



SFB/Transregio 266

ACCOUNTING FOR TRANSPARENCY

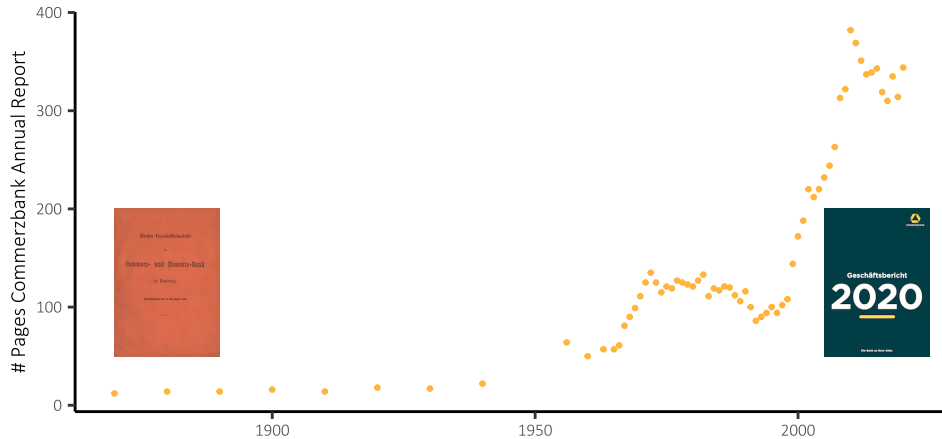
Research on Corporate Transparency Element 15: Financial Reporting and Data Aggregators

Joachim Gassen

TRR 266 Accounting for Transparency

June 21, 2021

Financial reporting provides a wealth of information...



... and can be very costly to obtain

Apple Inc. 10-K Form 10-K | 40

Table 3 - Financial Instruments

Cash, Cash Equivalents and Marketable Securities

The following tables show the Company's cash and marketable securities by significant investment category as of September 26, 2020 and September 26, 2019 (in millions).

	Adjusted Cost	Unrealized Gain	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	\$ 17,729	\$ -	\$ -	\$ 17,729	\$ 17,729	\$ -	\$ -
Level 1 (1)							
Money market funds	2,771	111	(111)	2,771	2,771	-	-
Subtotal	2,771	111	(111)	2,771	2,771	-	-
Level 2 (2)							
U.S. Treasury securities	65	-	-	65	65	3,275	8,218
U.S. agency securities	43	-	-	43	43	3,729	3,375
Non-U.S. government securities	136	-	-	136	98	3,369	13,888
Certificates of deposit and time deposits	323	-	-	323	323	6,249	111
Commercial paper	112	-	-	112	3,388	8,881	-
Corporate debt securities	363	-	-	363	-	13,887	58,370
Municipal securities	13	-	-	13	-	159	884
Mortgage- and asset-backed securities	153	-	-	153	-	491	13,374
Subtotal	965	-	-	965	3,879	56,367	97,565
Total (1)	\$ 18,694	\$ 111	\$ (111)	\$ 18,694	\$ 21,608	\$ 56,367	\$ 108,465

Attributes

Tag: us-gaap:AvailableForSaleDebtSecuritiesAmortizedCostBasis

Fact: 10,361,000,000

Period: As of 09/26/2020

Axis: US-GAAP Financial Instrument Axis, US-GAAP Fair Value By Fair Value Hierarchy Level Axis

Member: US-GAAP Foreign Government Debt Securities Member, US-GAAP Fair Value Inputs Level2 Member

Explicit Member: us-gaap:ForeignGovernmentDebtSecuritiesMember, us-gaap:FairValueInputsLevel2Member

Apple, 10-K EDGAR (excerpt on marketable securities)

The role of the regulatory filing infrastructure

Some examples:

- The public availability of (audited) private firm financial statement information across Europe has facilitated arm's length banking arrangements (Breuer et al., RFS 2018)
- EDGAR has had an overall positive effect on price discovery but the effect on information asymmetry is somewhat ambiguous (Asthana et al., TAR 2004; Gao and Huang, RFS 2020)
- EDGAR outages have an effect on liquidity (Heilig et al., SSRN 2021)

Do investment professionals use data aggregators?

“Bloomberg. It’s all on Bloomberg”

— anonymous investment professional, Cascino et al. (TAR, 2021)

Some examples:

- Schaub (JFQA, 2018): Delays on First Call are associated with larger post earnings announcement drift
- Rogers et al. (JAR, 2017) show that the Public Dissemination Service of EDGAR used to create an economically sizable trading advantage for its paying customers by releasing information 30 seconds early to them
- Research issues:
 - Database changes/errors can affect research findings (Ljungqvist et al., JoF 2009)
 - Database coverage bias can induce subtle sample selection issues (Beuselinck et al., SSRN 2021)

- Asthana and Balsam (JAPP, 2001): [https://doi.org/10.1016/S0278-4254\(01\)00035-7](https://doi.org/10.1016/S0278-4254(01)00035-7)
- Asthana, Balsam, and Sankaraguruswamy (TAR 2004): <https://doi.org/10.2308/accr.2004.79.3.571>
- Beuselinck, Elfers, Gassen and Pierk (SSRN, 2021): <http://dx.doi.org/10.2139/ssrn.3496543>
- Blankespoor, deHaan and Marinovic (JAE, 2020): <https://doi.org/10.1016/j.jacceco.2020.101344>
- Breuer, Hombach and Müller (RFS, 2018): <https://doi.org/10.1093/rfs/hhx123>
- Cascino, Clatworthy, Garcia Osma, Gassen and Imam (TAR, 2021):
<https://doi.org/10.2308/TAR-2019-1030>
- Gao and Huong (RFS, 2020): <https://doi.org/10.1093/rfs/hhz100>
- Heilig, Müller and Peter (SSRN, 2021): <http://dx.doi.org/10.2139/ssrn.3809605>
- Ljungqvist. Malloy and Marston (JoF, 2009): <https://doi.org/10.1111/j.1540-6261.2009.01484.x>
- Rogers, Skinner and Zechman (JAR, 2017): <https://doi.org/10.1111/1475-679X.12167>
- Schaub (JFQA, 2018): <https://doi.org/10.1017/S0022109018000133>