Cascino, Clatworthy, Gassen, García Osma and Imam:
The Usefulness of Financial Accounting Information: Evidence from the Field

Github repository: https://github.com/joachim-gassen/use_fai

Additional Analyses Unreported in the Paper

Table AMD1: Subject Demographics by Sample (Survey Experiment)

Panel A: Country of Work

Country of Work	Experimental Sample	Full Sample
Austria	2	2
Belgium	5	5
Canada	4	4
Croatia	1	2
Denmark	5	7
France	1	3
Germany	3	6
Italy	3	3
Norway	2	2
Portugal	1	1
Serbia	1	1
Spain	2	3
Sweden	2	3
Switzerland	5	6
United Kingdom	20	28
United States	5	5
Total	62	81

Fisher's exact test for differences between *Experimental Sample* and excluded observations *p*-value (two-tailed) = 0.556.

Panel B: Age Group

Age Group	Experimental Sample	Full Sample
20-25	1	1
26-30	4	5
31-35	5	7
36-40	9	11
41-45	15	20
46-50	13	16
51-55	6	8
56-60	5	8
>60	4	5
Total	62	81

Fisher's exact test for differences between *Experimental Sample* and excluded observations *p*-value (two-tailed) = 0.989.

Table AMD1 (continued)

Panel C: Nature of Occupation

Occupation	Experimental Sample	Full Sample
Fund Manager	34	44
Analyst (sell-side)	17	22
Analyst (buy-side)	8	12
Other	3	3
Total	62	81

Fisher's exact test for differences between *Experimental Sample* and excluded observations *p*-value (two-tailed) = 0.746.

Panel D: Investment Characteristics

Investment Characteristic	Experimental Sample		Full Sample
By asset class:			
Equity only	53		69
Debt only	6		9
Equity and debt	3		3
p-value for differences (two-tailed)		0.615	
By listing type:			
Public firms only	46		58
Public and private firms	12		17
Private firms only	4		6
p-value for differences (two-tailed)		0.604	
By industry focus:			
None	27		36
Non-financial	26		34
Financial	9		11
p-value for differences (two-tailed)		1.000	
By geographic focus:			
Europe	32		46
World	22		27
North America	6		6
Asia	2		2
p-value for differences (two-tailed)		0.321	
Total	62		81

Table AMD1 (continued)

Panel E: Investment Experience

Variable	Obs.	Mean	Std. Dev.	P25	Median	P75
Full Sample						
Number of stocks monitored per year	77	61.1	70.0	18.0	35.0	85.0
Years of experience overall	81	20.1	8.6	15.0	20.0	25.0
Years of experience in current position	78	8.9	7.6	3.0	7.5	13.0
Experimental Sample						
Number of stocks monitored per year	60	68.4	77.2	16.5	40.0	100.0
Years of experience overall	62	20.2	9.0	14.0	20.0	25.0
Years of experience in current position	60	8.9	8.1	3.0	6.7	12.5
Test for differences		*p*-value			*p*-value	
Number of stocks monitored per year		0.085			0.456	
Years of experience overall		0.781			0.969	
Years of experience in current position		0.958			0.487	

Presented *p*-values are two-tailed and based on *t*-tests (Wilcoxon sum of rank tests) for means (medians).

Panel F: Characteristics of Funds under Management

Variable	Obs.	Mean	Std. Dev.	P25	Median	P75
Full Sample						
Value of funds under management (USD Mil.)	38	1,562.4	2,864.6	100.0	436.6	1,700.0
Number of stocks held	38	82.3	138.4	30.0	50.0	88.0
Average holding period (Years)	38	3.7	4.7	1.8	3.5	4.0
Experimental Sample						
Value of funds under management (USD Mil.)	30	1,574.9	3,192.0	100.0	364.1	2,000.0
Number of stocks held	30	90.1	154.8	30.0	47.5	100.0
Average holding period (Years)	30	4.1	5.2	2.0	3.5	4.5
Test for differences		*p*-value			*p*-value	
Value of funds under management (USD Mil.)		0.430			0.957	
Number of stocks held		0.464			0.957	
Average holding period (Years)		0.415			0.296	

Presented *p*-values are two-tailed and based on *t*-tests (Wilcoxon sum of rank tests) for means (medians).

Table AMD2: Subject Demographics by Treatment (Survey Experiment)

Panel A: Country of Work

Country of Work	VAL/ NBC	MPE/ NBC	VAL/ ABC	MPE/ ABC
Austria	1	0	0	1
Belgium	0	2	1	2
Canada	1	0	0	3
Croatia	1	0	0	0
Denmark	0	1	1	3
France	0	0	1	0
Germany	0	0	2	1
Italy	1	1	1	0
Norway	0	1	0	1
Portugal	1	0	0	0
Serbia	0	1	0	0
Spain	0	0	1	1
Sweden	2	0	0	0
Switzerland	0	1	2	2
United Kingdom	5	5	5	5
United States	3	0	0	0
Total	15	12	16	19

The treatments are indicated by VAL: Subjects have the objective to value the firm, MPE: Subjects have the objective to evaluate managerial performance, ABC: Managerial compensation is based on accounting data, NBC: Managerial compensation is based on non-accounting data. Fisher's exact Test for differences between treatment groups *p*-value (two-tailed) = 0.421.

Panel B: Age Group

Age Group	VAL/ NBC	MPE/ NBC	VAL/ ABC	MPE/ ABC
20-25	0	0	1	0
26-30	2	0	1	1
31-35	2	0	1	2
36-40	1	3	2	3
41-45	4	2	3	6
46-50	1	4	5	3
51-55	1	1	0	4
56-60	3	1	1	0
>60	1	1	2	0
Total	15	12	16	19

The treatments are indicated by VAL: Subjects have the objective to value the firm, MPE: Subjects have the objective to evaluate managerial performance, ABC: Managerial compensation is based on accounting data, IPD: Managerial compensation is based on non-accounting data. Fisher's exact test for differences between treatment groups *p*-value (two-tailed) = 0.527.

