

Research on the Way of Accounting Information Disclosure of Listed Companies

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Abstract

Capital market is an important part of market economy, and its development degree is an important sign of a country's economic development degree. The securities market is also the gathering place of all kinds of information. High quality accounting information disclosure is the basis of the effective operation of the securities market. At present, most scholars think that China's capital market is weak efficient and is in the transition stage to semi strong efficient market. It is urgent to improve the efficiency of China's securities market and standardize the disclosure of accounting information. There are two ways of accounting information disclosure: compulsory disclosure and voluntary disclosure. The two disclosure views represent two extreme situations, each with certain advantages and disadvantages. In China, compulsory disclosure is the main method, supplemented by voluntary disclosure. However, there are many problems in the practice of compulsory disclosure, and there is a lack of willingness in voluntary disclosure. How to use the two ways of disclosure to play their respective roles has become an urgent problem.

Keywords

Accounting information; Disclosure method; Mandatory disclosure; Voluntary disclosure; Measures.

1. Introduction

In recent years, there are many problems in the accounting information disclosure of listed companies. The problem of accounting information disclosure of listed companies has aroused widespread concern. The government and social supervision departments began to find effective ways of accounting information disclosure. At present, generally accepted accounting information disclosure methods include mandatory disclosure and voluntary disclosure. The information disclosure of Listed Companies in China is mainly compulsory, and at the same time, the voluntary information disclosure is strengthened. However, for the majority of investors, whether the listed companies implement mandatory information disclosure or voluntary information disclosure, the information quality requirements are more accurate, and the disclosure time should be timely and reliable. The author believes that information disclosure of listed companies must combine the advantages of mandatory information disclosure and voluntary information disclosure, and the key to the combination is to master the scale of the two. Therefore, it is necessary to discuss the accounting information disclosure of Listed Companies in a deeper level on the basis of the existing theoretical system.

2. Related theories of accounting information disclosure

2.1 Main contents of mandatory information disclosure

Mandatory information disclosure refers to the information that must be disclosed by the listed companies according to the securities law, accounting standards, listing rules of the exchange and other regulatory provisions. Its essence is a regulatory act that the state intervenes in the form of system in accounting information disclosure and even maintains the market order.

2.2 Main contents of Voluntary information disclosure

Voluntary information disclosure is the information that the listed company, in addition to the mandatory disclosure of information, in order to maintain the company's image, improve market awareness, do a good job in investor relationship management and avoid the company's risks, consciously and actively disclose according to the needs. It mainly includes two aspects:(1) Voluntary disclosure of listed companies is an in-depth analysis of mandatory disclosure information.(2) Voluntary information disclosure pays more attention to the disclosure of non-financial information.

3. Analysis of the advantages and disadvantages of accounting information disclosure

3.1 An analysis of the advantages and disadvantages of compulsory information disclosure

The advantages are as follows:

(1) Compulsory information disclosure focuses on protecting the interests of investors.

The compulsory information disclosure system guarantees the right to know the information of listed companies as ordinary investors. In the market economy, there are serious lag and asymmetry in the information acquisition of listed companies, especially for small and medium-sized investors, which makes their investment in listed companies blind.

(2) Mandatory information disclosure helps to improve the efficiency of market resource allocation.

Because the listed company monopolizes the information of the company, it can sell the information to the users at the monopolistic price, which will lead to a huge waste of social resources. Therefore, the establishment of a perfect compulsory information disclosure system is an effective way to eliminate waste.

(3) Mandatory information disclosure can improve the market competitiveness of excellent companies.

Companies with advantages in information disclosure will fully disclose favorable information for the company through mandatory information disclosure, which is intended to convey the positive factors of the company's future development to the market and investors, indicate the current investment value of the company, and enhance the company's competitiveness in the capital market.

Everything has two sides. Although compulsory information disclosure brings many advantages to listed companies, it also has some unavoidable shortcomings, which are mainly shown as follows:

(1) Excessive and insufficient of compulsory information disclosure.

In the case of excessive regulation, the decision-making power of the company's managers is completely deprived. At this time, the managers will give way to the company's great development opportunities in order to avoid their own risks, and the company's competitiveness will also decline. Lack of control of the company will lead to the withdrawal of investors, because if the company's managers have too much financial control power, the company's managers are likely to damage the interests of other stakeholders of the company for the benefit of the listed company.

(2) Some trade secrets of listed companies are not effectively protected due to mandatory information disclosure.

For listed companies, trade secrets are divided into technical secrets and business secrets. At present, some information disclosed by regulatory agencies, such as prospectus and financial report, has been involved in the scope of trade secrets. If these information is mastered by competitors, it may suffer losses for listed companies, thus damaging the interests of investors.

