

Reporting Financial Performance

Richard Barker

+ [Author & Article Information](#)

Accounting Horizons (2004) 18 (2): 157-172.

<https://doi.org/10.2308/acch.2004.18.2.157>

Views 

Share 

Tools 

Cite 

Income, expenses, gains, and losses with similar informational properties can, in principle, be aggregated and presented as subsets of comprehensive income without losing information. Of particular importance is the splitting of comprehensive income into earnings and all other items. Earnings is typically conceptualized as an aggregation that excludes items that are nonoperating, nonrecurring, or outside management's control. This paper analyzes the concept of earnings and finds that it cannot be defined satisfactorily for the purposes of an accounting standard. The paper proposes an alternative approach to the reporting of financial performance, which provides a useful disaggregation of comprehensive income without attempting to define earnings. This approach is based upon the separate presentation, in a matrix format, of remeasurements, which are amounts resulting from revisions to the carrying amounts of assets and liabilities. This approach is shown to parallel the concept of earnings in its predictive and feedback properties, yet it is also shown to have additional benefits. In particular, the proposed approach has a relatively objective, consistently applied measurement basis, it displays clearly the effects of the mixed attribute accounting model, and it facilitates analysis of the effects of measurement subjectivity on reported financial performance. The analysis in this paper has been discussed extensively by the IASB and is expected, in due course, to form part of an IASB public consultative document.

This content is only available via PDF.

American Accounting Association

You do not currently have access to this content.

Sign in

Don't already have an account? [Register](#)

Member Login

[Skip to Main Content](#)

Log in

Pay-Per-View Access
\$25.00

AAA Members: Please log in for free access to content. Note, Teaching Notes are a full member benefit and are not available to student members.

 [Buy This Article](#)



[View Metrics](#)

Citing Articles Via

Google Scholar

CrossRef (72)

Email Alerts

Article Activity Alert

Publish Ahead of Print Alert

New Issue Alert



[Skip to Main Content](#)

Print ISSN: 0888-7993 **Online ISSN:** 1558-7975

[Information for Authors](#)

[Authorship Policy](#)

[Plagiarism Policy](#)

[Data Integrity Policy](#)

[Citing Corrected Articles Policy](#)

[Minimizing Overlapping Decision Rights Policy](#)

[Prior Publication Policy](#)



[Cookie Policy](#) [Accessibility](#) [Terms & Conditions](#) [Get Adobe Acrobat Reader](#)

© Copyright 1998 - 2023 American Accounting Association. All rights reserved.