Table AMD2 (continued)

Panel C: Nature of Occupation

Occupation	VAL/ NBC	MPE/ NBC	VAL/ ABC	MPE/ ABC
Fund Manager	12	6	8	8
Analyst (sell-side)	3	3	4	7
Analyst (buy-side)	0	3	2	3
Other	0	0	2	1
Total	15	12	16	19

The treatments are indicated by VAL: Subjects have the objective to value the firm, MPE: Subjects have the objective to evaluate managerial performance, ABC: Managerial compensation is based on accounting data, NBC: Managerial compensation is based on non-accounting data. Fisher's exact Test for differences between treatment groups *p*-value (two-tailed) = 0.373.

Panel D: Investment Characteristics

Investment Characteristic	VAL/ NBC	MPE/ NBC	VAL/ ABC	MPE/ ABC
By asset class:				
Equity only	13	11	14	15
Debt only	2	1	0	3
Equity and debt	0	0	2	1
p-value for differences (two-tailed)		0.505		
By listing type:				
Public firms only	11	9	12	14
Public and private firms	4	1	4	3
Private firms only	0	2	0	2
p-value for differences (two-tailed)		0.499		
By industry focus:				
None	6	5	9	7
Non-financial	6	6	5	9
Financial	3	1	2	3
p-value for differences (two-tailed)		0.908		
By geographic focus:				
Europe	8	8	6	10
World	4	4	8	6
North America	2	0	2	2
Asia	1	0	0	1
p-value for differences (two-tailed)		0.797		
Total	15	12	16	19

The treatments are indicated by VAL: Subjects have the objective to value the firm, MPE: Subjects have the objective to evaluate managerial performance, ABC: Managerial compensation is based on accounting data, NBC: Managerial accounting is based on non-accounting data.

Table AMD2 (continued)

Panel E: Investment Experience

Variable	Obs.	Mean	Std. Dev.	P25	Median	P75
VAL/NBC						
Number of stocks monitored per year	15	45.5	61.4	10.0	30.0	50.0
Years of experience overall	15	21.3	10.4	15.0	20.0	30.0
Years of experience in current position	14	11.6	11.4	3.0	8.0	16.0
MPE/NBC						
Number of stocks monitored per year	12	73.2	97.6	10.0	35.0	105.0
Years of experience overall	12	21.9	9.7	16.5	20.0	15.5
Years of experience in current position	12	9.6	5.5	5.5	10.0	11.0
VAL/ABC						
Number of stocks monitored per year	14	88	93.4	20.0	50.0	135.0
Years of experience overall	16	18.4	9.7	11.0	20.0	24.5
Years of experience in current position	15	7.5	8.7	2.0	3.0	12.0
MPE/ABC						
Number of stocks monitored per year	19	68.9	60.8	20.0	50.0	100.0
Years of experience overall	19	19.9	7.1	15.0	20.0	25.0
Years of experience in current position	19	7.6	5.8	3.0	6.0	12.5
Test for differences		*p*-value			*p*-value	
Number of stocks monitored per year		0.528			0.417	
Years of experience overall		0.730			0.900	
Years in current position		0.474			0.263	

The treatments are indicated by VAL: Subjects have the objective to value the firm, MPE: Subjects have the objective to evaluate managerial performance, ABC: Managerial compensation is based on financial accounting information, NBC: Managerial compensation is based on non-accounting data. Presented *p*-values for group differences are two-tailed and are based on Wilks' lambda (Kruskal-Wallis rank tests) for means (medians).

Table AMD2 (continued)

Panel F: Characteristics of Funds under Management

Variable	Obs.	Mean	Std. Dev.	P25	Median	P75
VAL/NBC						
Value of funds under management (USD Mil.)	11	2,463.9	4,637.9	64.2	384.3	3,000.0
Number of stocks held	11	69.0	72.6	18.0	45.0	100.0
Average holding period (Years)	11	5.8	8.1	2.5	4.0	5.0
MPE/NBC						
Value of funds under management (USD Mil.)	4	266.7	167.9	162.3	233.3	371.0
Number of stocks held	4	70.0	46.9	30.0	65.0	110.0
Average holding period (Years)	4	2.4	1.7	1.1	2.7	3.7
VAL/ABC						
Value of funds under management (USD Mil.)	7	1,634.3	2,111.8	57.8	974.8	2,100.0
Number of stocks held	7	59.3	23.9	40.0	55.0	80.0
Average holding period (Years)	7	2.9	1.9	0.7	3.0	5.0
MPE/ABC						
Value of funds under management (USD Mil.)	8	1,629.6	2,357.8	256.8	375.1	2,410.0
Number of stocks held	8	159.1	288.0	23.5	52.5	129.0
Average holding period (Years)	8	3.4	2.0	1.9	3.2	4.2
Test for differences		*p*-value			*p*-value	
Value of funds under management (USD Mil.)		0.719			0.774	
Number of stocks held		0.566			0.914	
Average holding period (Years)		0.561			0.529	

The treatments are indicated by VAL: Subjects have the objective to value the firm, MPE: Subjects have the objective to evaluate managerial performance, ABC: Managerial compensation is based on financial accounting data, NBC: Managerial compensation is based on non-accounting data. Presented *p*-values for group differences are two-tailed and based on Wilks' lambda (Kruskal-Wallis rank tests) for means (medians).

Table AMD3: Manipulation Checks by Treatment (Survey Experiment)

Passed Manipulation Checks	VAL/ NBC	MPE/ NBC	VAL/ ABC	MPE/ ABC
Yes	15	12	16	19
Failed IAO Treatment Check	1	3	0	1
Failed EMI Treatment Check	2	2	3	0
Failed Both	0	1	0	1
Total	18	18	19	21

The treatments are indicated by IAO: Information Acquisition Objective, EMI: Earnings Management Incentive, VAL: Subjects have the objective to value the firm, MPE: Subjects have the objective to evaluate managerial performance, ABC: Managerial compensation is based on accounting data, NBC: Managerial compensation is based on non-accounting data. Fisher's exact test for differences between treatment groups *p*-value (two-tailed) = 0.275.

