vol. 11, 1995, p. 733-747.
10. Brief, Richard P. and Zarowin, Paul (1999), "The Value Relevance of Dividends, Book Value and Earnings", New York University Dept. of accounting Working Paper No. 99- Available at SSRN.
11. Canibano, L and MP Sanchez, (1992), El Desarrollo technologic: un retoparala contabilidad, Revista Espanola de Financiacion y Contabilidad, vol XXI, abril- junio, p 329-346.
12. Cheng, A., Liu, C.S. and Schaefer T(1996) "Earnings permanence and the incremental information content of cash flows from operations," Journal of Accounting Research, Vol 34: 173–181.

13. Collins, D. W., Maydew, E., L., & Weiss, I. S. (1997), "Changes in the value-relevance of earnings and book values over the past forty years", Journal of Accounting and Economics, vol 24 (1), 39-67.
14. Dutta, Abhijit (2001), "Investors Reaction to the Good and Bad News in Secondary Market: A study relating to investors behaviour", Finance India, 567-576.
15. Deng, Z., B. Lev, and F. Narin (1999), "Science and Technology as Predictors of Stock Performance." Financial Analysis Journal 55(3), 20–32 (1999).
16. Dechow, P. M. (1994) "Accounting earnings and cash flows as measures of firm performance: the role of accounting accruals", Journal of Accounting and Economics, 18, 3-42.
17. Dontoh, A., Radhakrishnan S. and Ronen J., (2000), The declining value relevance of accounting information and non information based trading: an empirical analysis, working paper (university of New York)
18. Dung, N. V. (2010) "Value-Relevance of Financial Statement Information: A Flexible Application of Modern Theories to the Vietnamese Stock Market", Paper presented at the Development and Policies Research Center, Vietnam.
19. Easton, P. (1999), "Security returns and the value relevance of accounting data", Accounting Horizons, 13, 399-412.
20. Easton, P. & Harris, T. (1991), "Earnings as an explanatory variable for returns", Journal of Accounting Research, 29, 19-36.
21. Easton, P.D., Harris, T.S., & Ohlson, J. (1992), "Aggregate accounting earnings can explain most of security returns", Journal of Accounting and Economics, 15, 119-142.
22. Francis J and K Schipper (1999), "Have Financial Statements Lost their Relevance?", Journal of Accounting Research, Vol.37(2), pp.319-52.
23. Guthrie J., (2007), "The death of the annual report" Working paper. University of Sydney.
24. Germon, H., Meek, G.., (2001), "Accounting: An international perspective", McGraw Hill.
25. Gee-Jung, Kwon (Corresponding author), "The Value Relevance of Book Values, Earnings and Cash Flows: Evidence from Korea" International Journal of Business and Management Vol 4,no 10 oct 2009
26. Goldfinger, C (1997), "Understanding and Measuring the Intangible economy: Current status and suggestions for future research." CIRET seminar, Helsinki
27. Hadi MM,(2004) "The importance of accounting information to the investors in banking sector in Kuwait", Working paper, university of Kuwait
28. Harris,X and J Ohlson(1990), "Accounting Disclosures and the Market's Valuation of oil and Gas properties: Evaluation of market efficiency and functional fixation," The Accounting Review,764-800
29. Hartono, Jogiyanto. (2004), "The Recency Effect of Accounting information," Gadjah Mada International Journal of Business, Vol. 6 No. 1, p85-116.
30. Healy, P. M. and Palepu, K.G. (2001), "Information Asymmetry, Corporate Disclosure and the Capital Markets : A Review of the Empirical Disclosure Literature" Journal of Accounting and Economics, Vol 31: 405–440
31. Hand, J. R(2001), " Discussion of Earnings, Book Values, and Dividends in Equity Valuation: An Empirical Perspective", Contemporary Accounting Research, vol. 18, n. 1, 2001, p. 121- 30.
32. Hand, J. R. M.; Landsman, W. R (1998), " Testing the Ohlson Model: v or not v, that is the
33. Question", Working Paper, University of North Carolina at Chapel Hill.
34. Hand, John and Wayne Landsman (1999), "The Pricing of Dividends in Equity Valuation",working paper, University of North Carolina.
35. Heflin, F. and K. Shaw (2000), " Blockholder ownership and market liquidity", Journal of Financial and Quantitative Analysis, 35(4), 621-633.
36. Hendrick J.A., (1976), "The impact of human resources accounting information on stock investment decisions-An empirical study." The accounting review, Vol 51(2), pp
37. 292.
38. Holthousen, R.W. & Watts, R.L (2001), "The relevance of the value relevance literature for financial accounting standard setting" Journal of Accounting and Economics 31 (2001).
39. Ittner, C., and D. Larcker (1998), "Are nonfinancial measures leading indicators of financial performance? An analysis of customer satisfaction", Journal of Accounting Research 36
40. (Supplement), 1-46.