3.2 Analysis of advantages and disadvantages of voluntary information disclosure

With the development of market economy, the competition among enterprises is more and more fierce. In order to attract investors, listed companies voluntarily disclose financial information or non-financial information other than those stipulated by laws and regulations. Its advantages are as follows:

- (1) Attract capital and enhance investor confidence. Voluntary disclosure of information about the company's prospects will help the operator to issue securities or trade shares with another company.
- (2) Control competition motivation. Due to the existence of external control market and manager market, managers of enterprises will have to choose the strategy to maximize the value of the company. They will try their best to disclose all kinds of valuable information, so that the stock price of the company can properly reflect the true value of the company, So as to reduce the threat from M & A and other managers.
- (3) Demonstrate the ability of enterprise management. In fact, investors always tend to think that managers with high ability and smart information will create more value. As a result, competent operators disclose profit information voluntarily to show their different general abilities.

Voluntary disclosure for the company's management, there is an obvious "self-service" intention, the listed company information disclosure of this self-service intention will inevitably produce a certain form of information bias.

- (1) Delayed information disclosure: this violates the timeliness requirements of information quality. Information has time value. But because investors always react more strongly to bad news than to good news, companies tend to delay the disclosure of bad news and disclose good news as early as possible.
- (2) False information disclosure: This is contrary to the authenticity requirements of information quality. The company may release false information for some purpose. Without legal punishment, the false information disclosure will be more serious.
- (3) Selective information disclosure: This is contrary to the integrity requirements of information quality. The company will only disclose information that is beneficial to itself. The existence of litigation cost may make the company more willing to disclose bad news.

4. The current situation of accounting information disclosure of Listed Companies in China.

4.1 The current situation of compulsory accounting information disclosure of Listed Companies in China

4.1.1 Analysis on the completeness of the system

In order to improve the quality of information disclosure of listed companies, Shanghai Stock Exchange and Shenzhen Stock Exchange issued the assessment methods of information disclosure of Listed Companies in May 2001, and began to assess the information disclosure of listed companies.

In order to strengthen the supervision of information disclosure of listed companies, Shenzhen Stock Exchange revised 《the assessment measures for information disclosure of listed companies of Shenzhen Stock Exchange》 in 2008 and 2011. In 2013, Shanghai Stock Exchange published 《the evaluation measures for information disclosure of listed companies of Shanghai Stock Exchange (Trial)》 They are all for the assessment and evaluation of mandatory information disclosure, but there are no clear indicators and measures for the evaluation of voluntary information disclosure.

4.1.2 Statistical analysis of illegal listed companies.

The government's supervision over the accounting information disclosure of listed companies is mainly reflected by the punishment for the violation of the regulations in the disclosure of accounting information of listed companies, which is mainly implemented by the CSRC, Shanghai Stock Exchange and Shenzhen Stock Exchange in accordance with the securities law of the people's Republic of China. The types of punishment include ordering correction, warning and fine, warning and fine to the relevant responsible person. Since 2013 and 2014, 180 listed companies in Shanghai and Shenzhen have been punished by CSRC, local securities regulatory bureaus, inspection bureaus, exchanges and other regulatory agencies for various violations, of which 42 listed companies have been fined by relevant departments with a total amount of 1.57 billion yuan. It is understood that the main reason for the listed company to be punished for violating the regulations is that it fails to

perform its duties according to law, the information disclosure is false or seriously misleads the investors.

4.2 The current situation of voluntary accounting information disclosure of Listed Companies in China

4.2.1 Poor quality of voluntary disclosure

China's listed companies' voluntary information disclosure is not only a small number, but also a big discount in the authenticity of the information disclosure, and the content has no practical significance.

4.2.2 Voluntary disclosure is selective

In addition to the poor quality of information disclosure, there is also a common practice of "reporting good but not bad" in China's listed companies, covering up the adverse news affecting the company's image or production, or even not mentioning it at all.

4.2.3 Excellent companies begin to increase voluntary disclosure.

At present, some large listed companies with good quality take voluntary information disclosure as a key point of information disclosure, and the content of annual report increases year by year. Even if the market performance is unsatisfactory, the company's approach is to protect the company's social public image in the interests of the majority of investors and shareholders.

5. Measures to improve the quality of accounting information disclosure of Listed Companies in China

5.1 Measures to improve the quality of compulsory accounting information disclosure of Listed Companies in China

5.1.1 Improve the corporate governance structure

(1) To improve the corporate governance structure, we must constantly optimize the equity structure of listed companies and adopt various methods to encourage shareholders to actively participate in the general meeting of shareholders, when the shareholders' meeting of a listed company considers major matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors shall be counted separately.

(2) To strengthen the supervisory function of the board of supervisors, listed companies set up the board of supervisors in order to play a supervisory role, but at present, the board of supervisors of listed companies is also a mere formality, which does not play a real supervisory role.

(3) From the aspect of market and supervision, we should exert pressure on the accounting information disclosure of listed companies, strengthen supervision from all angles, and make it more difficult for listed companies to disclose untrue, incomplete and untimely accounting information.

