

## Value Relevance of Accounting Information: Empirical Evidence from China

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**Abstract :** This paper examines the relevance of accounting information to stock prices at different periods using manufacturing companies listed in China's Growth Enterprise Market (GEM). We find that both the average stock price at fiscal year-end and the average stock price one month after fiscal year-end are more relevant to the accounting information than the closing stock price four months after fiscal year-end. This implies that Chinese stock markets react before the public disclosure of accounting information, which may be due to information leak before official announcements. Our findings confirm that accounting information is relevant to stock prices for Chinese listed manufacturing companies, which is a critical question to answer for investors who have interest in Chinese companies.

**Keywords :** accounting information, response time, value relevance, stock price

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