41. Jamal Barzegari Khanagha "Value Relevance of Accounting Information in the United Arab Emirates" International Journal of Economics and Financial Issues Vol. 1, No. 2, 2011, pp.33-45 ISSN: 2146-4138 www.econjournals.com
42. Kothari, S.P. 2001. "Capital markets research in accounting," Journal of Accounting and Economics Vol 31: 105–231.
43. Kees Cools, C. Mirjam van Praag(2007), "The value relevance of top executive departures: Evidence from the Netherlands" University of Groningen, the Netherlands University of Amsterdam, The Boston Consulting Group Tinbergen Institute, the Netherlands
44. Lev, B. (1989), "On the Usefulness of Earnings and Earnings Research: Lessons and Directions from Two Decades of Empirical research," Journal of Accounting Research Vol 27 (Supplement) : 153-193
45. Lev, B. and Zarowin, P. (1999). "The boundaries of financial reporting and how to extend them," Journal of Accounting Research, 37(2), pp. 353–385.

46. Leif Atle Beisland (2010) “Is the Value Relevance of Accounting Information Consistently Underestimated?”The Open Business Journal, 2010, 3, 1-7 1
47. Martani, Mulyono and Khairurizka (2009), “The effect of financial ratios, firm size and cash flow from operating activities in the interim report to the stock return” Chinese business review, issn 1537-1506,USA vol 8, no 6 jun 2009 serial no 72
48. Molodovsky, Nicholas (1995),“A Theory of Price-Earnings Ratios,” Financial Analysts
49. Journal, 51(1), 29-43.
50. Meyer, C., (2007), “Share holder value accounting-the value relevance of financial statements data and the determinants of accounting methods choices”, http://www.research.unizh.ch. (08.03.2010).
51. Michalis Glezakos (2012) “The Impact of Accounting Information on Stock Prices: Evidence from the Athens Stock Exchange”International Journal of Economics and Finance Vol. 4, No. 2; February 2012
52. Nguyen Viet Dung (2010) “Value-Relevance of Financial Statement Information: A Flexible Application of Modern Theories to the Vietnamese Stock Market” Deposen Working Paper Series No. 2010/02
53. Nadana Abayadeera (2010) “Value Relevance of Information in Hi-tech Industries in Australia: Accounting Information and Intangible Asset Disclosures” Global Review of Accounting and Finance, Volume 1. Number 1. September 2010 Pp. 77 - 99
54. Nilson, H.(2003), “ Essays on the Value Relevance of Financial Statement Information”, Working Paper, print and media 2003.
55. Ohlson, J. A. (1995), “Earnings, book values and dividends in equity valuation”, Contemporary Accounting Research, vol 11,661-87.
56. Oyerinde D.T.,(2009), “Value relevance of accounting information in emerging stock market in Nigeria”, Proceedings of the 10th Annual International Conference, International Academy of African Business and Development (IAABD), Uganda.
57. Ou, J.,and S.Penman(1989) “Accounting Measurement, Price Earnings Ratio, and the Information Content of Security prices”, Journal of Accounting Research,111-152.
58. Ou, J. A. & Penman, S. H. (1993) “Fundamental statement analysis and the evaluation of market-to-book ratio”, Working Paper. Santa Clara, CA: Santa Clara University.
59. Penman, S. (1991), “ An evaluation of accounting rate of return”, Journal of Accounting, Auditing and Finance, vol 2,233–256.
60. Penman, S. (1996), “ The articulation of price-earnings ratios and market-to-book ratios and the evaluation of growth,” Journal of Accounting Research, 34, 235-259.
61. R.A.A.S. Perera, S. S. Thrikawala, “An empirical study of the relevance of accounting information on investor’s decisions”
62. http://www.kln.ac.lk/fcms/ICBI2011/images/ICBM/dccs/Microsoft%20Word%20-%20FIN002.pdf (19-11-2014 at 9.30)
63. Swati Modi ,Bharti V Pathak (2014) “A Study on Value Relevance of Financial/Accounting Variables” Emerging Paradigms in Corporate Finance and Regulatory Framework ISBN: 978-81-923049-3-9
64. Sharma et al (2012), “Value Relevance of Financial Reporting and its Impact on stock prices: Evidence from India”, South asian Journal of Management, vol. 19, no 2, April- june 2012.
65. Shevlin, T., (1996), “The value-relevance of non-financial information: a discussion”, Journal of Accounting and Economics 22, 31-42.
66. Sushma Vishnani and Bhupesh Kr. Shah(2008) “Value Relevance of Published Financial Statements- with Special Emphasis on Impact of Cash Flow Reporting” International Research Journal of Finance and Economics, ISSN 1450-2887 Issue 17 (2008)
67. Vijitha P. and Nimalathasan B(2001) “Value relevance of accounting information and shareprice: A study of listed manufacturing companies in SriLanka” Merit Research Journal of Business and Management Vol. 2(1) pp. 001-006, January, 2014 Available online http://www.meritresearchjournals.org/fst/index.htm