

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 Materials

E-mail Templates and Screenshots for Online Experiment

Exhibit AMC1: Email Template Used to Approach Investment Professionals

Dear %GENDER% %FIRST_NAME% %LAST_NAME%,

My name is XXXX and I am a Professor at the University of XXX. I am writing to you concerning a research project I am conducting with researchers from XXXX. We would appreciate your assistance with our research.

We are studying the use of income statement information in investment-related decisions. We aim to assess how professional investors construct their 'ideal' earnings measure by selecting or ignoring a short series of income statement line items. We have identified you as an expert analyst in the Eikon database.

We have designed a 5-minute web-based task. I know your time is precious, but your participation would be of tremendous help to us.

To complete the task, please click on the link below, which will take you to a website hosted by XXX. Alternatively, you can also copy and paste the URL into your browser:

https://link_to_survey/%GROUP%/

Although the task does not contain any sensitive issues, your responses will be stored anonymously to protect your privacy. This means that the data generated by this project **will not include any identifying information**.

If you have any queries or feedback on the task, please do not hesitate to contact me at XXXX or via e-mail at: XXXX.

Thank you in advance for your cooperation. Feedback from expert users of financial statements is crucial to help us understand how to investors construct and use financial statement information.

Yours sincerely,

XXXX

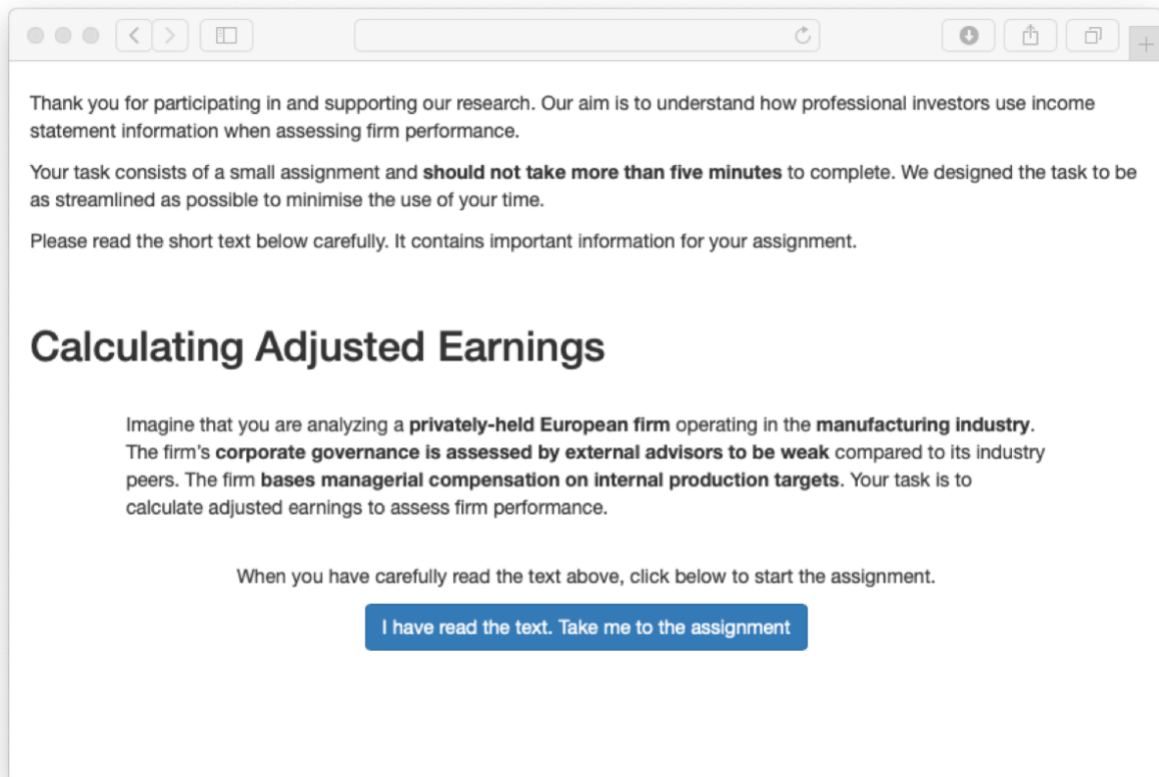
Research Team | Contact us with any feedback/queries