Table AMD4: Sensitivity Tests – Main Analyses Using the Treatment Sample (Survey Experiment)

Panel A: Univariate Treatment Effects by Line Item – Relevance

	Likert Score Analysis				*Verbal Response Analysis*				
	Treatment Sample (76 Interviews)				Treatment Sample (76 Interviews | 237 Verbal Responses)				
	Information Acquisition Objective Treatment					Information Acquisition Objective Treatment			
	Managerial Performance Evaluation	Firm Valuation	Diff. (H1: –)	*p*-value Main Effect (Anova)	Obs.	Managerial Performance Evaluation	Firm Valuation	Diff. (H1: –)	*p*-value Main Effect (Logit)
	Mean Likert Scores					% Positive Verbal Responses			
Financial statements (all)	5.055	5.274	-0.219	0.163	237	49.5%	65.4%	**-0.159**	**0.011**
By financial statement component:									
Income statement	5.853	5.937	-0.084	0.685	100	48.6%	81.0%	**-0.323**	**0.011**
Balance sheet	4.576	4.876	-0.300	0.144	125	51.6%	49.2%	0.024	0.746

Table AMD4 (continued)

Panel B: Univariate Treatment Effects by Line Item – Representational Faithfulness

	Likert Score Analysis				*Verbal Response Analysis*				
	Treatment Sample (75 Interviews)				Treatment Sample (76 interviews | 398 Verbal Responses)				
	Earnings Management Incentive Treatment					Earnings Management Incentive Treatment			
	Accounting-Based Compensation	Non-Accounting-Based Compensation	Diff. (H2: –)	*p*-value Main Effect (Anova)	Obs.	Accounting-Based Compensation	Non-Accounting-Based Compensation	Diff. (H2: –)	*p*-value Main Effect (Logit)
	Mean Likert Scores					% Positive Verbal Responses			
Financial statements (all)	4.711	4.770	-0.059	0.391	398	31.1%	28.6%	0.025	0.873
By financial statement component:									
Income statement	5.159	5.178	-0.019	0.602	113	29.5%	17.3%	0.122	0.236
Balance sheet	4.443	4.527	-0.084	0.480	196	26.2%	20.2%	0.059	0.679

The analysis presented in these panels is based on the *Treatment Sample* (76 interviews). The interview coding process is described in the coding handbook on the GitHub repository. Panel A (Panel B) presents univariate differences in *relevance* (*representational faithfulness*) across the two different information acquisition objectives, i.e., *managerial performance evaluation* and *firm valuation*. Reported average Likert scores are based on the level of agreement with the statement '*For my objective in the case, I assess the following financial accounting information items to be relevant/faithfully represented*.' The Likert scale used ranges from 1 (strongly disagree) to 7 (strongly agree), with higher values indicating higher levels of assessed relevance/representational faithfulness. The tone of each coded verbal response is classified as negative, neutral, or positive. The percentage of positive verbal responses captures the overall proportion of positive verbal response over the sum of negative, neutral, and positive verbal responses. The tests for statistical significance in the Likert score analysis are based on the relevant main effect of interacted Anova models, whereas the tests for statistical significance in the verbal response analysis are based on Wald tests of the relevant main effects in interacted Logit models. Missing statistics are due to lack of variation in any of the four experimental cells. Statistically significant differences below the 10% level (two-tailed) appear in bold print.

Table AMD4 (continued)

Panel C1: Multiple Regression Analysis – Relevance – Likert Scores

	Likert Scores					
	Financial Statements (all)		Balance Sheet		Income Statement	
	(1)	(2)	(3)	(4)	(5)	(6)
Experimental treatment effects:						
(A) Info acquisition objective:	-0.547	-0.584	-0.641	-0.703	-0.390	-0.386
Managerial performance evaluation (H1: –)	(0.223)	(0.131)	(0.282)	(0.189)	(0.246)	(0.203)
(B) Earnings management incentive:	-0.367	-0.363	-0.373	-0.354	-0.356	-0.378
Accounting-based compensation	(0.146)	(0.274)	(0.243)	(0.367)	(0.169)	(0.240)
(A) × (B)	0.461	0.450	0.446	0.444	0.484	0.459
	(0.432)	(0.415)	(0.566)	(0.536)	(0.241)	(0.265)
Controls	No	Yes	No	Yes	No	Yes
Interviewer fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Verbal response coder fixed effects	–	–	–	–	–	–
p-value of test for main effect (A) (H1: –)	0.327	0.217	0.267	0.150	0.643	0.619
p-value of test for main effect (B)	0.475	0.473	0.571	0.591	0.450	0.450
Obs. (Interviews)	76	76	76	76	76	76
R^2	0.041	0.134	0.035	0.128	0.031	0.093

Panel C2: Multiple Regression Analysis – Relevance – Net Positive Verbal Responses

	Net Positive Verbal Responses					
	Financial Statements (all)		Balance Sheet		Income Statement	
	(7)	(8)	(9)	(10)	(11)	(12)
Experimental treatment effects:						
(A) Info acquisition objective:	-1.246	-0.975	-0.496	-0.340	-0.898**	-0.859***
Managerial performance evaluation (H1: –)	(0.168)	(0.237)	(0.296)	(0.597)	(0.024)	(0.003)
(B) Earnings management incentive:	-0.725	-0.366	-0.665	-0.457	-0.236	-0.198
Accounting-based compensation	(0.440)	(0.567)	(0.163)	(0.114)	(0.626)	(0.594)
(A) × (B)	1.119	0.857	0.118	1.237**	0.912	-0.000
	(0.325)	(0.405)	(0.911)	(0.035)	(0.280)	(1.000)
Controls	No	Yes	No	Yes	No	Yes
Interviewer fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Verbal response coder fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
p-value of test for main effect (A) (H1: –)	0.219	**0.096**	0.654	0.690	**0.015**	**0.004**
p-value of test for main effect (B)	0.719	0.658	0.934	0.998	0.353	0.135
Obs. (Interviews)	76	76	76	76	76	76
R^2	0.051	0.267	0.047	0.206	0.151	0.314

