How Much New Information Is There in Earnings? Corporate Decision-Making and Quantitative Analysis - Individual Report

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Abstract

This project uses the TRR 266 Template for Reproducible Empirical Accounting Research (TREAT) to provide infrastructure for open science-oriented empirical projects. Leveraging data from the CRSP and Compustat databases via WRDS, alongside Worldscope and Datastream via Thomson/Refinitiv, this repository showcases a reproducible workflow integrating Python scripts for data preparation, analysis, and visualization. Integrating multiple databases adds complexity, requiring a detailed understanding of their structures and careful scripting to extract, align, and analyze data effectively. The project replicates and extends Ball and Shivakumar (2008) to analyze the informativeness of quarterly earnings announcements and their contribution to annual share price movements, highlighting their critical role in investment decisions and impact on investors, analysts, and policymakers. Key tasks include replicating and comparing original results, extending the analysis to 2007–2023, and applying the methodology to a non-U.S. country. The project also documents research design choices, discusses variations between original and reproduced results, and provides insights into earnings informativeness across different timeframes and jurisdictions. Additionally, it sketches a research design for a non-archival study to evaluate the paper's findings. This code base, adapted from TREAT, demonstrates how the template applies to this project and serves as a structured guide for reproducible empirical research in accounting.

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1 List of Abbreviations

CRSP: Center for Research in Security Prices **EC**: European Commission

EU: European Union

IDE: Integrated Development Environment

TREAT: TRR 266 Template for Reproducible Empirical Accounting Research

UK: United Kingdom

WRDS: Wharton Research Data Services