

A new approach to accounting disclosure

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ABSTRACT

This paper aims at contributing to the growing literature interested in how to improve or to better interpret accounting information in nowadays business world. Lev and Gu (2016) shed light on a problem which already existed in the Accounting, Finance and Management world. This paper provides an accurate understanding of the issues surrounding the topic of accounting disclosure, both from an academic and industry perspective. It describes the proposed solutions and presents a final discussion. The paper tries to help contributing to probably one of the most important debates the accounting profession is facing.

Classification JEL: G30, M41.

KEYWORDS

Accounting information, disclosure, relevance, Strategic Resources and Consequences Report

RESUMEN

Este artículo tiene como objetivo contribuir a la creciente literatura interesada en cómo mejorar o interpretar la información contable actual. Lev y Gu (2016) arrojan luz sobre un problema que existe

desde hace mucho tiempo en el mundo de la contabilidad, las finanzas y la gestión. Para ello, se propone un modelo para informar mejor sobre los factores clave de éxito de la empresa. Con esta propuesta se trata de contribuir a uno de los debates más importantes que tiene en la actualidad la profesión contable.

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PALABRAS CLAVE

Información contable, divulgación, relevancia, informe de recursos estratégicos y consecuencias.

1. Introduction

Nowadays' world is characterised by the increasing presence of highly innovative companies whose strengths lie in their ability to disrupt the market. A classic example of such companies would be Apple. Service companies, such as banks and insurance companies, just to mention two kinds of companies belonging to the business service field, keep playing a key role in society, allowing businesses to operate and invest in their profitable projects. Generally speaking, it seems like creativity is coming back as an invaluable skill in order to succeed. Indeed, many innovative companies abandoned a very hierarchical structure in order to allow its employees creative moments to contribute to the development of new ideas.

All changes come with challenges associated with them and in this particular case probably the biggest challenge is for the standard setters and regulators to make sure investors have valuable and clear information available to make appropriate investment decisions. Unfortunately, according to the evidence provided by Lev and Gu (2016), it seems that regulators have failed in this task. Although there have been some meaningful discussions related to the topic. For example, the issue related to R&D capitalisation, there is still a relevant gap between the actual value of a company and what investors can abstract from the financial statements. Companies are trying to provide such relevant information to investors in several ways, for instance by providing long and detailed footnotes, or by using other communication means to convey their innovations or strategic advancements. In fact, it is now common practice for corporations to engage in communications

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