Table AMD4 (continued)

Panel D1: Multiple Regression Analysis – Representational Faithfulness – Likert Scores

	Likert Scores					
	Financial Statements (all)		Balance Sheet		Income Statement	
	(1)	(2)	(3)	(4)	(5)	(6)
Experimental treatment effects:						
(A) Info acquisition objective:	0.332	0.314	0.167	0.171	0.608	0.550
Managerial performance evaluation (H1: –)	(0.520)	(0.548)	(0.771)	(0.767)	(0.254)	(0.310)
(B) Earnings management incentive:	-0.115	-0.149	-0.328	-0.345	0.241	0.178
Accounting-based compensation	(0.818)	(0.787)	(0.573)	(0.578)	(0.549)	(0.713)
(A) × (B)	-0.221	-0.242	0.160	0.106	-0.854	-0.821
	(0.727)	(0.727)	(0.832)	(0.893)	(0.151)	(0.263)
Controls	No	Yes	No	Yes	No	Yes
Interviewer fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Verbal response coder fixed effects	–	–	–	–	–	–
p-value of test for main effect (A) (H1: –)	0.336	0.371	0.327	0.341	0.476	0.527
p-value of test for main effect (B)	0.464	0.418	0.490	0.466	0.539	0.420
Obs. (Interviews)	75	75	75	75	75	75
R^2	0.019	0.145	0.022	0.142	0.034	0.127

Panel D2: Multiple Regression Analysis – Representational Faithfulness – Net Positive Verbal Responses

	Net Positive Verbal Responses					
	Financial Statements (all)		Balance Sheet		Income Statement	
	(7)	(8)	(9)	(10)	(11)	(12)
Experimental treatment effects:						
(A) Information acquisition objective:	-0.563	-0.340	-0.080	0.110	-0.523	-0.486
Managerial performance evaluation	(0.647)	(0.783)	(0.912)	(0.894)	(0.211)	(0.225)
(B) Earnings management incentive:	-0.313	-0.250	0.038	0.226	-0.016	-0.106
Accounting-based compensation (H2: –)	(0.298)	(0.699)	(0.891)	(0.606)	(0.928)	(0.468)
(A) × (B)	1.388	0.832	0.570	0.277	1.004	0.879
	(0.445)	(0.645)	(0.548)	(0.791)	(0.144)	(0.167)
Controls	No	Yes	No	Yes	No	Yes
Interviewer fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Verbal response coder fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
p-value of test for main effect (A)	0.803	0.871	0.519	0.528	0.927	0.823
p-value of test for main effect (B) (H2: –)	0.709	0.879	0.550	0.558	0.276	0.411
Obs. (Interviews)	76	76	76	76	76	76
R^2	0.019	0.287	0.026	0.152	0.058	0.307

These panels report the experimental effects of our 2×2 between-subject manipulations on the assessed usefulness of financial accounting information. Panels C1 and C2 present evidence on the relevance of accounting information, whereas Panels D1 and D2 present evidence on the representational faithfulness of accounting information. The tests are based on the *Treatment Sample*, comprising the 76 observations that received the final treatment including the 14 subjects that failed the manipulation checks. In both Panels C and D, all model specifications are based on OLS regressions and two-tailed *p*-values are presented in parentheses below coefficients. Control variables account for years of experience, gender, accounting expertise, financial firm focus, debt instrument focus, and sell-side focus. The presented *p*-values for the experimental main effects are based on Wald tests of the joint significance of the coefficients of the main effect of the regression above plus 0.5 times the interaction effect. Bootstrapped standard errors (1,000 iterations) are clustered at the interviewer level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels (two-tailed), respectively.

Table AMD4 (continued)

Panel E: Treatment Effects on Rationales Justifying Higher Usefulness Assessments

	Dependent variable: Stated Rationales							
	Info about managerial performance and control		Info about the nature of the business		Info relevant for forecasting		Managerial incentives affect representation	
	Logit	OLS	Logit	OLS	Logit	OLS	Logit	OLS
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Experimental treatment effects:								
(A) Information acquisition objective:	1.323***	0.052	-2.017*	-0.052*	-1.331**	-0.071	0.047	0.004
Managerial performance evaluation	(0.007)	(0.148)	(0.053)	(0.085)	(0.016)	(0.155)	(0.906)	(0.927)
(B) Earnings management incentive:	-0.293	-0.027	-0.303	-0.017	0.582**	0.074	0.474	0.078
Accounting-based compensation	(0.645)	(0.399)	(0.507)	(0.595)	(0.043)	(0.153)	(0.141)	(0.152)
(A) × (B)	0.600	0.078**	0.658	0.016	-0.214	-0.086	0.197	0.022
	(0.413)	(0.044)	(0.598)	(0.701)	(0.745)	(0.111)	(0.685)	(0.739)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
Interviewer fixed effects	No	Yes	No	Yes	No	Yes	No	Yes
Verbal response coder fixed effects	No	Yes	No	Yes	No	Yes	No	Yes
Standard errors clustered by interviewer	No	Yes	No	Yes	No	Yes	No	Yes
p-value of test for main effect (A)	**0.000**	**0.000**	**0.007**	**0.004**	**0.000**	**0.002**	0.551	0.688
p-value of test for main effect (B)	0.986	0.598	0.968	0.701	0.148	0.376	**0.019**	**0.012**
Obs. (Verbal Responses)	635	635	635	635	635	635	635	635
R^2 | Pseudo R^2	0.078	0.054	0.059	0.020	0.064	0.054	0.014	0.048

