

[Available Issues](#) | [Japanese](#)>> [Publisher Site](#)

Author:  [ADVANCED](#) | Volume  Page   
 Keyword:   |



[TOP](#) > [Available Issues](#) > [Table of Contents](#) > [Abstract](#)

ONLINE ISSN : 1349-6778

PRINT ISSN : 1349-6786

## The Kyoto Economic Review

Vol. 74 (2005) , No. 2 pp.215-233

[\[PDF \(296K\)\]](#) [\[References\]](#)

### Structural Changes in the Contemporaneous Linear Relation between Returns and Earnings after 1997 Financial Crisis in Korea

[Jong-Seo Choi](#)<sup>1)</sup> and [Ji-Kyung Jang](#)<sup>2)</sup>

1) Professor of Accounting, College of Business, Pusan National University

2) Ph.D student, Department of Accounting, Graduate School, Pusan National University

**Abstract:** We study the effect of accounting reforms on the quality of accounting information after the 1997 financial crisis in Korea. Using observations of accounting earnings and stock returns over the past 20 years for the companies listed on the Korea Stock Exchange, we find that the contemporaneous linear relation between stock returns and accounting earnings has changed after the accounting reforms in the late 1990s. The association between annual earnings and returns has strengthened since the 1997 crisis. We also find that the changes in the association between annual earnings and returns are partly explained by the changes in asymmetry and lags effect. Annual earnings reflect good and bad news in a more asymmetric fashion and have a stronger association with lagged price changes surrounding the financial crisis.

**Keywords:** [returns-earnings relations](#); [Asian financial crisis](#); [accounting reforms](#); [asymmetry effect](#); [lags effect](#)

[\[PDF \(296K\)\]](#) [\[References\]](#)

Download Meta of Article [\[Help\]](#)

[RIS](#)

[BibTeX](#)

To cite this article:

Jong-Seo Choi and Ji-Kyung Jang; "Structural Changes in the Contemporaneous Linear

JOI JST.JSTAGE/ker/74.215

Copyright (c) 2006 by Graduate School of Economics, Kyoto University

---



---

[Japan Science and Technology Information Aggregator, Electronic](#) 