

Economic Consequences of the Declining Relevance of Financial Reports

Nishi Sinha, John Watts

First published: 17 December 2002

<https://doi.org/10.1111/1475-679X.00033>

Citations: 7

Abstract

The proliferation of alternative information sources has reduced the relevance of corporate annual reports. This paper examines economic outcomes in an oligopolistic industry as investors become better informed but financial reports convey a smaller portion of the total information. Results show that an increase in alternate sources of information, and the resulting decline in relevance of financial reports, leads to a loss in economic efficiency despite the presence of additional information. Investors benefit, but at the expense of consumers and social welfare. Investors benefit not necessarily because the *amount* of information in the economy increases, but because there is a change in the *channels* through which the same information is communicated.

Citing Literature



[Download PDF](#)

ABOUT WILEY ONLINE LIBRARY

[Privacy Policy](#)

[Terms of Use](#)

[About Cookies](#)

[Manage Cookies](#)

[Accessibility](#)

[Wiley Research DE&I Statement and Publishing Policies](#)

[Developing World Access](#)

HELP & SUPPORT

Contact Us
Training and Support
DMCA & Reporting Piracy

OPPORTUNITIES

Subscription Agents
Advertisers & Corporate Partners

CONNECT WITH WILEY

The Wiley Network
Wiley Press Room

Copyright © 1999-2024 John Wiley & Sons, Inc or related companies. All rights reserved, including rights for text and data mining and training of artificial intelligence technologies or similar technologies.

WILEY