The tests presented in this panel are based on the *Treatment Sample*, comprising the 76 observations that received the final treatment, including the 14 subjects that failed the manipulation checks. The coding process is described in the coding handbook on the GitHub repository. The dependent variable is an indicator variable coded as one whenever a coded statement used the respective rationale. The model specifications presented in Columns (1), (3), (5), and (7) are based on Logit estimation with bootstrapped standard errors. The model specifications presented in Columns (2), (4), (6), and (8) are based on OLS estimation with bootstrapped standard errors (1,000 iterations) clustered by interviewer. Control variables account for years of experience, gender, accounting expertise, financial firm focus, debt instrument focus, and sell-side focus, as well as for interviewer and verbal response coder fixed effects. The presented *p*-values for the experimental main effects are two-tailed and based on Wald tests of the joint significance of the coefficients of the main effect of the regression above plus 0.5 times the interaction effect. Two-tailed *p*-values are reported in parentheses below the coefficients. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels (two-tailed), respectively.

Table AMD5: Descriptive Statistics for the Experimental Sample

Panel A: Main Variables Descriptive Statistics

	Obs. (Interviews)	Mean	Std. Dev.	P25	Median	P75
Dependent variables:						
Relevance (Likert scores)	62	5.232	0.999	4.375	5.125	6.000
Representational faithfulness (Likert scores)	62	4.764	1.037	4.000	4.813	5.250
Relevance (Net positive verbal responses)	62	0.694	2.215	-1.000	1.000	2.000
Representational faithfulness (Net positive verbal responses)	62	-1.968	2.897	-4.000	-2.000	0.000
Treatment variables:						
Information acquisition objective: Managerial performance evaluation	62	0.500				
Earnings management incentive: Accounting-based compensation	62	0.565				
Control variables:	62					
Years of experience	62	20.234	9.005	14.000	20.000	25.000
Female	62	0.129				
Accounting Expert	62	0.581				
Focus on financial firms	62	0.145				
Focus on debt instruments	62	0.145				
Sell-side focus	62	0.274				

Table AMD5 (continued)

Panel B: Correlations

	A	B	C	D	E	F	G	H	I	J	K	L
A: Relevance (Likert scores)		0.059	**0.265**	-0.001	-0.171	-0.081	-0.013	-0.052	-0.116	-0.055	-0.092	0.088
B: Representational faithfulness (Likert scores)	0.048		0.131	0.128	0.103	0.030	0.024	-0.036	0.167	-0.192	0.028	0.178
C: Relevance (Net positive verbal responses)	**0.259**	0.145		-0.062	**-0.298**	-0.113	-0.014	**0.254**	0.026	0.172	**0.248**	-0.012
D: Representational faithfulness (Net positive verbal responses)	0.113	0.170	-0.047		**0.224**	0.170	-0.084	-0.209	-0.153	0.159	0.010	0.071
E: Information acquisition objective: Managerial performance evaluation	-0.193	0.123	**-0.272**	0.168		0.098	0.048	-0.096	-0.065	-0.046	0.046	0.108
F: Earnings management incentive: Accounting-based compensation	-0.086	0.040	-0.137	0.180	0.098		-0.077	-0.147	0.045	-0.007	0.085	0.102
G: Ln(Years of experience)	-0.010	0.078	-0.079	-0.066	0.114	-0.129		-0.166	**0.243**	0.127	-0.022	-0.009
H: Female	-0.041	-0.040	**0.273**	**-0.222**	-0.096	-0.147	-0.114		-0.063	-0.022	0.115	0.087
I: Accounting Expert	-0.135	0.167	0.015	-0.195	-0.065	0.045	0.116	-0.063		-0.021	0.072	-0.137
J: Focus on financial firms	-0.068	-0.184	0.203	0.139	-0.046	-0.007	0.126	-0.022	-0.021		**0.220**	-0.151
K: Focus on debt instruments	-0.091	0.061	**0.266**	0.075	0.046	0.085	-0.059	0.115	0.072	**0.220**		**0.363**
L: Sell-side focus	0.089	0.207	0.020	0.132	0.108	0.102	0.057	0.087	-0.137	-0.151	**0.363**	

This table reports descriptive statistics for the main variables used in our 2×2 between-subject design. Panel A presents distributional information for dependent variables, treatment variables and controls, whereas in Panel B Spearman (Pearson) correlations among main variables are presented above (below) the diagonal. Statistically significant correlations with *p*-values below the 10 % level (two-tailed) appear in bold print.

Table AMD6: Multiple Regression Analysis (Survey Experiment)

