

# Accepted Manuscript

Title: Analyst forecasts and stock price informativeness: some international evidence on the role of audit quality

Author: Chee Seng Cheong, Ralf Zurbrugg

PII: S1815-5669(16)30049-2

DOI: <http://dx.doi.org/doi: 10.1016/j.jcae.2016.09.002>

Reference: JCAE 93

To appear in: *Journal of Contemporary Accounting & Economics*

Received date: 5-3-2015

Revised date: 9-8-2016

Accepted date: 10-8-2016

Please cite this article as: Chee Seng Cheong, Ralf Zurbrugg, Analyst forecasts and stock price informativeness: some international evidence on the role of audit quality, *Journal of Contemporary Accounting & Economics* (2016), <http://dx.doi.org/doi: 10.1016/j.jcae.2016.09.002>.

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## Analyst forecasts and stock price informativeness: Some international evidence on the role of audit quality

Chee Seng Cheong\* and Ralf Zurbruegg

University of Adelaide Business School

### Abstract

This paper examines the role that audit quality has on the type of information analysts impound into stock prices across a sample of developed and emerging markets. Specifically, we investigate the amount of firm-specific versus market-wide information analysts reveal by analyzing stock return synchronicity. We find that irrespective of the disclosure regime in place, less firm-level information reaches the market if the enforcement of the accounting standards is weak. Furthermore, we also show that information asymmetries are heightened between the firm and market when the audit regime is weak.

*Keywords:* Financial analysts, information asymmetry, audit quality, emerging markets

*JEL Classification:* G14

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The authors are grateful for the feedback and guidance provided by Ferdinand A. Gul, Vernon J. Richardson, Keshab Shrestha, participants at both the 2015 JCAE conference and seminar at Monash University (Malaysia), as well as participants at the 2015 JCAE Mid-Year Symposium (Australia). In particular, we wish to express our gratitude to the discussant (Marius Matei) and our initial anonymous reviewer of the JCAE Mid-Year Symposium for their in-depth comments. All errors, however, remain solely that of the authors.

\* Corresponding author. Email: [chee.cheong@adelaide.edu.au](mailto:chee.cheong@adelaide.edu.au), Tel: +61 8 8313 0356, University of Adelaide Business School, University of Adelaide, SA 5005, AUSTRALIA

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