5.1.2 Strengthen the supervision and punishment of disclosure.

In China, China Securities Regulatory Commission is the main body to supervise the information disclosure of listed companies. However, the CSRC has not fully played its due regulatory role, and the punishment for violations is not enough. Therefore, it is not only necessary to strengthen the supervision of the company's internal control and accounting information disclosure, to improve the response speed to the attack of illegal accounting information disclosure, but also to make a quick decision once the illegal events are investigated and dealt with.

5.1.3 Strengthen the construction of internal control

At present, the staffing of some listed companies' financial departments is unreasonable, and sometimes there will be the situation that accountants concurrently serve as cashiers, which is easy to cause accounting personnel fraud, therefore, the accounting personnel of listed companies must be independent, restricted and supervised each other, and constantly improve the professional quality of accounting practitioners, which is helpful to strengthen the construction and improvement of internal control of the company.

5.2 Measures to improve the quality of voluntary accounting information disclosure of Listed Companies in China.

5.2.1. Strengthen guidance and protection

Voluntary information disclosure of listed companies is a useful supplement and deepening of mandatory information disclosure. It is of great significance to improve the quality of information disclosure of listed companies and show their future value. At present, China's securities market is not perfect, there is a crisis of integrity everywhere, in the face of the reality of voluntary information disclosure, we should encourage and supervise the way to improve the quality of voluntary information disclosure of listed companies.

5.2.2 Increase efforts to encourage voluntary disclosure

At present, although regulators have been guiding and encouraging listed companies to voluntarily disclose some information, they are only in the form of no substantive measures. First of all, we should pay attention to the cultivation of awareness, so that the managers of listed companies really realize the importance of voluntary disclosure of information; Secondly, regulators should strengthen the publicity of successful cases of listed companies' voluntary disclosure of information, so as to learn from experience; Finally, regulators should establish an evaluation system of voluntary information disclosure.

5.2.3 Strengthening the legal protection of voluntary information disclosure

Listed companies will be reluctant to disclose information about the company's future because of the increasing high litigation risk. In order to strengthen the legal protection of information disclosure of listed companies, information disclosure of listed companies can be divided into "intentional manipulation" and "reasonable deviation" according to information deviation, when the forecast information is not accurate, it can be treated differently according to the classification, in order to enhance the protection of listed companies and reduce the risk of litigation caused by the disclosure of information.

5.3 The combination of compulsory disclosure and voluntary disclosure of accounting information of listed companies.

How to make the compulsory disclosure and voluntary disclosure play their respective advantages, and comprehensively improve the quality of accounting information disclosure, the key is to grasp the same points of compulsory information disclosure and voluntary information disclosure. We should consider the following two aspects:

First, the contents disclosed by the two disclosure methods should be unified to achieve the purpose of full disclosure; Second, regulatory authorities should formulate the basic content of mandatory information disclosure of listed companies.

5.3.1 The unity of the two disclosure methods

Mandatory disclosure is mainly through prospectus, share allotment prospectus, listing announcement, interim financial report, annual financial report and major events announcement. The main contents of the disclosure include: important tips, company profile, summary of accounting data and financial indicators, report of the board of directors, asset transactions, related transactions, major litigation and arbitration, changes in share capital and shareholders' information.

Voluntary disclosure mainly includes: disclosure of key performance indicators with high sensitivity to performance, analysis of the assumed conditions, calculation methods, selection basis, as well as the reasons and trends of changes; disclosure of the names and sales of the top five customers, the names of the top five suppliers and the purchase amount; Disclosure of the work of actively performing social responsibility helps investors to make rational investment judgments and decisions. Due to the complexity of measurement and disclosure, there is no "soft information" with mandatory disclosure conditions. For "hard information" and "soft information", we should make sure that there are soft in the hard and hard in the soft, and integrate them to play a greater role.

5.3.2 The basic content of mandatory information disclosure of listed companies should be formulated by regulatory authorities

In practice, there are still many problems in the compulsory and voluntary disclosure of accounting information. Most of the listed companies make mandatory disclosure in accordance with the requirements of the stock listing rules and the information disclosure format guidelines of regulatory agencies such as the exchange, basically in accordance with the minimum standards for information disclosure, I'm afraid that "more words will lose", and may have to bear the litigation costs if not careful. However, honesty is the basis of information disclosure of listed companies, and the quality of information will directly affect the decision-making of market investors. In view of this, regulators should balance the relationship between listed companies and investors so that the information is relatively symmetrical.

6. Concluding remarks

At present, although China has initially formed a more scientific accounting information mandatory disclosure system, there are still too many mandatory information disclosure regulations in the securities market, which are only in form, and the number of voluntary information disclosure is insufficient, resulting in the imbalance of information disclosure, which makes investors unable to obtain timely, complete and accurate accounting information of high quality. It has seriously affected the rights and interests of investors.

Therefore, this paper analyzes the advantages and disadvantages of compulsory information disclosure and voluntary information disclosure and the relationship between them through the method of combining theory with practice. Combined with the current situation of these two information disclosure methods, this paper puts forward the measures of how to play their advantages and improve the quality of information disclosure.

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