Panel A: Relevance

	Dependent variable:											
	Likert Scores						Net Positive Verbal Responses					
	Financial Statements (all)		Balance Sheet		Income Statement		Financial Statements (all)		Balance Sheet		Income Statement	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Experimental treatment effects:												
(A) Info acquisition objective: Managerial performance evaluation (H1: –)	-0.862*	-0.978**	-1.068	-1.235*	-0.518	-0.550	-1.738*	-1.435**	-0.830*	-0.603	-1.033**	-0.959***
	(0.082)	(0.043)	(0.107)	(0.064)	(0.181)	(0.133)	(0.061)	(0.043)	(0.075)	(0.310)	(0.017)	(0.000)
(B) Earnings management incentive: Accounting-based compensation	-0.474	-0.543	-0.558	-0.653	-0.334	-0.361	-1.049	-0.709	-0.876*	-0.688***	-0.366	-0.205
	(0.220)	(0.258)	(0.243)	(0.264)	(0.348)	(0.354)	(0.355)	(0.313)	(0.094)	(0.008)	(0.556)	(0.673)
(A) × (B)	0.660	0.731	0.712	0.835	0.573	0.556	1.119	0.347	1.288**	0.942	0.233	-0.109
	(0.353)	(0.292)	(0.444)	(0.350)	(0.267)	(0.264)	(0.325)	(0.749)	(0.045)	(0.270)	(0.736)	(0.848)
Controls:												
Ln(Years of experience)		0.109		0.185		-0.018		-0.118		-0.228		-0.029
		(0.530)		(0.260)		(0.941)		(0.776)		(0.501)		(0.950)
Female		-0.066		-0.213		0.180		1.396		1.000		0.482
		(0.911)		(0.792)		(0.564)		(0.369)		(0.434)		(0.262)
Accounting expert		-0.550		-0.695		-0.309		-0.366		-0.083		-0.055
		(0.140)		(0.196)		(0.122)		(0.639)		(0.854)		(0.910)
Focus on financial firms		-0.064		-0.125		0.039		1.386		0.749		0.580
		(0.844)		(0.768)		(0.882)		(0.177)		(0.298)		(0.210)
Focus on debt instruments		-0.139		-0.375		0.253		1.366		0.933		0.614
		(0.786)		(0.561)		(0.465)		(0.333)		(0.227)		(0.275)
Sell-side focus		0.379		0.446		0.269		0.173		-0.133		0.084
		(0.150)		(0.176)		(0.341)		(0.873)		(0.853)		(0.842)
Interviewer fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Verbal response coder fixed effects	–	–	–	–	–	–	Yes	Yes	Yes	Yes	Yes	Yes
p-value of test for main effect (A) (H1: –	**0.051**	**0.022**	**0.014**	**0.005**	0.470	0.428	**0.078**	**0.010**	0.478	0.636	**0.006**	**0.000**
p-value of test for main effect (B)	0.366	0.401	0.300	0.345	0.751	0.664	0.606	0.494	0.706	0.697	0.478	0.373
Obs. (Interviews)	62	62	62	62	62	62	62	62	62	62	62	62
R^2	0.097	0.205	0.102	0.218	0.038	0.112	0.089	0.322	0.053	0.215	0.142	0.335

Table AMD6 (continued)

Panel B: Representational Faithfulness

	Dependent variable:											
	Likert scores						Net Positive Verbal Responses					
	Financial Statements (all)		Balance Sheet		Income Statement		Financial Statements (all)		Balance Sheet		Income Statement	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Experimental treatment effects:												
(A) Information acquisition objective: Managerial performance evaluation	0.502	0.466	0.350	0.372	0.754	0.624	0.057	0.186	0.327	0.535	-0.481	-0.479
	(0.362)	(0.393)	(0.587)	(0.565)	(0.144)	(0.234)	(0.961)	(0.893)	(0.641)	(0.503)	(0.171)	(0.297)
(B) Earnings management incentive: Accounting-based compensation (H2: –)	0.290	0.243	0.129	0.104	0.559*	0.475	0.481*	0.253	0.691***	0.811	0.169	-0.033
	(0.509)	(0.637)	(0.809)	(0.860)	(0.092)	(0.273)	(0.099)	(0.743)	(0.000)	(0.122)	(0.432)	(0.885)
(A) × (B)	-0.453	-0.488	-0.138	-0.230	-0.979	-0.916	0.915	0.653	0.061	-0.156	0.941	0.964
	(0.488)	(0.457)	(0.861)	(0.765)	(0.111)	(0.196)	(0.613)	(0.739)	(0.952)	(0.893)	(0.155)	(0.167)
Controls:												
Ln(Years of experience)		0.125		0.043		0.263		-0.778		-0.443		-0.398
		(0.641)		(0.858)		(0.471)		(0.209)		(0.170)		(0.413)
Female		-0.112		0.107		-0.477		-1.713**		0.326		-1.322**
		(0.851)		(0.891)		(0.157)		(0.040)		(0.646)		(0.020)
Accounting expert		0.226		0.419		-0.095		-0.772		-0.292		0.080
		(0.578)		(0.432)		(0.712)		(0.327)		(0.484)		(0.826)
Focus on financial firms		-0.463		-0.479		-0.437		1.436**		0.555		0.563
		(0.289)		(0.255)		(0.472)		(0.017)		(0.395)		(0.162)
Focus on debt instruments		0.261		0.255		0.271		0.477		0.482		-0.255
		(0.633)		(0.642)		(0.717)		(0.527)		(0.349)		(0.744)
Sell-side focus		0.462		0.541		0.331		0.465		-0.522		0.307
		(0.245)		(0.152)		(0.513)		(0.584)		(0.382)		(0.217)
Interviewer fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Verbal response coder fixed effects	–	–	–	–	–	–	Yes	Yes	Yes	Yes	Yes	Yes
p-value of test for main effect (A)	0.322	0.417	0.396	0.444	0.268	0.470	0.272	0.377	0.135	0.216	0.967	0.992
p-value of test for main effect (B) (H2: –)	0.789	0.998	0.835	0.975	0.800	0.952	0.375	0.619	0.164	0.330	0.204	0.302
Obs. (Interviews)	62	62	62	62	62	62	62	62	62	62	62	62
R^2	0.027	0.138	0.016	0.138	0.049	0.126	0.046	0.349	0.070	0.254	0.079	0.309

This table reports the experimental effects of our 2×2 between-subject manipulations (i.e., information acquisition objective treatment and earnings management incentive treatment) on the assessed usefulness of financial accounting information with control variables. Survey materials and details of the coding process are presented on the GitHub repository. Panel A presents evidence on the relevance of accounting information, whereas Panel B presents evidence on the representational faithfulness of accounting information. The tests are based on the *Experimental Sample* (62 interview observations). All model specifications are based on OLS regressions. The presented *p*-values for the experimental main effects are two-tailed and based on Wald tests of the joint significance of the coefficients of the main effect of the regression above plus 0.5 times the interaction effect. Two-tailed *p*-values are reported in parentheses below coefficients and are based on bootstrapped standard errors (1,000 iterations), clustered at the interviewer level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels (two-tailed), respectively.

