

Accounting and Business Research >

Volume 30, 2000 - [Issue 4](#)

272 | 25 | 0
Views | CrossRef citations to date | Altmetric

Articles

FRS3 earnings, Headline earnings, and accounting-based valuation models

Dr Stephen Lin & Martin Walker

Pages 299-306 | Accepted 01 Feb 2000, Published online: 27 Feb 2012

 Cite this article  <https://doi.org/10.1080/00014788.2000.9728947>

Sample our
Economics, Finance,
Business & Industry Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

 References  Citations  Metrics  Reprints & Permissions

[Read this article](#)

 Share

Abstract

This paper examines the joint and incremental explanatory value of book value per share and two measures of earnings per share (Headline and FRS3 EPS) for the cross-section of UK share prices. We find that Headline EPS explains a significant proportion of cross-sectional variation in share price. Book value per share contributes incremental explanatory value to the model, which is both statistically and economically significant. However, the incremental explanatory value contributed by FRS3 EPS is negligible. We conclude that FRS3 should be revised to encourage firms to report something like Headline EPS on a standardised basis in addition to FRS3 EPS.

 [Previous article](#)

[View issue table of contents](#)

[Next article](#) 

Related Research Data

[Linear Information Dynamics, Dividend Irrelevance, Corporate Valuation and the Clean Surplus Relationship](#)

Source: Accounting and Business Research

[The Pricing of Dividends in Equity Valuation](#)

Source: SSRN Electronic Journal

[Changes in the value-relevance of earnings and book values over the past forty years](#)

Source: Journal of Accounting and Economics

[UK EVIDENCE ON THE MARKET VALUATION OF RESEARCH AND DEVELOPMENT EXPENDITURES](#)

Source: Journal of Business Finance & Accounting

[The Impact of Dividends, Debt and Investment on Valuation Models](#)

Source: Journal of Business Finance & Accounting

[The information content of losses](#)

Source: Journal of Accounting and Economics

[UK Gaap](#)

Related research

People also read

Recommended articles

Cited by
25

[The determinants of voluntary disclosure of adjusted earnings per share measures by UK quoted companies >](#)

Martin Walker et al.

Accounting and Business Research

Published online: 28 Feb 2012

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2026 Informa UK Limited [Privacy policy](#)

[Cookies](#) [Terms & conditions](#) [Accessibility](#)

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG



Taylor & Francis
by informa