

Essays on the Informativeness of Earnings

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Certificate of Original Authorship

I, Alex Tong, declare that this thesis is submitted in fulfilment of the requirements for the award of Doctor of Philosophy, in the Accounting Discipline Group at the University of Technology Sydney.

This thesis is wholly my own work unless otherwise referenced or acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

This document has not been submitted for qualifications at any other academic institution.

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Abstract

This dissertation consists of three stand-alone but related essays in the broad area of earnings information and capital markets. The first paper examines the speed with which earnings information (as proxied by analysts' earnings forecast updates) finds its way into the market place. Rather than examining the efficiency of the stock market per se, this essay effectively provides novel evidence on the extent to which the market for Australian firms' earnings-related information is efficient. The second essay considers the extent to which statutory financial reporting provides timely information for Australian firms. This essay uses a method which has the important advantage of avoiding the need to specify ex-ante earnings expectations and is therefore focussed around how much periodic stock price variability is attributable to the specific windows (i.e., periods) around which earnings are released. The third and final essay applies this same methodology to considering whether the frequency of statutory reporting (i.e., semi-annual versus quarterly) is systematically associated with the informativeness of these disclosures and uses data from member countries of the G20.