Table AMD7: Treatment Effects on Rationales Justifying Higher Usefulness Assessments (Survey Experiment)

	Dependent variable: Stated Rationales							
	Info about managerial performance and control		Info about the nature of the business		Info relevant for forecasting		Managerial incentives affect representation	
	Logit	OLS	Logit	OLS	Logit	OLS	Logit	OLS
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Experimental treatment effects:								
(A) Information acquisition objective:	2.338***	0.088*	-1.936*	-0.045	-1.287**	-0.048	0.130	-0.011
Managerial performance evaluation	(0.003)	(0.054)	(0.067)	(0.189)	(0.023)	(0.514)	(0.757)	(0.831)
(B) Earnings management incentive:	-0.426	-0.025	-0.446	-0.032	0.652**	0.113	0.649*	0.097
Accounting-based compensation	(0.729)	(0.389)	(0.428)	(0.444)	(0.047)	(0.144)	(0.078)	(0.315)
(A) × (B)	0.749	0.071	0.500	0.015	-0.362	-0.131	-0.039	0.008
	(0.560)	(0.123)	(0.712)	(0.749)	(0.600)	(0.140)	(0.940)	(0.930)
Controls:								
Ln(Years of experience)		-0.043*		-0.002		-0.072		0.017
		(0.095)		(0.915)		(0.145)		(0.796)
Female		-0.042		-0.029		0.009		0.072
		(0.608)		(0.371)		(0.909)		(0.276)
Accounting expert		0.075		0.001		0.024		0.001
		(0.225)		(0.979)		(0.538)		(0.945)
Focus on financial firms		0.051		0.013		0.087		-0.082
		(0.435)		(0.632)		(0.367)		(0.189)
Focus on debt instruments		-0.089*		0.022		-0.068		0.105*
		(0.076)		(0.565)		(0.347)		(0.065)
Sell-side focus		0.024		0.012		0.034		-0.060
		(0.565)		(0.791)		(0.493)		(0.277)
Interviewer fixed effects	No	Yes	No	Yes	No	Yes	No	Yes
Verbal response coder fixed effects	No	Yes	No	Yes	No	Yes	No	Yes
Standard errors clustered by interviewer	No	Yes	No	Yes	No	Yes	No	Yes
p-value of test for main effect (A)	**0.000**	**0.000**	**0.013**	**0.015**	**0.000**	**0.012**	0.672	0.873
p-value of test for main effect (B)	0.936	0.735	0.772	0.476	0.171	0.362	**0.016**	**0.095**
Obs. (Verbal Responses)	537	537	537	537	537	537	537	537
R^2 | Pseudo R^2	0.134	0.079	0.067	0.027	0.072	0.063	0.015	0.059

The tests presented in this table are based on *Experimental Sample* (62 interview observations). Details of the coding process are presented in the coding handbook on the GitHub repository. The dependent variable is an indicator variable coded as one whenever a coded statement used the respective rationale. The model specifications presented in Columns (1), (3), (5), and (7) are based on Logit estimation with bootstrapped standard errors. The model specifications presented in Columns (2), (4), (6), and (8) are based on OLS estimation with bootstrapped standard errors (1,000 iterations) clustered by interviewer. The presented *p*-values for the experimental main effects are two-tailed and based on Wald tests of the joint significance of the coefficients of the main effect of the regression above plus 0.5 times the interaction effect. Two-tailed *p*-values are reported in parentheses below the coefficients. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels (two-tailed), respectively.

Table AMD8: Assessments of Governance Quality and Financial Accounting Information Usefulness (Survey Experiment)

	Relevance				Representational Faithfulness			
	Dependent variable:				*Dependent variable*:			
	Likert Scores		Net Positive		Likert Scores		Net Positive	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Experimental treatment effects:								
(A) Information acquisition objective:	-0.914*	-0.993*	-2.134	-1.834	0.581	0.471	-0.291	-0.438
Managerial performance	(0.086)	(0.054)	(0.104)	(0.115)	(0.310)	(0.420)	(0.838)	(0.773)
(B) Earnings management incentive:	-0.473	-0.534	-1.147	-0.792	0.281	0.208	0.363	0.094
Accounting-based compensation	(0.184)	(0.217)	(0.294)	(0.371)	(0.519)	(0.677)	(0.386)	(0.917)
(A) × (B)	0.725	0.760	1.520	0.770	-0.560	-0.534	1.239	1.274
	(0.259)	(0.216)	(0.251)	(0.594)	(0.427)	(0.456)	(0.576)	(0.594)
Assessed firm determinants:								
Assessed governance quality	-0.080	-0.073	0.218	0.135	0.184**	0.227**	0.436	0.522***
	(0.158)	(0.313)	(0.445)	(0.657)	(0.025)	(0.010)	(0.104)	(0.004)
Controls:								
Ln(Years of experience)		0.082		-0.109		0.207		-0.656
		(0.626)		(0.805)		(0.458)		(0.302)
Female		-0.029		1.427		-0.217		-1.743
		(0.964)		(0.368)		(0.648)		(0.125)
Accounting expert		-0.539		-0.181		0.206		-0.460
		(0.147)		(0.842)		(0.596)		(0.561)
Focus on financial firms		-0.024		1.364		-0.577		1.233*
		(0.942)		(0.231)		(0.136)		(0.096)
Focus on debt instruments		-0.147		1.405		0.276		0.555
		(0.813)		(0.392)		(0.479)		(0.461)
Sell-side focus		0.368		0.241		0.509*		0.588
		(0.214)		(0.839)		(0.068)		(0.461)
Interviewer fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Verbal response coder fixed effects	–	–	Yes	Yes	–	–	Yes	Yes
p-value of test for main effect (A)	**0.097**	**0.055**	0.119	**0.067**	0.293	0.480	0.496	0.757
p-value of test for main effect (B)	0.639	0.590	0.652	0.663	0.998	0.836	0.286	0.413
Obs. (Interviews)	61	61	61	61	61	61	61	61
R^2	0.122	0.222	0.124	0.351	0.123	0.266	0.106	0.441

This table examines the effect of cross-sectional variation in assessed governance on the assessed usefulness of financial accounting information. The tests are based on the *Experimental Sample* (62 interview observations). Survey materials and details of the coding process are presented on the GitHub repository. All models are based on OLS estimation with bootstrapped standard errors (1,000 iterations) clustered by interviewer. The presented *p*-values for the experimental main effects are two-tailed and based on Wald tests of the joint significance of the coefficients of the main effect of the regression above plus 0.5 times the interaction effect. Two-tailed *p*-values are reported in parentheses below the coefficients. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels (two-tailed), respectively.

