



Do Supplementary Sales Forecasts Increase the Credibility of Financial Analysts' Earnings Forecasts?

Edmund C. Keung

+ [Author & Article Information](#)

The Accounting Review (2010) 85 (6): 2047–2074.

<https://doi.org/10.2308/accr.2010.85.6.2047>

Views 	Share 	Tools 	Cite 
---	---	---	--

ABSTRACT: This study examines whether the market reacts more strongly to earnings forecast revisions when financial analysts supplement their earnings forecasts with sales forecasts. I find that earnings forecast revisions supplemented with sales forecast revisions have a greater impact on security prices than do stand-alone earnings forecast revisions, controlling for the incremental information content in sales forecasts. Supplemented earnings forecasts are more accurate *ex post*, controlling for other individual analyst characteristics. Results are robust to controlling for earnings persistence and time effects. Taken as a whole, financial analysts are more likely to supplement their earnings forecasts with sales forecasts when they have better information. Supplementary sales forecasts appear to lend credibility to earnings forecasts because financial analysts provide sales forecasts when they are more informed.

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

Log in

[Skip to Main Content](#)

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

Web Of Science (51)

Google Scholar

CrossRef (75)

Email Alerts

Article Activity Alert

Publish Ahead of Print Alert

New Issue Alert



Print ISSN: 0001-4826 **Online ISSN:** 1558-7967

[Skip to Main Content](#)

[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 - 2025 American Accounting Association. All rights reserved.