

Revelación voluntaria de información, cobertura mediática y favorabilidad. Efectos en el coste del capital propio, las provisiones de beneficios y la manipulación del resultado

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Abstract

The study of the role of information in the capital market is fundamental, since greater disclosure of information reduces asymmetric information, a basic prerequisite for the smooth functioning of the markets. Nevertheless, there is not consensus regarding the effects of the revelation of information in the capital market, and in the majority of the cases has been analyzed the effect of the voluntary disclosure of information given by the company, and scarcely other types of information have been treated. The objective of this dissertation is to evaluate, in front of the effect of the information provided by the company itself by means of the annual report, the effects of the media coverage and its favorability in three important economic-financial variables: the cost of equity capital, the precision of the earnings forecasts made by financial analysts and the earnings management. The interactions between the two types of information analyzed, as well as with favorability, are also considered, additionally distinguishing between the type of media which publishes the information – four daily newspapers of generalist information or three specialized in economic information. The research is carried out for non-financial companies that were listed in the continuous Spanish market in the 1998-2008 time-period. The results show that media coverage has more effects over the variables considered than the information voluntarily revealed by the company. In fact, this only influences in increasing the probability of the positive bias of earnings forecasts or, rather, only for those companies with greater media coverage, diminishing the earnings management. Nevertheless, media coverage reduces the cost of equity capital (especially for companies with more presence in the media and with the greatest favorability) and earnings management (especially for the companies with less presence in the media and most indebted), not having an effect on the precision of the earnings forecasts by the analysts nor on its bias. On the other hand, favorability reduces the cost of equity capital and negatively affects the precision of the earnings forecasts. In the case of the reduction of the cost of equity capital, this effect is provided by the media coverage and the favorability of the specialized daily newspapers in economic information.