Table AMD9: Relative Importance of Alternative Information Sources (Survey Experiment)

	Dependent variable: Relative Share of Accounting Information
Experimental treatment effects:	
(A) Information acquisition objective:	0.169***
Managerial performance evaluation	(0.007)
(B) Earnings management incentive:	-0.018
Accounting-based compensation	(0.541)
(A) × (B)	-0.134*
	(0.070)
Controls:	
Ln(Years of experience)	-0.008
	(0.824)
Female	0.074
	(0.521)
Accounting expert	0.116*
	(0.062)
Focus on financial firms	0.088
	(0.471)
Focus on debt instruments	0.073
	(0.491)
Sell-side focus	0.063
	(0.478)
Interviewer fixed effects	Yes
p-value of test for main effect (A)	**0.017**
p-value of test for main effect (B)	**0.008**
Obs. (interviews)	62
R^2	0.275

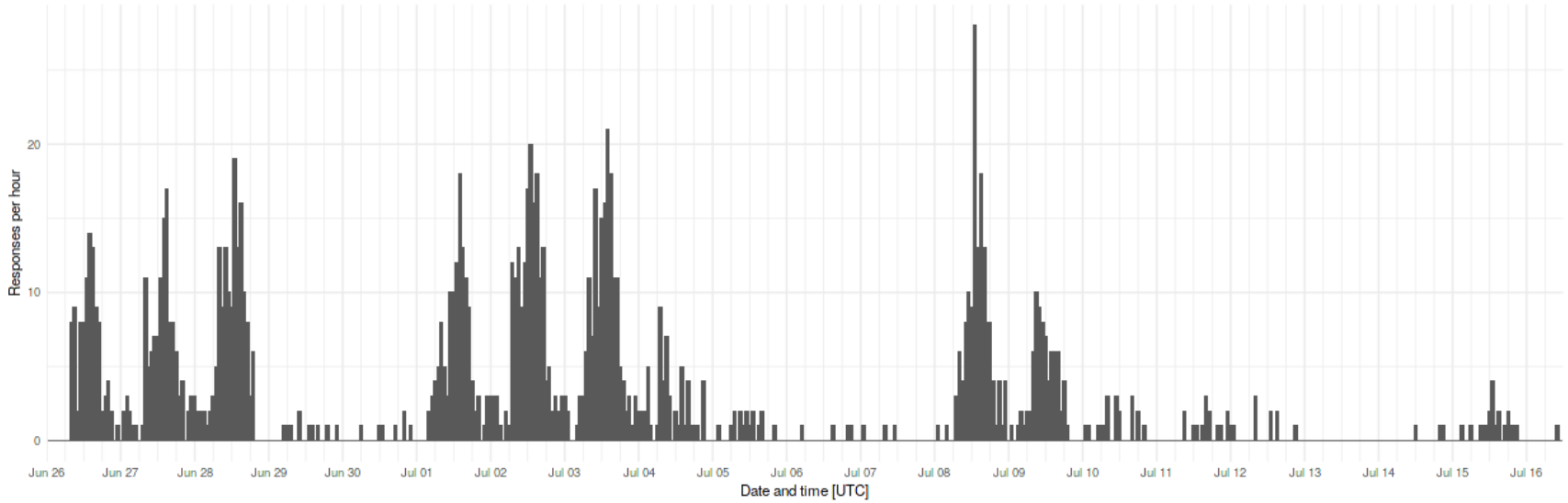
This table reports the results of the additional information sources analysis, including additional control variables. Survey materials and details of the coding process are presented in the coding handbook on the GitHub repository. Tests are conducted on the *Experimental Sample* (62 interview observations) using OLS estimation and bootstrapped standard errors (1,000 iterations) clustered by interviewer. The presented *p*-values for the experimental main effects are two-tailed and based on Wald tests of the joint significance of the coefficients of the main effect of the regression above plus 0.5 times the interaction effect. Two-tailed *p*-values are reported in parentheses below the coefficients. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels (two-tailed), respectively.

Table AMD10: Response Rate (Follow-Up Online Experiment)

Group	# emails sent	# responded	Response rate (unadjusted)	Did manipulation checks	Passed both manipulation checks	Started assignment	Completed assignment
Security Analyst, Europe	10,091	410	4.10%	91.50%	74.60%	90.70%	73.20%
Security Analyst, North America	21,351	267	1.30%	88.00%	73.80%	88.00%	79.00%
Security Analyst, Rest of World	12,110	226	1.90%	88.90%	72.10%	88.50%	74.80%
Portfolio Manager, Europe	5,376	162	3.00%	89.50%	75.30%	87.00%	75.90%
Portfolio Manager, North America	9,722	97	1.00%	94.80%	82.50%	92.80%	88.70%
Portfolio Manager, Rest of World	5,255	79	1.50%	84.80%	68.40%	84.80%	74.70%
Total	63,905	1,241	1.90%	89.80%	74.30%	89.00%	76.40%

This figure presents the response behavior by sample groups. The response rates are unadjusted for the 7,507 delivery failures.

Figure AMD1. Time Distribution of Responses to the Follow-Up Online Experiment (June 26, 2019 through July 16, 2019)



This figure provides the rate of response by date and time.