XXXX

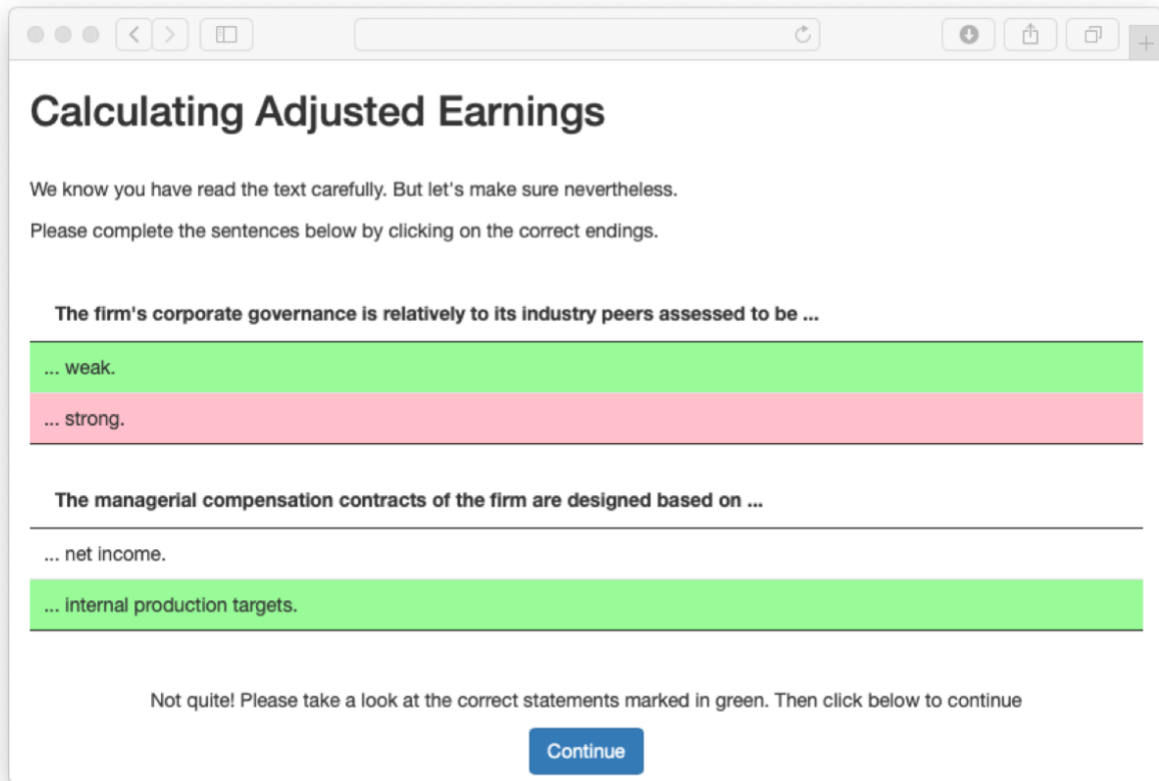
Online Experiment Screenshots

For ease of understanding, we provide the screenshots of the task below.

Screenshot AMC1: Access to Online Experiment



Screenshot AMC2: Manipulation Checks



The screenshot shows a web browser window with a quiz titled "Calculating Adjusted Earnings". The browser's address bar is empty, and the page has a clean, white background. The quiz consists of two questions, each with two possible endings. The first question is about corporate governance, and the second is about managerial compensation contracts. The correct answers are highlighted in green, while the incorrect ones are in pink. A feedback message at the bottom indicates that the user's previous selections were incorrect and provides a "Continue" button.

Calculating Adjusted Earnings

We know you have read the text carefully. But let's make sure nevertheless.
Please complete the sentences below by clicking on the correct endings.

The firm's corporate governance is relatively to its industry peers assessed to be ...

... weak.

... strong.

The managerial compensation contracts of the firm are designed based on ...

... net income.

... internal production targets.

Not quite! Please take a look at the correct statements marked in green. Then click below to continue

[Continue](#)

Screenshot AMC3: Task (as Initially Viewed)

Calculating Adjusted Earnings

Your task is to calculate adjusted earnings to assess firm performance. Click on the additional line items in the list below to include them in your adjusted earnings measure.

Remember:

- The firm is a **privately-held company** operating in the **manufacturing industry**
- The firm's **corporate governance is assessed by external advisors to be weak** compared to its industry peers
- The firm **bases managerial compensation on internal production targets**

Additional income statement line items	Value in €m	Adjusted earnings calculation	Value in €m
Other selling, general and administrative expenses	-800	Revenue	11,500
Depreciation and amortization	-140	Cost of goods sold	-9,500
Fair value gains on marketable securities (mark to market)	120	Your adjusted earnings measure	2,000
Fair value gains on unlisted equity instruments (mark to model)	130		
Gains on revaluation of investment property	125		
Interest expense	-150		
Taxation expense	-220		

When you feel that your adjusted earnings measure is suitable to assess firm performance press the submit button below.

Submit

Screenshot AMC4: Task (Example with Items Selected)

Calculating Adjusted Earnings

Your task is to calculate adjusted earnings to assess firm performance. Click on the additional line items in the list below to include them in your adjusted earnings measure.

Remember:

- The firm is a **privately-held company** operating in the **manufacturing industry**
- The firm's **corporate governance is assessed by external advisors to be weak** compared to its industry peers
- The firm **bases managerial compensation on internal production targets**

Additional income statement line items	Value in €m	Adjusted earnings calculation	Value in €m
Other selling, general and administrative expenses	-800	Revenue	11,500
Depreciation and amortization	-140	Cost of goods sold	-9,500
Fair value gains on marketable securities (mark to market)	120	Other selling, general and administrative expenses	-800
Fair value gains on unlisted equity instruments (mark to model)	130	Depreciation and amortization	-140
Gains on revaluation of investment property	125	Interest expense	-150
Interest expense	-150	Taxation expense	-220
Taxation expense	-220	Your adjusted earnings measure	690

When you feel that your adjusted earnings measure is suitable to assess firm performance press the submit button below.

Submit

Screenshot AMC5: Acknowledgment of Completion and Receipt of Answer

